Ms. Natalia Li
Director, Office of Consumer Policy
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

February 20, 2024

RE: Request for Information on Financial Inclusion (TREAS–DO–2023–0014)

Dear Ms. Li:

Americans for Financial Reform Education Fund (AFREF) appreciates this opportunity to submit comments on the Department of the Treasury's request for information on financial inclusion.[1] AFREF is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups dedicated to advocating for policies that shape a financial sector that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice that includes the impact of bank resiliency on the economy, communities, consumers, and small businesses.

The 2023 Consolidated Appropriations Act directed the Department of Treasury to develop a strategy to improve financial inclusion "to broaden access to financial services among underserved communities and improve the ability of such communities to use and benefit from financial tools and services."[2] Developing a financial inclusion strategy is long-overdue and a necessary step to understand and begin to address the contributions of inequitable access to financial products and services for disadvantaged communities to the persistent racial economic inequality in the United States. Improving financial inclusion benefits underserved households and communities, strengthens their economic security and resilience, promotes broad-based economic growth, and reduces economic inequality.

The barriers to financial inclusion mean that lower-income families have more difficulty accessing needed financial services, typically pay more, and often receive lower-quality products for transactions (paying bills, remittances, and making purchases), savings (bank accounts, retirement savings, and more), accessing credit (for education, vehicles, homeownership, small businesses, and more), managing risk (homeowners, auto, disability, and health insurance). The current financial system burdens people with less wealth or fewer financial resources — such as imposing fees for having smaller account balances — in ways that reinforce and amplify the economic inequalities

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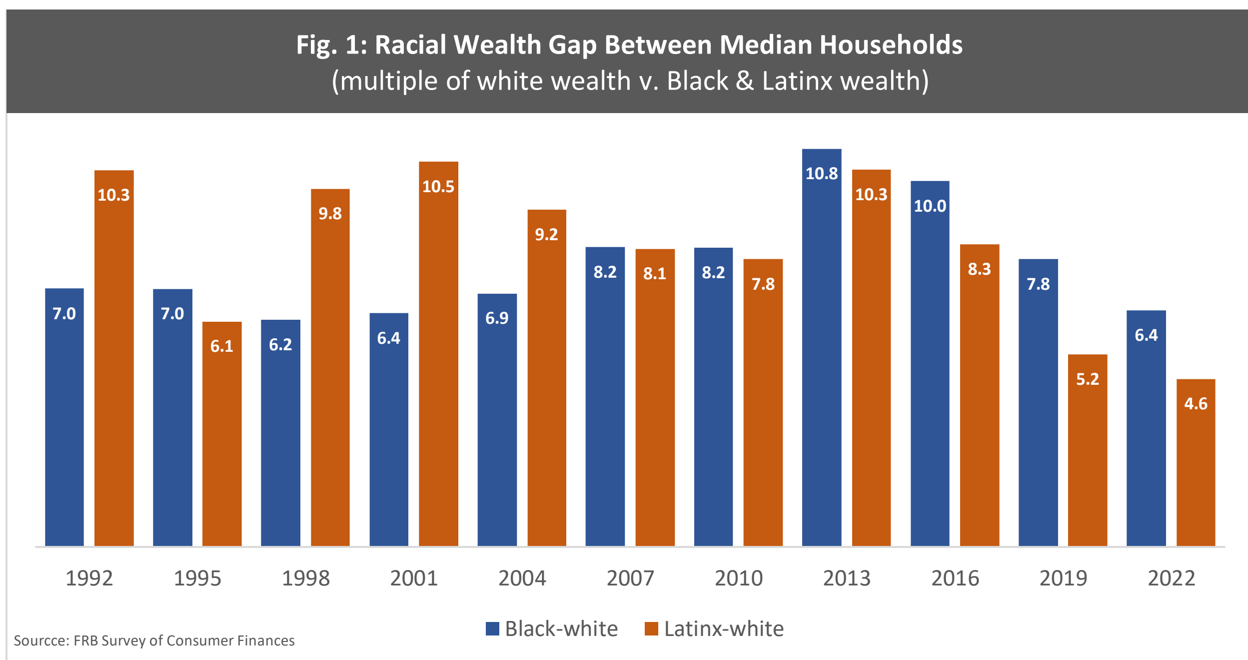
[1] Department of the Treasury. Request for Information on Financial Inclusion. 88 Fed. Reg. 245. December 22, 2023 at 88702 et seq.
[2] Committee on Appropriations. U.S. House of Representatives. Consolidated Appropriations Act of 2023. Legislative Text and Explanatory Statement. H.R. 2617/Public Law 117–328. December 23, 2022 at 1154.

built on past and continuing racism and perpetuate racial economic inequality and precarity. Additionally, the biases in the financial system impact the data infrastructure undergirding the financial system (including credit scoring and big-data commercial collection) that can further exacerbate equitable access to the financial system. Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers frequently face wide disparities in access, price, quality, and suitability for financial products and services and are more susceptible and vulnerable to unfair, deceptive, and abusive practices.

The reality is that these families often spend more to access lower-quality, less suitable financial services in nominal dollars and as a share of their more limited income. The inequities in accessing the financial system make it even harder for families to build wealth and create additional hurdles on top of the systemic and structural racism that have impeded economic advancement, generational wealth-building, and locked in racial economic inequality (including discrimination, racial redlining, occupational segregation into low-wage jobs, and more).

This lack of financial inclusion is an important contributing factor to persistent racial economic inequality. In 2022, typical Black and Latine families have lower incomes (about 44 percent lower) and far lower household net worth (about 80 percent lower) than typical white families according to Federal Reserve data.[3] The gap between Black and white wealth today is essentially the same as it was before the civil rights movement — a depressing failure to make progress on economic equality.[4]



[3] Federal Reserve Board. Survey of Consumer Finances 2022. Before Tax Median Family Income and Median Household Net Worth. 2023.
[4] Kuhn, Moritz, Moritz Schularick, and Ulrike I. Steins. CESifo. "Income and Wealth Inequality in America, 1949-2016." Working Paper No. 6608. June 2018.

