



HB 548 - Financial Regulation - Maryland Community Investment Venture Fund - Establishment (Access to Banking Act)

House Economic Matters Committee

February 22nd, 2023

SUPPORT

Chairman Wilson, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 548. This bill will improve access to banking for low-income communities.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Underbanked is a term used to describe people in an area with insufficient access to banking institutions in their communities. Unbanked is a term used to describe people who are not served by banking institutions. **According to the Federal Deposit Insurance Corporation (FDIC), around 16% of Marylanders are underbanked and 5% of Marylanders are unbanked.** Unfortunately, Maryland's unbanked population has been increasing since 2019. This means there are individuals that do not have sufficient access to traditional banking services. This leads to consumers interacting with more alternative financial services which put them at an increased risk of being scammed. Unbanked and underbanked communities face inconvenient and costly consequences. It can lead to people paying high fines and fees to cash checks or money orders, and it can also be a barrier for people to pay bills or build their credit scores. Black and brown communities are the most affected by the negative impact of being unbanked/underbanked.

CASH is the non-profit administrator for Baltimore City's Guaranteed Income (GI) program. This program serves 200 young parents between the ages of 18- 24. Even though CASH interacted with a small population within Baltimore City, during the onboarding process CASH was able to help around 40 participants open a safe and affordable bank account that meets [Bank On](#) standards. CASH was able to help a small population of young adults open bank accounts, however, many of those bank accounts are with institutions that do not have a branch in their community. This means that many of the participants are still underbanked and will continue to face unnecessary consequences. There are thousands of Marylanders that need access to banking institutions in their communities that range from young adults- needing strong connection to financial institutions to secure their future- to older adults- needing strong protections that banking institutions provide to protect their earnings.

Thus, we encourage you to return a favorable report for HB 548.

Creating Assets, Savings and Hope