

BANK ON NEWARK

BANK TELLER'S HANDBOOK



EVERYONE IS WELCOME

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KEEP THE MONEY YOU'VE MADE. YOU EARNED IT.



Introduction

Thank you for participating in Bank on Newark! The City of Newark has teamed up with financial institutions like yours to ensure that every Newark resident has the chance to open a bank account and start down the path to financial empowerment.

Over the past few months your branch managers have been working hard to design this transformative new program. But the ultimate success of Bank on Newark lies in your hands. Because you will be dealing with potential Bank on Newark customers face-to-face, every day, we've assembled this handbook to brief you on the program and its background, and to offer tips for working with Bank on Newark clients.

I'm so excited about this powerful initiative. You are about to help hundreds of Newark residents and bolster our city's economic future—congratulations!

Sincerely,

Cory A. Booker



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A successful model: Bank on San Francisco

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- 24,714 open and active accounts
- Average account balance of \$980
- 17 participating financial institutions
- Estimated savings to San Franciscans of almost \$20 million
- Dozens of cities following this example



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The Problem

- Over 15,100 un-banked households in Newark
- \$12 million lost to unnecessary fees each year
- Additional social costs



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Why do people use check cashers? ⁴

- Simple, predictable fee structure
- Flexible ID policy
- Barred from the banking system
- Hiding from creditors
- General distrust of banks