Over the past three decades, the typical white families have had about 8 times the median net worth of typical Black and Latine families (see Figure 1). These racial wealth gaps have risen during financial crises when the inequitable access to financial products and services can exacerbate the wealth-destroying impacts of economic downturns, such as the mortgage foreclosure crisis that disproportionately impacted Black and Latine families that were more likely to receive predatory subprime mortgages. Today, the racial homeownership gap is at its highest point in a decade, with the Black homeownership rate currently 29 percentage points lower than the white homeownership rate, while the Latino rate is 22 percentage points lower.[5] Due to the racial wealth gap, borrowers of color are also less likely to be able to pay a 20 percent downpayment when buying a home.[6]

AFREF supports the effort to develop and implement a financial inclusion strategy to reduce the inequitable access to financial products and services as an important component of addressing this yawning racial economic divide. This comment addresses the components and factors the Treasury Department should consider to define the contours of financial inclusion and provides examples of the kinds of metrics necessary to fully evaluate financial inclusion. These examples are descriptive and illustrative, not a comprehensive assessment of the barriers disadvantaged consumers or communities face in accessing financial products and services. Finally, this comment makes several broad recommendations to further a financial inclusion strategy including developing public financial infrastructure, forgiving student loan debt, aggressive enforcement of civil rights and fair lending laws, and policy guardrails to protect vulnerable consumers from unfair, deceptive, and abusive financial products and practices.

The Treasury Department should consider a range of components of financial inclusion: Financial inclusion constitutes the ability of all people to equitably access the benefits of financial intermediation to secure services to transact the business of daily life, save for the future, and protect against adverse financial risk, that are necessary to build economic security and household wealth. The Treasury Department should assess financial inclusion based on the extent financial products and services are accessible, geographically available, affordable, equitably offered, suitable and appropriate, and are safe and secure and free from unfair, deceptive, and abusive practices.

> ***Accessibility:*** The Treasury Department should evaluate the accessibility of financial services that would include the proportion of people (broken down by demographic and geographic groups) that are using and fully utilizing financial products and services. Although there are some people that choose not to use certain financial products and services because of personal preferences, the prevalence of use is an important metric of financial access. The Treasury Department notes several of these metrics in its request for comment such as the percentage of people with bank accounts and credit cards. Demographic-based prevalence should be collected and evaluated for every kind of financial product and service, for example homeownership rates, retirement savings vehicle rates, health insurance rates, and other usage product usage rates.[7]

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[5] National Association of Realtors. [Press release]. "More Americans Own Their Homes, but Black-White Homeownership Rate Gap is Biggest in a Decade, NAR Report Finds." March 2, 2023.

[6] McKay, Lisa Camner. Federal Reserve Bank of Minneapolis. "How the racial wealth gap has evolved—and why it persists." October 3, 2022.

[7] Data sources for demographic prevalence can come from the Federal Reserve Board Survey of Consumer Finances, FDIC Survey of the Unbanked and Underbanked, and Census Bureau reporting on homeownership rates. The Treasury Department should consider developing a robust survey instrument for a broader range of financial products and services, including fringe financing, to fulfill the statutory purpose of launching a financial inclusion strategy.

Further, the evaluation should assess the extent to which those that access the financial products are fully served by the offerings they receive. For example, the request for information notes that many consumers have bank accounts but access other financial services to pay household bills, which suggests that they are underserved by their current bank account, also known as underbanked.

Proximity: The Treasury Department should evaluate the geographic proximity of available financial products and services to assess the prevalence of communities underserved by mainstream financial services and those served by high-cost, fringe financial firms. The historic and persistent geographic patterns that are an ongoing legacy of redlining have left many communities and neighborhoods without bank branches (or full-service bank branches), insurance agents, and other financial services. The same dearth of financial services is common in rural communities and smaller towns and cities. Many of the communities underserved by traditional financial services have an excess of fringe financial firms that offer higher-cost, lower-quality financial products and services, such as check-cashing outlets, pawn shops, rent-to-own stores, payday and car title lenders, tax refund anticipation lenders, and more.

Affordability: The Treasury Department should include an evaluation of the full cost and terms of each financial product and service**.** Many lower-income and underserved consumers cannot afford to access some financial services, either because of prohibitive entry costs (such as minimum balance or initial deposit requirements on bank depository accounts or stored value debit cards), high periodic or usage fees (such as monthly fees or off-us ATM fees), or high penalty or other fees (such as overdraft fees or late payment fees) that make accessing financial products prohibitively expensive. Some financial products or services have costs or prices far in excess of the cost of providing the service (such as overdraft fees). Affordability assessments should consider the full range of costs and typical costs and financial prerequisites including initiation requirements, maintenance requirements, monthly fees, interest charges (both for deposit accounts and for loan repayment), penalty fees, transaction or usage fees, and other fees and charges. These financial product costs and affordability assessments should be for the advertised prices but also for the total costs for typical usage over the course of one year.

Equity: The Treasury Department should include an evaluation of whether financial products and services are offered equitably to all consumers and communities. The financial industry has a long-history of failing to serve all consumers and communities, long-standing problems with bias in lending and credit markets, and too frequent concerns about racial discrimination. The evaluation of equity in financial inclusion should include determining whether there are patterns of disparate treatment or disparate outcomes of accessing financial products and services on equal terms, prices, and conditions for Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English Proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers. Determining the distribution of products and services among disadvantaged groups (for examples the share of credit cards to Black, Latine, and indigenous consumers) or the geographic distribution of financial firms (for example, the share of subprime auto dealers near military bases or rent-to-own stores in lower-income areas) would assist in evaluating the equitability of financial inclusion. This should include an assessment of products and firms' failure to comply with relevant civil rights and fair lending laws.

Suitability: The Treasury Department should evaluate the suitability of financial products and services that are offered to disadvantaged consumers and communities. Suitability includes assessing whether the product or service meets the needs of consumers, is appropriate to their financial situation, has reasonable terms, conditions, and prices for that need, and does not expose consumers to excessive risks relative to their financial situation, goals, and investment profile. Suitability assessments are most commonly applied to retail investment, insurance, annuity, or retirement products, but suitability also can and should be applied to credit and transaction products. For example, the majority of short-term borrowers with payday loans and car title loans roll-over their loan because they are unable to pay off the high-interest loans, putting these borrowers on a never-ending treadmill of nearly unserviceable debt. These consumers may need to access short-term, unsecured credit (most people have no or negligible savings for emergencies), but these payday loan and car title loan products are unsuitable to their needs and ability to repay.

