

# Oklahoma Native Assets Coalition, Inc. (ONAC)

## Asset-Building Programs and Initiatives

### Including Native Bank On ONAC



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Oklahoma Native Assets Coalition, Inc. (ONAC)



# Oklahoma Native Assets Coalition

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The Oklahoma Native Assets Coalition, Inc. (ONAC) is a nationally-serving nonprofit Native asset-building coalition that collaborates with Native Nations and other partners to promote and establish Native-led and culturally compatible asset-building programs and initiatives in Native communities. ONAC and partners work together to create greater opportunities for self-determined economic success for tribal citizens.

<https://oknativeassets.org>

# ONAC's Interrelated Asset-Building Programs

Current Native-specific programs and initiatives include:

- Intermediary funder: Mini-grant program
- Native Bank On ONAC
- National Native EITC/VITA Network
- Training and TA
- Resource guides: Investor education, remote financial education, and Native women entrepreneurs
- Research: Best practices for delivering Native asset-building programs and Native CSAs
- Native-specific financial education
- Financial coaching
- Children's Savings Account program
- Emergency Savings Account program
- Down payment assistance program
- Emergency cash assistance program
- Prevention of frauds and scams





# Need for Safe and Affordable Accounts and Rollout of Native Bank On ONAC

50.5% of American Indians/Alaska Native un- or underbanked (FDIC, 2017)

ONAC's longer-term interest in safe and affordable accounts involves securing options for accounts that complement asset-building program implementation

There is no one easy solution to getting Native families banked

Faced with issues of geographic access to financial institutions; mistrust of financial institutions; difficulty with affording home Internet subscriptions and devices; and challenges with access to online banking (46.5% of population on Tribal Lands have adopted broadband service of 25 Mbps/3 Mbps, according to Federal Communications Commission, 2021)

Banking access is crucial for Native people to be able to 1) benefit from greater participation in the financial mainstream, (2) quickly access federal economic stimulus payments and Child Tax Credit payments, and (3) avoid high-cost alternative financial services

## How ONAC's Asset Building Programs and Assistance Interface With Native Bank On ONAC

- ONAC co-hosted webinars
- Distributing Bank On information via the national ONAC EITC/VITA Network. To join, email Patsy Schramm (Cherokee) at [edgpj@aol.com](mailto:edgpj@aol.com) (networking and sharing asset building expertise)
- Linking the promotion of claiming tax credits to getting banked through webinars and flyers
- Providing \$663,900 in grant awards, primarily to Native VITA programs over the years, to help tribal citizens claim EITC, etc.
- Launching the Get Banked Indian Country campaign
- Providing free financial education and train-the-trainers and providing Bank On information via ONAC grantees (capacity building for Native families and tribal- and Native-led nonprofit partners)
- Working, when possible, to link Bank On accounts to ONAC seed-funded emergency savings accounts, down payment assistance initiative, financial coaching, Children's Savings Account outreach, and cash assistance (identifying, promoting and integrating banking access and safe and affordable accounts)
- Providing free technical assistance for designing and implementing asset-building programs, such as matched savings accounts or emergency savings accounts (integrating banking access)
- Incentivizing Bank On accounts (promoting confidence and trust in certified financial accounts, account security, and banking services)

# Native Bank On ONAC

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# The 'Bank On' initiative and Native Communities

- ONAC supports the Bank On initiative because it promotes a more universal access to **certified, safe, and low-cost** transactional account products that have attractive features and can be established by people who may previously have had problems with a financial account.
- There are currently over 100 Bank On coalitions in the United States. However, there are no established Bank On coalitions in SD and ND. Native Bank On ONAC is the only existing Bank On coalition whose purpose was to be a Bank On informational resource for tribal communities across the country.
- For more general information about Bank On go to [www.cfefund.org](http://www.cfefund.org) and choose [Contact Us – BankOn \(joinbankon.org\)](http://joinbankon.org). Also, [Accounts – BankOn](#) takes you to an interactive map allowing you to link to financial institution Bank On account information in a convenient state-by-state format.



# How Banks and CUs benefit from offering products with NAS Core & Recommended Features, in Native Communities:

Three important benefits for banks and credit unions that offer NAS certified accounts:

- **Community Recognition and Support:** FIs that offer Bank On accounts often receive public recognition for “good-faith” banking access and offering low-cost accounts in the communities they serve; local programs use the certified features to help them sell Bank On accounts to their constituents and community
- **A More Sustainable Customer Base:** The easy-to-use accounts appeal to youth and young adults, as well as older community members; the products also offer attractive features that are often in sync with other community-led banking access efforts
- **Community Reinvestment Act (CRA) Consideration:** Most Bank On NAS certified products support at least three key CRA “service test” criteria

[See Additional Information About Financial Institution Benefits of Bank On NAS Certification](#) on CFE’s website

