

SANDRA JAUREGUI

ASSEMBLYWOMAN

District No. 41



LEGISLATIVE BUILDING:

401 South Carson Street
Carson City, Nevada 89701-4747

Office: (775) 684-8821

Fax No.: (775) 684-8533

Email: Sandra.Jauregui@asm.state.nv.us

www.leg.state.nv.us

DISTRICT OFFICE:

7582 Las Vegas Boulevard South, No. 118

Las Vegas, Nevada 89123-1009

Twitter: @Sandra4NV

State of Nevada Assembly

September 27, 2022

Commissioner Kathleen Taylor, Chair
Nevada Commission on Minority Affairs
3300 West Sahara Avenue, Suite 425
Las Vegas, NV 89102

Dear Commissioner Taylor:

At its work session on August 23, 2022, the Joint Interim Standing Committee on Commerce and Labor (*Nevada Revised Statutes* 218E.320) unanimously voted to send the Nevada Commission on Minority Affairs a letter encouraging the Commission to facilitate the implementation of a BankOn Nevada initiative to increase the use of certified financial products and reduce reliance on an alternative financial service (AFS) for the unbanked and underbanked communities in Nevada.

This interim, the Committee heard testimony regarding the unbanked and underbanked communities in Nevada and solutions to reduce their use of alternative and often high-cost services. Being “banked” is a critical component of financial stability and provides a core foundation for other financial services. At the April 5, 2022, meeting, Access CDFI noted the “unbanked” are people who do not use mainstream financial services, such as checking or saving accounts, and primarily conduct transactions in cash when using an AFS, like payday lending or check cashing. Underbanked households may have a checking or savings account with an FDIC-insured institution, but regularly use an AFS.

The Committee received information that the ecosystem of financial institutions in Nevada is strong. However, in 2019, the Federal Deposit Insurance Corporation reported an estimated 10.7 percent of Nevadans used unbanked credit. Many estimates suggest the percent of unbanked and underbanked to be around 30 percent. To provide stability, several financial institutions throughout the state have joined the BankOn coalition, a nationwide network of banks and financial institutions that aims to make bank accounts as accessible as possible and provides education about banking resources. At the core of the Cities for Financial Empowerment (CFE) Fund’s BankOn Nevada initiative are the BankOn National Account Standards for basic banking accounts that are designed to address critical pain points for consumers and limit risk for

financial institutions, including no possibility for overdraft or insufficient fund fees, low or no monthly fees, a low opening deposit, and bill pay functionality.

For these reasons, the Committee strongly encourages the Nevada Commission on Minority Affairs to facilitate the implementation of a BankOn Nevada initiative in order to reduce the number of unbanked and underbanked communities in Nevada. In order to achieve this goal, the Commission should consider using existing staff members to promote the BankOn Nevada initiative with key stakeholders, such as financial institutions, community organizations, and county and local agencies, and encourage the adoption of programs supported by the CFE Fund.

Thank you for considering this issue. If you have questions, please contact me at Sandra.Jauregui@asm.state.nv.us or Marjorie Paslov Thomas, Senior Principal Policy Analyst, Research Division, Legislative Counsel Bureau at mpthomas@lcb.state.nv.us.

Sincerely,

Assemblywoman, Sandra Jauregui, Chair
Joint Interim Standing Committee on
Commerce and Labor
2021–2022 Interim

SI/cr: W222960

cc: Terry J. Reynolds, Director, Department of Business and Industry
Emily Ku, Management Analyst, Nevada Commission on Minority Affairs