Security and consumer protection: The Treasury Department should assess the security and consumer protection of financial products, services, and data. Many financial products and services contain hidden fees or costs as well as complex and undisclosed terms and conditions and some of these products can be deceptive, fraudulent, unfair, and abusive. Consumers' financial data is vulnerable to fraud, breach, and identity theft. The terms and conditions of financial products are poorly disclosed even for sophisticated consumers to evaluate and compare, including for mainstream financial products like bank accounts and credit cards. Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English Proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers are disproportionately subject to predatory and abusive financial products, especially those offered by less-regulated fringe finance companies. The prevalence of unfair, deceptive, and abusive financial products and practices creates barriers to financial inclusion through higher costs and the erosion of trust in financial products and financial regulators.[8]

The emergence of app-based, platform-based financial services (for payments, credit, or savings, commonly referred to as financial technology or fintech) may provide some access for consumers in geographies that are underserved by mainstream financial providers but offer complex terms, hidden fees, insecure privacy and limited data protection, few consumer protections, and ultimately costly products. These fintech products are poorly regulated and often skirt federal banking regulatory oversight to offer quasi-bank products through affiliations with banks chartered in states with weaker consumer protections and higher usury caps (a process known as rent-a-bank).[9] Further, these payment apps often share or sell users financial data with third parties and can be vulnerable to cyberbreaches that can expose users to costly identity theft or fraud.

Crypto assets and platforms represent perhaps the most recent and most visible example of these fintech patterns. Many crypto products and services constitute a form of "predatory" financial inclusion with promoters essentially suggesting that technology can override basic

[8] Data sources for unfair, deceptive, or abusive practices could include the Consumer Financial Protection Bureau Consumer Complaint Database, the Federal Trade Commission's Consumer Sentinel Network database, and the Department of Justice civil fraud section lawsuits and settlements.

[9] CFPB. CFPB v. Think Finance, LLC. Complaint. U.S. District Court of Montana, Great Falls Division. November 15, 2017 at 25.

economics or supplant the need for basic governance and sound regulation and oversight. Though the crypto industry claims that the underlying technology used to develop and deploy crypto assets can be used to make all manner of financial services cheaper, faster, and more secure, the industry's documented track record shows a very different trajectory. Crypto assets are largely used for financial speculation. The technology is often slow, difficult, energy intensive, expensive to bring to scale, and rife with technological bugs and flaws that contribute to near daily hacks and glitches. The industry ecosystem itself is rife with fraud, scams, and other types of financial crime and exploitation. The predominant industry business models rely primarily on zero-sum, pyramid-scheme-like economics where a select number of early investors depend on and benefit from the liquidity from a larger pool of later investors, often leaving those later investors "holding the bag" when the artificially inflated value of such assets collapses to zero. Consumers — particularly lower-income Black, Latine, and indigenous consumers who often lack access to generational wealth, comprehensive fiduciary investment advice, or sustainable credit — can ill afford exposure to this type of risk, harm, and volatility.

The Treasury Department should consider the full range of financial products and services that families use to conduct the business of daily life: The Treasury Department should apply each component of financial inclusion across the full range of financial products and services that families could need to potentially access and evaluate disparities in each component (availability, proximity, affordability, equity, suitability, and security and consumer protection). The Treasury Department should include any product or service intended to facilitate payments, provide credit, provide a vehicle for savings and retirement, manage financial risk, and maintain and analyze consumer financial data.

The Treasury Department should be especially cognizant of the two-tiered financial system that effectively segregates many underserved consumers and communities into less appropriate and more expensive financial products. The Treasury Department should assess the extent to which people have difficulty accessing mainstream financial services or are shunted into so-called alternative or fringe financial services (payday lenders, check cashers, etc.).

Transactions and payments: People need transaction and payment vehicles to pay bills and make purchases. The Treasury Department should include all transaction and payment vehicles that people commonly use, including an assessment of their costs, fees, terms, and conditions. This should include insured depository transaction accounts and the minimum deposit to open accounts, minimum balance requirements, monthly fees, cost for money orders, and other typical fees (such as overdraft fees and ATM off-us fees).[10] Nearly 6 million U.S. households are unbanked and Black and Latine families are four times more likely to be unbanked than white families (8 percent, 8 percent, and 2 percent, respectively).[11] Another 19 million households were underbanked, they had a bank account but utilized fringe financial services like check cashers or payday lenders and Black and Latine families were more than twice as likely to be underbanked

[10] Potential data sources for accessing bank accounts (both transaction and savings) include the FDIC Survey of the Unbanked and Underbanked, the Federal Reserve Board Survey of Consumer Finances, and the Census Bureau Survey of Income and Program Participation; fee data is available from industry (such as Bankrate's fee survey), consumer surveys (such as U.S. PIRG's fee survey), and state regulatory surveys (such as New Jersey's Consumer Guide to Bank and Credit Union Fees).

[11] Federal Deposit Insurance Corporation (FDIC). "2021 FDIC National Survey of Unbanked and Underbanked Households." October 2022 at 1 and 2.

than white families (25 percent, 24 percent, and 9 percent, respectively).[12] The majority of the unbanked identified high minimum balance requirements and high fees as a barrier to having bank accounts.

Payment vehicles also include prepaid stored value cards (including government issued prepaid cards, campus pre-paid cards, and other stored value devices) and mobile payment systems and peer-to-peer apps that can be used to pay bills and make purchases and the fees and costs for these services. The fintech payment vehicles are vulnerable to fraud and error that can be difficult or impossible to remedy or get reimbursed. Finally, there are a range of fringe or alternative payment and transaction providers such as check cashing outlets and currency exchanges that charge fees to pay utility bills, provide money orders, or make remittances. One-third (32 percent) of unbanked households use money order services and one-fifth (22 percent) use check cashing services.[13]

Savings, retirement, and wealth building: People need savings vehicles to build wealth, set aside money for emergencies, become homeowners, and save for retirement. Even basic checking accounts can have minimum balance requirements and carry monthly fees or conditions (like requiring an automated direct deposit and/or a linked transaction account) and penalty fees (including overdraft, stop automated payment, or inactivity fees). These conditions can make these accounts difficult to afford or maintain for lower-income families.

The racial wealth gap is perpetuated, in part, because of the disparities in savings vehicles, especially retirement accounts, that are related to racial income disparities and employment discrimination and segregation that diverts many Black, Latine, and indigenous workers into lower-wage occupations with limited or no retirement benefits. Lower earnings mean Black and Latine families have less to contribute to retirement savings, even if they are available from their employers. As a result, fewer Black and Latine families have retirement accounts than white families and have far lower median values in those accounts. In 2022, white families were about twice as likely to have retirement accounts than Black or Latine families (62 percent, 35 percent, and 28 percent respectively) and had about twice as much money in these accounts ($100,000, $39,000, and $55,000, respectively).[14] These racial gaps mean that Black and Latine families owned a tiny sliver of stock equities and mutual funds (1.0 percent and 0.6 percent, respectively), while white families held 84 percent of stock and mutual fund value in 2020.[15] These savings can be compromised by unsuitable retirement investment advice that can steer families into retirement vehicles with higher-fees or that are inappropriately risky or poorly aligned with household needs. These unsuitable products can reward advisors with conflicts-of-interest that receive higher fees or commissions for promoting investment products that are not in families' best financial interest.