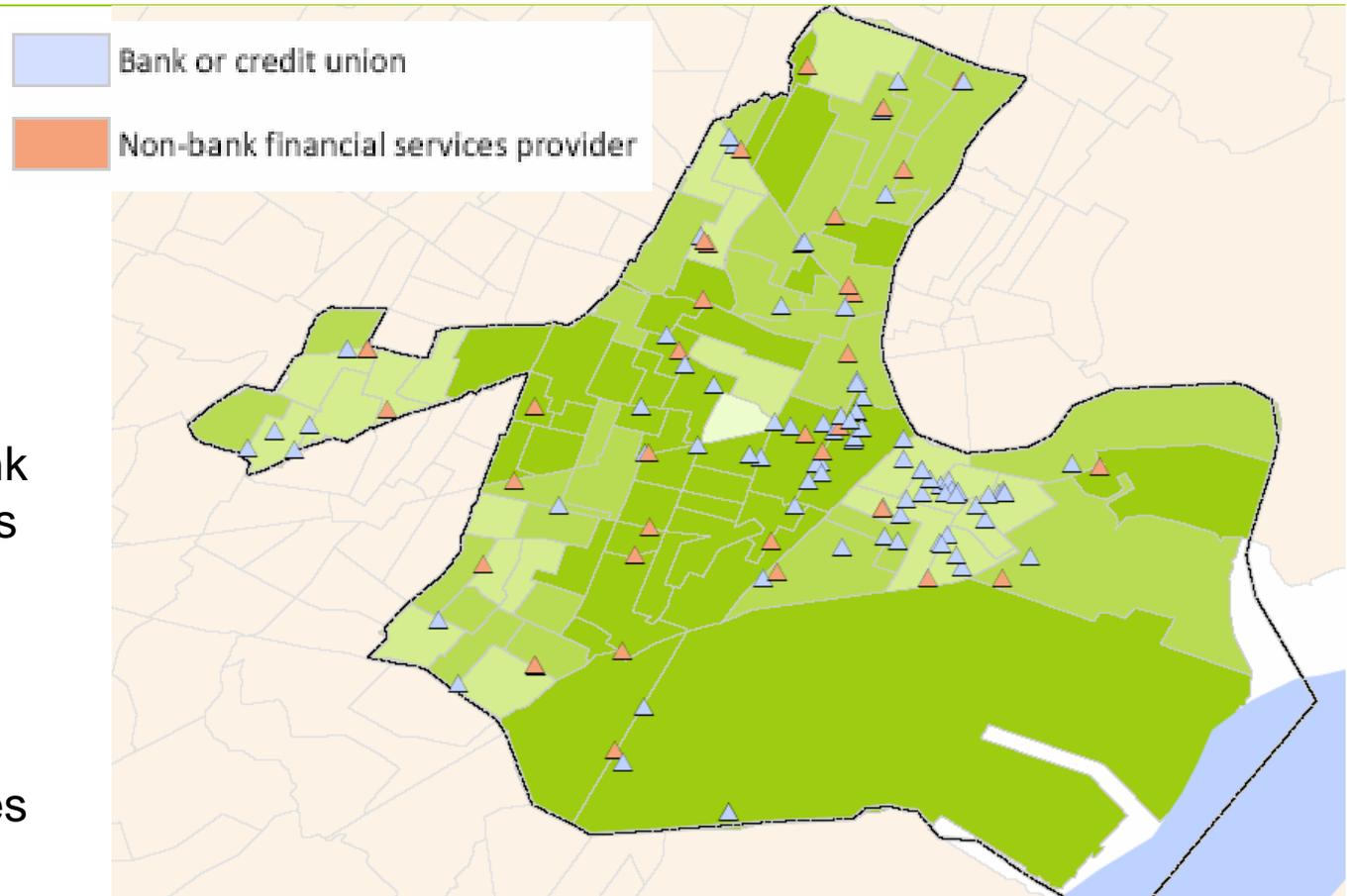


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Institutional Landscape

- Newark has 89 bank and credit union branches compared to 33 check cashers.
- Shutting down check cashers and opening bank and credit union branches in underserved neighborhoods would certainly help solve the unbanked problem. But Bank on Newark proposes another approach...



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The Bank on Newark solution (part 1 of 2):

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Product

- No- or low-cost account with low minimum balance and consistent fee structure
- Waive one overdraft fee a year
- Forgive certain non-fraudulent ChexSystems activities
- Accept verifiable foreign ID
- Offer one free money order a month



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The Bank on Newark solution (part 2 of 2):

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Marketing

- Community-based organizations lead grassroots outreach and referral efforts
- City issues press releases, holds press events, and broadcasts a public service announcement
- Participating banks share the cost of a regional advertising campaign. Bank on SF supplies free design



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Marketing

Target audience most often fall into one of these three categories:

- Those who think they need a New Jersey driver's license and/or a Social Security Number to open an account.
- Those who have bad credit or who have mismanaged accounts in the past and now appear on ChexSystems.
- Those who think they do not have enough money for an account, or do not trust banks.



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The Bank on Newark solution (part 2 of 2):

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Marketing

The typical Bank on Newark client:

- Believes they are locked out of the banking system.
- Has a fear of discomfort or humiliation when dealing with bankers and may distrust banks.
- Is between the ages of 18-45.
- May earn a low wage, although an estimated 25% of the audience earns \$25,000 to \$45,000 per year.



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The Bank on Newark solution (part 2 of 2): 10

Marketing

NJ Transit buses in our region are displaying these ads right now:



DON'T LET THEM TAKE ANY MORE OF YOUR MONEY
Now you can open a bank account. Find out how at [973-733-4311](tel:973-733-4311) or bankonnewark.org



MAYOR CORY A. BOOKER
AND THE MUNICIPAL COUNCIL



The Provident Bank, Capital One Bank, Millennium bofbank,
City National Bank, TD Bank, Atlantic Federal Credit Union, North Jersey Federal Credit Union



HABLAMOS ESPAÑOL



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Script

Because your bank is participating in Bank on Newark, it's important that you track how many bank accounts you open for people who are "unbanked"—meaning folks who have never had a bank account or have not had one in a long time. So whenever you open an account for a customer, make sure to ask:

- **Have you had a bank account before? How long ago?**

If the customer hasn't had an active account in over six months, proceed with following questions:

- **Are you here to open a Bank on Newark account?**
- **Where did you hear about the program? (E.g. bus advertisements, flyers, community-based organization, friend, etc...)**
- **Do you currently use a check cashing facility?**

After you've recorded the answers to these questions, you're ready to explain the Bank on Newark product!



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Product

To participate in Bank on Newark, your bank agreed to offer a special version of its _____ product. To keep things simple, you should call it the “Bank on Newark” account when you discuss it with eligible customers. The exact features of the Bank on Newark product will vary from bank to bank, but at a minimum Bank on Newark customers can expect:

- **Minimum opening balance of \$25 or less**
- **No minimum monthly balance**
- **Monthly service fee of \$6 or less, though \$0 is strongly encouraged**
- **Waiver of non-fraudulent ChexSystems violations that don't involve debts over \$250. (In some cases banks may require restitution for all debts provided they focus customer service efforts on helping people clear ChexSystems hurdles.)**
- **Waiver of one overdraft fee per year, upon client's request**
- **Acceptance of foreign passports as primary ID and ITINs in lieu of social security numbers**
- **One free money order and/or bank certified check per month**
- **Full disclosure of fees and penalties**



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Tracking

Additionally, your bank agreed to track Bank on Newark accounts and report aggregate data on a quarterly basis to the Federal Reserve Bank of New York.

To make this process easy for your branch manager, be sure to label all Bank on Newark accounts with code # _____. Alternatively, your bank may choose to assign codes to individuals and not accounts.



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Communication Strategy

As you deal with Bank on Newark customers, try to keep in mind these three messages. You can read them all word for word to every customer, or you can paraphrase one when you feel it's appropriate. It's up to you!

1. “It is now possible for everyone in Newark to have access to a suitable bank account.”
2. “Every Newarker must have a bank account if they are to build a better future for themselves and their families.”
3. “The City of Newark is behind this initiative. The primary goal of this initiative is to help moderate income Newarkers.”



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