

Financial Services FY 2011 Appropriations Requests

Bank on USA demonstration projects

Honolulu, Hawaii

\$ 4 million

Community Development Financial Institutions

Department of the Treasury

\$4 million for the Bank on USA program within the Community Development Financial Institutions Account for programs in Hawaii. Bank on USA, is a program to provide increased access to mainstream financial services for the unbanked and underbanked.

Families that do not have full access to the mainstream financial system lose too much of their incomes to exorbitant fees for services such as check cashing and payday loans. These demonstration programs will encourage the use of mainstream financial institutions, helping families reduce the fees they pay for financial services. Underbanked low- and moderate-income families cannot afford to have their earnings diminished by reliance on high-cost and often predatory financial services.

As banks and lenders have tightened access to credit, more consumers are turning to non-mainstream financial institutions which can lead them into a destructive cycle of debt. This program will increase access to mainstream financial institutions for low and moderate income families and help them build or repair credit scores. Working families will benefit through opportunities for savings, borrowing, and low-cost transaction accounts, which reduce the fees they pay for financial services. Approximately 17 percent of households in Hawaii are unbanked or underbanked.

These Hawaii demonstrations would provide financial assistance, technical assistance, training and outreach programs to community development financial institutions, non-profit organizations, and local governments for the purpose of seeding local initiatives to better integrate the unbanked or underbanked into mainstream financial institutions and opportunities. The programs will be evaluated by the results of its efforts to increase access to mainstream financial institutions

2) Improved Food Security through Small Business Development

4 Ag Hawaii

Honolulu, Hawaii

\$250,000

Small Business Administration

This program is intended to assist small business farmers with getting their product to market successfully. This will help increase economic opportunities for small business in Hawaii. It also has the potential to lower the cost and increase the quality of certain foods sold and consumed in Hawaii.