Credit: Families need to access to fair and sustainable credit to build wealth by buying homes, investing in businesses, purchasing vehicles to get to work, attend higher education, and cover

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[12] Federal Deposit Insurance Corporation (FDIC). "2021 FDIC National Survey of Unbanked and Underbanked Households." October 2022 at 75 and 76.

[13] FDIC. "2021 FDIC National Survey of Unbanked and Underbanked Households." October 2022 at 39.

[14] FRB. Survey of Consumer Finances. Retirement Accounts by race or ethnicity. 2022.

[15] Federal Reserve Board. Distributional Financial Accounts. Corporate equities and mutual fund shares by race 4Q 2020.

emergency and household expenses. Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English Proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers have historically faced significant barriers accessing credit at affordable prices and reasonable terms. This is especially true for Black, Latine, and indigenous people and communities which faced state-sanctioned discrimination in home mortgage lending that redlined entire communities as uncreditworthy. Although this discrimination was officially outlawed decades ago under the Fair Housing Act and Equal Credit Opportunity Act, the racial wealth gap caused by these practices continues to persist today, affecting the ability of Black, Latine, and indigenous families to access credit and build wealth since the redlined and segregated communities have lower homeownership rates, lower housing values, and consequently less access to other forms of mainstream credit. The result is that it is harder for Black and Latine families to access credit, they tend to pay higher fees, and they can receive lower quality credit products. For example, Black and Latine borrowers continue to face price discrimination in auto purchase loans that steer them into more expensive loan products. The striking racial disparities in accessing credit to build wealth are a substantial barrier to financial inclusion for every credit product and lending channel. Moreover, the two-tiered credit system that diverts lower-income, Black, Latine, and other disadvantaged borrowers into higher-priced and unfairly structured financial products undermines rather than helps their economic security and contributes to racial economic inequality.

- *Personal credit, credit cards, and fringe finance:* Consumers use credit cards to make secure, convenient purchases that are effectively short-term loans. In 2022, white consumers were significantly more likely to have a credit card than Black or Latine consumers (88 percent, 72 percent, and 77 percent, respectively) and white applicants were significantly less likely to be rejected for credit cards than Black or Latine applicants (19 percent, 41 percent, and 36 percent, respectively).[16] Although it is harder for Black and Latine consumers to access credit cards, they are more likely to use a large share of their credit limit and be severely delinquent on their debt. In 2023, the Federal Reserve Bank of Philadelphia reports that borrowers in Black and Latine communities are more likely to use over 75 percent of their credit limit than borrowers in white communities (41 percent, 34 percent, and 21 percent, respectively) and more likely to be severely delinquent (25 percent, 16 percent, and 9 percent, respectively).[17] Moreover, the opaque terms and multiple fees of credit cards, including interest rates and rate increases, late payment fees, annual fees, cash advance, and other fees can impose additional burdens for lower-income consumers. The Consumer Financial Protection Bureau reported that consumers were charged $25 billion in fees and $105 billion in interest in 2022 (largely before recent interest rate increases).[18]

  Fringe finance companies offer high-cost, high-fee loans to lower-income, disproportionately Black and Latine borrowers that are excluded from the traditional finance system because of low incomes, poor or no credit, and lack of local traditional financial businesses. These fringe lenders can offer cash-advance or payday loans, car-title loans, installment loans, pawn shop loans, tax refund anticipation loans, and rent-to-own

[16] Pokora, Becky. "Credit card statistics." *Forbes*. March 9, 2023; Dodge, Krystle. "Statistics of credit card debt: Who owes what—by race, gender, class and more." Expensively.com. October 13, 2023.

[17] Federal Reserve Bank of Philadelphia. Consumer Credit Explorer. 2023.

[18] Consumer Financial Protection Bureau. [Press release]. "CFPB Report Finds Credit Card Companies Charged Consumers Record-High $130 Billion in Interest and Fees in 2022." October 25, 2023.

merchants. Payday and car title loans create a long-term, high-cost debt trap that causes serious financial harm, including increased difficulty meeting basic household needs, loss of a vehicle, and bankruptcy. Payday and car title lenders extract nearly $8 billion in interest and fees from consumers every year.[19] And 8 in 10 payday loans go to paying off another payday loan.[20] About one in 25 families take out a payday loan each year and Black and Latine consumers are over twice as likely to have a payday loan.[21]

- *Home mortgage lending:* Homeownership can be a critical pathway to build household and generational wealth and provide family stability, but Black, Latine, and indigenous families have faced severe barriers to homeownership and home purchase mortgage credit because of the legacy of redlining and lending discrimination. There have been decades of studies that have documented that Black, Latine, and indigenous families are less likely to be approved for mortgages and pay higher interest rates and fees than white borrowers.[22] These patterns are true for home purchase, home improvement, and refinance loans.[23] Moreover, biases in home appraisals undervalue homes in Black and Latine neighborhoods, undermining the wealth-building potential for these families.[24] In the years before the financial crisis, Black and Latine families were far likelier to receive subprime, predatory mortgages with toxic terms and the foreclosure crisis erased the home equity of millions of families. An Urban Institute white paper found that the combination of unemployment, foreclosure, and the erosion of home equity eliminated nearly half the wealth of Black and Latine families (48 percent and 44 percent, respectively), compared to one-fourth of the wealth of white families (26 percent).[25]

  These patterns are still prevalent. A 2021 Joint Center for Housing Studies at Harvard study found that Black homeowners had higher mortgage interest rates than white homeowners at every income level and even Black homeowners earning more than $100,000 annually had higher interest rates than white homeowners earning less than $30,000 annually.[26] Black and Latine homeowners also did not benefit equitably from the mortgage refinance opportunities when interest rates fell to record lows, leaving them locked into more expensive loans than

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[19] Standaert, Diane et al. Center for Responsible Lending. "Payday and Car-Title Lenders Drain Nearly $8 Billion in Fees Every Year." April 2019 at 3.

[20] Burke, Kathleen et al. CFPB's Office of Research. "CFPB Data Point: Payday Lending." March 2014 at 4 to 5.

[21] Bricker, Jesse et al. "Changes in U.S. Family Finances from 2013 to 2016: Evidence from the Survey of Consumer Finances." Federal Reserve Bulletin. September 2017 at Table 5 at 27; Burhouse, Susan et al. Federal Deposit Insurance Corporation. "2013 FDIC National Survey of Unbanked and Underbanked Households—Appendices." October 2014 at Table 12A at 83.