## Making The Case in Native Communities For The Opportunity and Efficacy of Owning One or More Financial Accounts (Including Savings)

How do we get these accounts into the hands of Native peoples? **Addressing certain roadblocks comes first.**

**Roadblocks for many Native peoples include:** 1) Distance from a bricks and mortar financial institutions, 2) Lack of available and/or affordable Broadband, 3) Results of historical prejudice and racism 4) Previous redlining experiences, 5) General distrust of Mainline Financial Institutions, and 6) Wide availability of alternative commercial financial businesses who work hard to make people feel like desired customers

- According to an FDIC 2017 survey, the two most cited reasons for the general population to be unbanked or underbanked are **1) 57.2 % - Not enough money (minimum deposits and fees for low balances) and 2) 30.2% - Don't trust banks [not to take away money through a confusing fee structure]**
- Anecdotal evidence from ONAC's, and our partners', experiences:
  - **Geography and tech issues:** Living far from any mainstream financial institution; not having broadband access; not having needed tools (including an up-to-date computer or smart phone); lack of opportunity to adequately learn online banking skills or receive assistance for online banking issues that arise.
  - **A U.S. banking system with confusing rules:** As stated above, this is also related to the number one reason above – including the belief that you *must always* have a certain amount of money in a bank account to keep that account, and that the bank will take the money from the account if you don't keep a certain amount in the account
  - **Trust:** 1) not being familiar with the financial institution/fear of being scammed OR, 2) having once had a checking account that was lost due to issues with hidden fees or lack of understanding about why fees are charged.

# Suggested Ways To Promote NAS Certified Accounts in Native Communities

- Show tribal support of Bank On certified accounts, focusing on desirable account features\*, including online and mobile banking
- Highlight the affordability of Bank On accounts such as zero to \$25 minimum deposit and account maintenance fees of zero to only \$60 per year (compared the low costs to the high costs of using ‘alternative banking services’ - see next slide)
- If there are financial institutions (banks or credit unions) that are already trusted tribal partners, and offer Bank On accounts, present them as such to the community - giving assurance to tribal citizens that account deposits are FDIC or NCUSIF insured
- Encourage tribal departments and non-profits to promote opening Bank On accounts through programs serving citizens in relation to employment, housing, tribal youth, elders, etc.
- Stress the benefits of having free direct deposit when receiving paychecks, tax refunds, unemployment benefits, Social Security, and per capita or other tribal payments
- Host Bank On account opening events at tribal facilities

\*See all **required** account features, and **recommended** features, at: [Financial Institution Benefits of bank on v2 \(oknativeassets.org\)](https://oknativeassets.org/Financial-Institution-Benefits-of-bank-on-v2)

# Messaging to the Unbanked: High Cost Of Some Banking Products & All 'Alternative Banking' Products As of 2021

- The average checking account may cost a consumer about **\$150 per year** (based on averaged monthly maintenance fees, and 2 averaged overdraft fees)\*\*
- The average cost for people who do not have a bank account, but use only prepaid cards that feature direct deposit is about **\$195 per year\*\***
- The average cost of not having a bank account jumps to around **\$450 per year** if a person's prepaid card doesn't offer direct deposit\*\*
- People who deal only in cash face average costs of **\$190 per year** for check cashing and money order charges (the product most typically used for paying bills)\*\*
- People who have no bank account or prepaid card with direct deposit pay, on average, an additional **\$180 per year** just to access their money from payers\*\*
- The average payday loan borrower pays fees are **\$520** for an initial loan of \$375 (this relates to a typical rolled-over payday loan that is taken out to make ends meet)\*

\*Bill Fay, staff writer, online Debt.org article

\*\*Nerd Wallet: a personal finance web site, in the article: "The Cost of Being Unbanked: Hundreds of Dollars a Year; Always One Step Behind"



# Examples of ONAC Messages to the Unbanked and Underbanked in Native Communities

We provided steps for claiming EIPs

<https://bit.ly/ONACGetBanked>

We provided flyers to banks for promoting Bank On account opening information and information on claiming available deposit incentives

[https://bit.ly/AccountFeatures\\_ONAC](https://bit.ly/AccountFeatures_ONAC)

We widely shared with tribes FDIC's statistics and information regarding being underbanked and unbanked in the US

<https://bit.ly/ClaimCTC>

We provided specifics about Bank On accounts and links to a map for local options, as well as a link to FDIC financial institution search tool

We promoted Bank On account features as the ones to look for when opening a transactional account

We provided information about the CTC including how to claim CTC payments (specifics about the GetCTC.org portal) and explained the process to receive the CTC by direct deposit

We provide financial coaching that includes advice on the importance of having a bank account

# Sources of Additional Information

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Online: Native Bank On ONAC webpage: <https://bit.ly/ONACBankingAccess>