[22] The Home Mortgage Disclosure Act Loan Application Register provides detailed information on the demographic distribution of applicants, the denial rate, and the price and terms for home purchase, home improvement, and refinance mortgage loans.

[23] Choi, Jung Hyun and Peter J. Mattingly. Urban Institute. "What Different Denial Rates Can Tell Us About Racial Disparities in the Mortgage Market." January 13, 2022.

[24] Rothwell, Jonathan and Andre M. Perry. Brookings Institution. "How racial bias in appraisals affects the devaluation of homes in majority-Black Neighborhoods." December 5, 2022; Freddie Mac. "Racial and Ethnic Valuation Gaps in Home Purchase Appraisals." September 20, 2021.

[25] McKernan, Signe-Mary et al. Urban Institute. "Impact of the Great Recession and Beyond: DIsparities in Wealth Building by Generation and Race." April 2014.

[26] Hanifa, Raheem. Harvard Joint Center for Housing Studies. "High-Income Black Homeowners Receive Higher Interest Rates than Low-Income White Homeowners." February 16, 2021.

necessary when interest rates rose. Freddie Mac estimated that nearly half of Black and Latine homeowners could have saved $1,200 annually by refinancing during the pandemic.[27] But Black and Latine homeowners refinanced at far lower rates, potentially because of factors including higher refinance rejection rates, lower appraisals, and higher closing costs, leaving these borrowers stuck in higher interest loans.[28] The ultimate result of these disparate patterns in home mortgage lending is that the homeownership rate for Black and Latine families continues to be significantly lower than for white families. In 2022, Black and Latine families had more than one third lower homeownership rates than white families (45 percent, 49 percent, and 74 percent, respectively).[29]

- *Small business credit:*[30] Small businesses are important engines for economic growth and household wealth building, but historic inequitable access to small business credit has impeded the ability of women and people of color to establish and grow entrepreneurial small businesses. This lack of equitable access to small business credit and capital contributes to the racial wealth gap. Persistent racial and gender structural inequalities and discrimination have suppressed entrepreneurship for women and people of color, costing communities of color billions of dollars in economic activity every year.[31] Studies have repeatedly found that Black, Latine, and Asian small business owners had lower access to capital, are charged higher interest rates, receive lower loan amounts, and have higher loan rejection rates than comparably creditworthy white small business owners.[32] In 2022, white families were far more likely to own businesses than Black or Latine families (16 percent, 11 percent, and 10 percent respectively) and the average businesses owned by white families were more than six times more valuable than the average business owned by Black and Latine families ($1.95 million, $316,000, and $263,000, respectively.[33]

- *Education loans and student debt:* The legacy of systemic racism and financial exclusion has burdened Black and Latine families and students with higher levels of student debt. Residential redlining and racial segregation have meant that communities of color have lower home values that can provide less funding for education (typically financed through property taxes). Racial wealth and income gaps mean that Black and Latine students are more likely to

[27] Freddie Mac. "Almost 50% of Black and Hispanic borrowers could save $1,200 annually by refinancing." May 12, 2021.

[28] Gerardi, Kristopher, Paul S. Willen, and David Hao Zhang. Federal Reserve Bank of Boston. "Mortgage Prepayment, Race, and Monetary Policy." Working Paper 20-7. 2020; JP Morgan Chase. "Measuring the gap: Refinancing trends and disparities during the COVID-19 pandemic." June 2023; Bond, Michelle. "Black and lower-income homeowners missed out on the refinancing boom spurred by low interest rates." *Philadelphia Inquirer*. March 7, 2022.

[29] U.S. Census Bureau. Housing Vacancies and Homeownership 2022. March 15, 2023 at Table 22.

[30] The forthcoming CFPB small business loan database will provide comparable small business loan application-level data as the Home Mortgage Disclosure Act data, such as rejection rates, distribution of applicants and originations, and loan pricing and terms.

[31] Liu, Sifan and Joseph Parilla. Brookings Institute. "Businesses Owned by Women and Minorities have Grown. Will COVID-19 Undo That?" April 14, 2020.

[32] de Zeeuw, Mels G. and Victor E. da Motta. Federal Reserve Bank of San Francisco. "Minority-owned enterprises and access to capital from Community Development Financial Institutions." *Community Development Innovation Review*. May 19, 2021 at 6 to 7.

[33] FRB. Survey of Consumer Finances. Business equity by race or ethnicity. 2022.

borrow for post-secondary education and have higher student loan debts and debt burdens.[34] Black women and Black men have higher student debt loads than white men and because of their lower earnings and they repay this debt more slowly, according to the Federal Reserve Bank of St. Louis.[35] In 2019, Black and Latine student loan borrowers were much more likely to have student loan obligations that exceeded their original loan amount than white borrowers (75 percent, 60 percent, and 51 percent, respectively).[36] The disparate racial impacts of student loan debt burdens and racial income inequality mean that many Black and Latine borrowers have high debt loads that compromise their ability to access other wealth-building credit, such as car loans, home purchase mortgages, or small business loans.

- *Vehicle loans:* People need vehicles to travel to their jobs and to manage households. Vehicle loans are the most common form of installment loans and the biggest loans for non-homeowners.[37] These loans are extremely complex and borrowers negotiate multiple components (such as trade-ins, down payments, car selection, vehicle loan, etc.) that have interrelated pricing and often include surprise add-on costs and fees.[38] The CFPB found that the buy-here-pay-here used car dealerships that focus on subprime borrowers can charge interest rates twice as high as banks and credit unions (20 percent versus 10 percent) and that these higher prices were not fully explained by borrower risk.[39] Buyers are particularly vulnerable to consumer abuses because they typically receive the loan terms (cost, interest rate, term) at the end of a lengthy search for a vehicle when they face a take-it-or-leave-it situation.[40]

  Between interest rates, loan terms and markups, auto dealers and lenders can manipulate prices in ways that can obscure disparate or discriminatory treatment for auto loans in violation of fair credit laws.[41] But Black and Latine car buyers do fare worse than white buyers. A 2023 study found that Black and Latine borrowers are less likely to be approved for car loans and more likely to pay higher interest rates than white borrowers.[42] A 2022 Federal Reserve Bank of Chicago study found that Black car buyers paid higher interest rate markups than white buyers, Black buyers were more likely to pay 2 percentage points higher,

[34] Neckar, Santul. "Canceling Student Debt Could Help Close the Wealth Gap Between White and Black Americans." *FiveThirtyEight*. May 31, 2022.

[35] Ana Hernández Kent, Ana and Fenaba R. Addo. Federal Reserve Bank of St. Louis. "Gender and Racial Disparities in Student Loan Debt." *Economic Equity Insights*. November 10, 2022.

[36] Beamer, Laura. Jain Family Institute. "Student Debtors: Data, Narrative, and Debt Cancelation." October 2022.

[37] Lanning, Jonathan A. Federal Reserve Bank of Chicago. "Testing Models of Economic Discrimination Using the Discretionary Markup of Auto Loans." 2022 at 3; Wilson, Kim et al. Board of Governors of the Federal Reserve System. "Nuts and bolts of today's auto finance market." *Consumer and Community Credit.* Vol. 4, No. 2. November 2023 at 1.

[38] Levitan, Adam J. "The fast and the usurious: Putting the brakes on auto lending abuses." *Georgetown Law Journal*. Vol. 108. 2020; Clarkberg, Jasper, Jack Gardner, and David Low. Consumer Financial Protection Bureau. "Data Point: Subprime Auto Loan Outcomes by Lender Type." Data Point No. 2021-10. September 2021 at 6.

[39] Clarkberg, Jasper, Jack Gardner, and David Low. Consumer Financial Protection Bureau. "Data Point: Subprime Auto Loan Outcomes by Lender Type." Data Point No. 2021-10. September 2021 at 3 and 4.

[40] Levitan, Adam J. "The fast and the usurious: Putting the brakes on auto lending abuses." *Georgetown Law Journal*. Vol. 108. 2020 at 1257.

[41] Melzer, Brian T. and Aaron Schroeder. CFPB. "Loan Contracting in the Presence of Usury Limits: Evidence from Auto Lending." Working Paper 2017-2. March 2017 at 24.

[42] Butler, Alexander W., Erik J. Mayer, and James P. Weston. "Racial disparities in the auto loan market." *Review of Financial Studies*. Vol. 36. 2023.

white buyers were more likely to avoid interest rate markups than Black buyers, and these disparities were robustly associated with dealer racial prejudice.[43]

Risk management and insurance: Families need access to insurance products to secure their economic futures against risks, including homeowners, auto, health, and disability insurance. Some insurance products are prerequisites for other credit products — homeowners' insurance is necessary for mortgage loans and auto insurance is necessary to operate a vehicle. But the lack of access to credit and the disparate impact of financial exclusion on credit scores (see below) means that Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers can have difficulty accessing necessary, appropriate, and affordable insurance products. The occupational segregation of Black, Latine, indigenous, immigrant, and women workers into low-wage, low-benefit jobs means that these workers are less likely to have employer-sponsored health insurance or disability insurance to reduce medical debt and safeguard their earnings in medical emergencies.

There is also substantial evidence of racial bias in homeowners' insurance and auto insurance that impedes access, raises prices, and lowers service and coverage for Black and Latine families. Homeowners insurance underwriters used pejorative, racially biased subjective criteria to exclude Black and Latine neighborhoods, had few agents serving these neighborhoods, and had marketing plans that excluded these neighborhoods.[44] In 2023, Maryland investigated and sued a homeowners' insurer for discouraging agents from writing policies in Black and Latine neighborhoods, effectively denying access to homeowners insurance based on race.[45] A 2020 St. John's University study found that homeowners in Black neighborhoods were less likely to get claims paid and received lower payments than homeowners in white neighborhoods.[46] A 2023 lawsuit used company specific data to document that Black homeowners had more difficulty getting claims considered, were subjected to discriminatory fraud detection, and had more difficulty getting claims paid than white homeowners.[47] The same patterns are evident in auto insurance. A 2015 Consumer Federation of America study found that good drivers in predominantly Black zip codes paid 70 percent more for auto insurance than drivers in predominantly white zip codes.[48] A 2017 ProPublica-Consumer Reports study found that drivers in predominantly Black and Latine neighborhoods paid 30 percent more than drivers in white neighborhoods with similar auto accident costs.[49]

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[43] Lanning, Jonathan A. Federal Reserve Bank of Chicago. "Testing Models of Economic Discrimination Using the Discretionary Markup of Auto Loans." 2022 at 24 to 25 and 36.

[44] National Fair Housing Alliance. "The Case for Fair Housing: 2017 Fair Housing Trends Report." 2017 at 25.

[45] Flitter, Emily. "Seeking the 'right' customers, an insurer Is accused of discrimination." *New York Times*. October 30, 2023.

[46] Browne, Mark J. Annette Hofmann, Xiao (Joyce) Lin. St. John's University. "Race Discrimination in the Adjudication of Claims: Evidence from Earthquake Insurance." May 29, 2020.

[47] Flitter, Emily. "New suit uses data to back racial bias claims against State Farm." *New York Times*. December 14, 2022.

[48] Feltner, Thomas and Douglas Heller. Consumer Federation of America. "High Price of Mandatory Auto Insurance in Predominantly African American Communities." November 2015.

[49] Angwin, Julia et al. "Minority Neighborhoods Pay Higher Car Insurance Premiums Than White Areas with the Same Risk." *ProPublica*. April 5, 2017,

The inequitable access to insurance products, especially homeowners and auto insurance, will likely be exacerbated by climate change and insurers' climate risk mitigation strategies. Climate risks tend to be higher in the Black and Latine communities that have faced redlining, lending discrimination, inequitable access to credit, and disinvestment. These communities have experienced decades of disinvestment in critical infrastructure, resulting in a lack of dedicated greenspaces, trees, and flood control mechanisms, along with the siting of environmentally-toxic land uses, which heighten the physical risks these communities face from climate change.[50] Some insurers are withdrawing from climate-vulnerable neighborhoods by refusing to renew coverage, limiting the offered coverage, and / or untenably raising premium prices , a process known as bluelining.[51] In states already hard-hit by climate change like California, Florida, and Louisiana, insurers are increasingly inappropriately denying claims and not renewing policies, raising rates, raising deductibles, or withdrawing from some areas altogether, forcing families into state policies of last resort that can be far more expensive and offer less coverage.[52] The climate risks combined with evaporating insurance coverage risks eroding the value of homes and the wealth-building potential of homeownership.[53]

Financial data and algorithms: The Treasury Department should evaluate the use of financial data and algorithms that can perpetuate racial bias and inequality. Credit scoring models provide algorithmic, modeled assessments of people's creditworthiness and estimate potential borrowers' ability to repay loans. These credit scores are a critical component of determining who is approved for credit and at what prices and terms by mainstream financial firms (banks, insurance, credit cards, vehicle dealers, etc.). But credit scoring often replicates the systemic racial biases of the financial system because the Black and Latine consumers with lower incomes, more medical debt, lower homeownership rates, fewer assets, and less credit history are deemed less creditworthy.[54] Black and Latine consumers that have credit scores tend to have lower average credit scores than white consumers (8 percent and 5 percent lower, respectively).[55] But these averages obscure far higher levels of subprime scores or no credit scores for Black and Latine consumers. The Consumer Financial Protection Bureau found that Black and Latine consumers were about 60 percent more likely to have no or invisible credit scores than white consumers (28 percent, 27 percent, and 16 percent, respectively).[56] A 2022 Urban Institute study found that there were far more people with subprime credit scores in Black, indigenous, and Latine communities than in white communities (41 percent, 43 percent, 29 percent, and 17

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[50] Mitchell, Bruce and Juan Franco. National Community Reinvestment Coalition. "HOLC 'Redlining' Maps: The Persistent Structure Of Segregation And Economic Inequality." March 2018; Moran, Barbara. "Mapping project explores links between historic redlining and future climate vulnerability." *National Public Radio WBUR-FM Boston*. March 6, 2021.

[51] Montgomery, Brooklyn and Monica Palmeira. Greenlining Institute. "Bluelining: Climate Financial Discrimination on the Horizon." August 2023.

[52] Pichi, Aimee. "Homes in parts of the U.S. are 'essentially uninsurable' due to rising climate change risks." *CBS News*. September 20, 2023.

[53] Jacobson, Lindsay. "Insurers such as State Farm and Allstate are leaving fire- and flood-prone areas. Home values could take a hit." *CNBC*. February 5, 2024.

[54] National Consumer Law Center. "Past Imperfect: How Credit Scores and Other Analytics 'Bake In' and Perpetuate Past Discrimination." May 3, 2016.

[55] Sandberg, Erica. "How race affects your credit score." *US News and World Report*. August 9, 2022.

[56] Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. Consumer Financial Protection Bureau. "Data Point: Credit Invisibles." May 2015.

percent, respectively).[57] These stark credit score disparities present a significant barrier to financial inclusion because they are a determining factor in accessing credit, insurance, housing, employment, and more.

The Treasury Department should develop an ambitious strategy to confront financial exclusion: The Treasury Department should develop and implement a bold strategy to address financial exclusion that harms families and impedes their ability to transact household business, save for the future, and build household and generational wealth. The barriers to financial inclusion — many of which are rooted in systemic racism — are an important contributor to racial economic inequality. Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers frequently have difficulty accessing financial products and services. They pay higher total prices to use these products, receive lower quality and unsuitable products, and are more vulnerable to unfair, deceptive, and abusive practices.

The current bifurcated financial system — with its cheap or free options for those with money, and expensive and limited options for those without — is unlikely to become more affordable for low-income households without an ambitious strategy to take on the systemic inequalities in the financial system, as well as to address inequities in the broader economy. The Treasury Department's financial inclusion strategy should include — but not be limited to — creating or expanding publicly available financial infrastructure (including postal banking, FedNow, Fed accounts, and E-Cash), student loan debt forgiveness, aggressively enforcing current civil rights and consumer protection laws, implementing new policies to curb abusive and unfair financial practices, and pursuing much more robust data collection and publicly available data on financial products and services.

Public banking and finance infrastructure: The Treasury Department financial inclusion strategy should promote public financial infrastructure as an accessible and affordable option for underserved consumers and communities.

- *Postal banking and other public banking:* The Treasury Department should promote a postal banking policy and program to provide retail banking services to people through U.S. Postal Service (USPS) locations. The Post Office is an ideal place to offer a public banking option because of its trained workforce, public interest mission, high level of public trust, and over 30,000 locations in communities across the country — over half of these offices are located in banking deserts. The wide dispersion of Post Offices throughout the country could address the lack of mainstream financial services in many urban and rural communities.

  The Post Office has a history of providing banking services. From 1911 to 1967, the USPS operated the Postal Savings Program, which offered basic savings vehicles with a core base of immigrant users. Today, it has sold affordable money orders for decades and offers international wire transfers to selected Latin American countries. These popular and widely trusted services provide important financial tools for people without bank accounts, and can serve as a model for expanding the banking services the Post Office could offer in a public option for retail banking. Postal banks can be the most accessible and affordable provider of financial services and be a powerful tool to expand financial inclusion.

[57] Urban Institute. "Credit Health During the COVID-19 Pandemic." March 8, 2022.

The Treasury Department should also support the creation of public banks as part of its financial inclusion strategy. A public bank is owned by people through a city or state and takes deposits, for example from tax revenues. The bank then reinvests its profits back into that community. Communities direct and oversee a public bank's practices and support public initiatives to restore control of money and credit to communities. Public banks can save municipalities and states money, create jobs and boost the local economy, and provide credit during downturns to moderate the impact of Wall Street booms and busts and keep taxpayer and depositor funds reinvesting in local communities. North Dakota has had a public bank for over a century and in 2019 California passed legislation to enable the chartering of municipal public banks.

- *Expanded public payments architecture:* The Treasury Department should encourage the use of existing platforms and technology, as well as new technologies, to expand public options for payment processing and delivery, which would complement public banking programs. For example, the Treasury should work with the Federal Reserve to expand promotion and adoption of the FedNow program, which would increase the availability of real-time payments (via changes to back-end payment processing procedures) for many consumers relying on banking institutions or related parties. Additionally, the Treasury should explore working with the Fed to deploy Fed Accounts, which could be a vehicle to offer no fee services to retail banking customers using the existing account-based deposit and payment systems the Fed already provides to commercial banking institutions. Ensuring there are adequate consumer and privacy protections built into the deployment and expansion of both these programs will be critical to their success.

  Finally, just as the current U.S. payment architecture relies on a combination of "hard" physical currency and "soft" account-based systems, the Treasury should partner with the Fed and other agencies to explore and pursue the adoption of a digital dollar. Crucially, such a digital dollar need not, nor should be, exclusively or even primarily, designed and deployed using distributed ledger technology. The prospect of a so-called Central Bank Digital Currency (or CBDC) has been much debated within federal agencies, the media, and in some circles of Congress. The current rhetoric around CBDCs coming from more extreme circles is overheated, and it is more rooted in providing cover for privately issued, blockchain-based digital assets by fostering paranoia about the power and purview of central banks. But there are real and serious concerns about how the use of a blockchain-based central digital currency could amplify concerns about both data privacy and abuse of anti-money laundering tools that can disproportionately impact Black, Latine, and indigenous people and communities.

  Instead, the Treasury, the Fed, or other federal agencies could explore the development and deployment of offline, hardware-based digital cash, often known as E-cash. This form of digital currency could be built using existing technology and serve the same function as physical cash in a digital age, without the same level of risks to privacy, consumer fraud, and structural imbalances that a Fed-issued, blockchain-based digital currency might present. Indeed, such systems already exist outside the United States, where payment systems using SIM-card-based hardware tied to mobile phone platforms are a popular means of making payments. Card and chip-based hardware already in use for commercial smartcards and U.S.

military payments technology could be modified or altered to serve as digital cash, and there are many measures that could be employed to ensure the safety, security, and authenticity of such digital cash using existing or modified technology to make such E-cash comparable to paper cash by these measures.

This layered, poly-centric approach to deliver public options for payment and banking services improves the likelihood these public services will more effectively address the existing needs of consumers — including those who have had little access to formal banking services — in ways that protect consumers, offer meaningful privacy protections, and better navigate the legacy of distrust these consumers often have with formal banking institutions.[58]

Policy and regulatory safeguards to protect consumers, promote racial economic equity, and promote financial inclusion: The Treasury Department financial inclusion strategy should pursue and implement regulatory guardrails to protect consumers from unjust, deceptive, and abusive practices. That should include the independent agencies and the administration finalizing or implementing pending rules such as the Federal Trade Commission junk fees and CARS auto lending rules, the CFPB's overdraft rule, strengthening the Department of Housing and Urban Development's proposed affirmatively furthering fair housing rule, and the Department of Labor retirement security and suitability rule. The strategy should include attention to the ways in which credit scoring and other automated systems can entrench existing inequities, and to the new dangers posed by artificial intelligence. The Treasury Department should include other policies in its financial inclusion strategy, including importantly addressing the insurance industry's withdrawal of coverage in climate-impacted areas and redressing inequitable recovery efforts in climate change-driven disasters. It also should protect consumers from cryptocurrency harms by using the full scope of currently available regulatory tools and resisting calls to create permissive, bespoke regulatory regimes for crypto assets, actors and activities. This includes offering robust support for the SEC's efforts to enforce compliance with existing securities laws, implementing the CFPB's proposed supervisory rule regarding large nonbank payment providers to include crypto firms, and advancing the CFPB's guidance on application of EFTA to virtual currencies. Other policy goals should include setting a 36 percent interest rate cap on payday, car title and related lenders and taking action to address price discrimination in auto lending.

More aggressive enforcement of civil rights and consumer protection laws: The Treasury Department should include aggressive enforcement in its financial inclusion strategy to confront illegal racial bias in lending and unfair, deceptive, and abusive practices that harm consumers. The Justice Department and federal banking agencies should significantly increase investigation and enforcement of the Fair Housing Act and Equal Credit Opportunity Act to root out discrimination, disparate treatment, and disparate impact in credit and housing. Climate risk mitigation measures are urgently needed, but regulators must also be attuned to the potential that climate risk-mitigation measures could be used intentionally or inadvertently to skirt fair lending laws or otherwise create disparate impacts where less discriminatory climate mitigation alternatives exist. The banking regulators, CFPB, and Federal Trade Commission should increase enforcement of consumer protection laws and regulations such as the Truth in Lending Act, Truth in Savings Act, Fair Credit Reporting Act, and Fair Debt Collection Practices Act to protect consumers from high fees, abusive practices, and privacy violations. The Treasury

[58] For more extended analysis on CBDCs, E-cash and public payments architecture, please see AFREF's May 2022 comment in response to a Federal Reserve RFI on Central Bank Digital Currencies.

strategy should include consideration of how to advance and defend oversight and enforcement of civil rights and consumer protection laws in the face of aggressive legal strategies by regulated institutions, courts with a bias towards business interests, and unbalanced access to legal capacity.

Student debt forgiveness: The Treasury Department should include student debt forgiveness and cancellation measures in its financial inclusion strategy. Black and Latine student loan borrowers have larger loans because they tend to receive less financial support from their families to pay for education and they tend to have lower incomes to repay these higher student debt burdens. Canceling student loan debt will enhance economic equity and make it easier for young people, especially young Black and Latine student loan borrowers, to access financial services and to build wealth because of lower debt burdens and reduced credit blemishes from delinquencies and provide a foundation for these recent students to build wealth.

Collect and make publicly available more information on a broad range of financial products and services: The Treasury Department should include robust data collection on financial products and services, their costs and fees, terms and conditions, and the demographic profiles of the consumers they are marketed and sold to as part of the financial inclusion strategy. The FDIC Survey of the Unbanked and Underbanked should be expanded to include the full range of transaction, savings, credit, and credit score products and services to determine access to financial services by demographic group. The terms, prices, and conditions of financial products are complex, impenetrable, and difficult for consumers to compare. The Treasury Department should survey financial firms to provide comparable information on the terms, conditions, and prices of consumer financial products that are broken-down by state, geographic typology, and metropolitan area.

Support direct investment in building wealth in communities of color, including reparations and public investment banking: The Treasury Department's financial inclusion strategy should support the development of a federal reparations policy to confront the legacy of slavery and systemic racism against Black Americans that has driven racial disparities in income, wealth-building, and generational wealth accumulation and develop policies to remedy these inequalities rooted in racism as well as racial disparities in health, environmental justice, education, policing, and more. Even today, the legacy of slavery has cost the U.S. economy nearly $1 trillion annually, according to a study by Citibank.[59]

The Treasury Department's financial inclusion strategy should also include support for public investment banks that can reorient public investment from private sector-driven, and often extractive taxpayer-financed investments to genuinely public investments that can drive sustainable and equitable long-term growth. A public bank financed with public equity would have the power and financing abilities of a large private bank but would deploy those resources to public purposes. A public investment authority with its own equity base and chartered with a public purpose, rather than a goal of short-term profits, and a general purpose authority could be a strategic center of gravity to provide investment leadership in the economy and shape

[59] Peterson, Dana M. and Catherine L. Mann. Citibank Global Perspectives & Solutions. "[Closing the Racial Inequality Gaps.]" September 2020.

markets for a public purpose, catalyze new industries, and raise environmental and labor standards at the leading edge of the economy.

AFREF urges the Treasury Department to develop and implement a financial inclusion strategy that is robust enough to meet the challenges of entrenched racial economic inequality. Black, Latine, indigenous, women, LBGTQIA+, immigrant, people with limited English proficiency, people with disabilities, rural, veteran, justice-involved, lower-income, and other disadvantaged consumers face considerable barriers to accessing affordable, safe, and suitable financial products and services. This financial exclusion makes it harder for families to increase financial stability and build household and generational wealth. AFREF appreciates the opportunity to offer comments on this important request for information and for the consideration of these comments.

Sincerely,

Americans for Financial Reform Education Fund.