

protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. Toward that end, OFE seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce and improve consumer protections to enhance financial stability. For more information, call 311 or visit DCA online at nyc.gov/consumers.

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**DEPARTMENT OF CONSUMER AFFAIRS AND DEPARTMENT OF YOUTH AND
COMMUNITY DEVELOPMENT ANNOUNCE NYC FIRST ACCOUNT, A SAFE
BANK ACCOUNT FOR YOUNG NEW YORKERS, TO HELP BREAK THE
UNBANKED CYCLE**

Participants of the Department of Youth and Community Development's

Summer Youth Employment Program Have Access to the NYC First Account

Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz and Department of Youth and Community Development (DYCD) Commissioner Jeanne B. Mullgrav today announced the NYC First Account, a safe bank account designed to encourage young New Yorkers to open a bank account as they enter the workforce for the first time. The account is available to all DYCD Summer Youth Employment Program (SYEP) participants between the ages of 18 and 24. The NYC First Account is the next step in DCA's efforts to develop safe banking products and encourage New Yorkers to become banked.

"There are approximately 825,000 New Yorkers who do not have bank or credit union accounts, so our goal is to not only find a way to connect them safely to the banking mainstream, but also to break the unbanked cycle," said Commissioner Mintz. "These priorities led us to develop the Citywide NYC SafeStart account and now the NYC First Account. We're pleased to have banks and credit unions, large and small, local and national, who have agreed to go beyond traditional outreach partnerships to offer specific and safe accounts for New Yorkers."

"We are delighted to be partnering with the Department of Consumer Affairs to bring smart banking options to our SYEP participants," said Commissioner Mullgrav. "This initiative builds on the innovative debit-card payment system that DYCD introduced in 2004, which streamlined the payroll process and allowed participants safe and convenient access to their earnings. The NYC First Account will familiarize young people with the advantages of traditional banking and saving and set them on a path for long-term financial stability."

"At Chase we offer products to serve the many financial needs of our diverse customer population," said Chase Executive Vice President Stephanie Mudick. "We are happy to work with DCA to reach those who are new to the banking system and may not yet have a banking account."

"Citi is delighted whenever we can use our resources to benefit the members of our communities," said Citi Community Development State Director for New York Eileen Auld. "The NYC First Account is going to help young New York City residents step into adulthood with their best foot forward. We're working hard to help people establish sound financial practices, which is a basic need for economic empowerment. With a large number of NYC First Accounts opened at Citi, we're confident that this program is going to have a strong, positive impact."

The NYC First Account is a "checkless" checking account with identical terms and conditions for at least two years at all institutions. Features include:

- Debit card with a Visa or MasterCard logo
- No monthly fees
- No minimum balances
- No overdraft fees. If sufficient funds are not available, purchases will not be authorized.
- Free withdrawals at sponsoring bank or credit union ATMs
- Free online banking and free bill pay

In addition, participating banks and credit unions have agreed not to market fee-based overdraft plans to program participants. The account is being offered in partnership with CheckSpring Bank (Bronx), Citibank (Citywide), Cross County Federal Savings Bank (Brooklyn and Queens), JPMorgan Chase (Citywide), Municipal Credit Union

(Citywide) and New York Community Bank (Citywide).

DYCD's Summer Youth Employment Program (SYEP) provides New York City youth between the ages of 14 and 24 with summer employment and educational opportunities. Participants work in a variety of entry-level jobs at government agencies, hospitals, summer camps, nonprofits, small businesses, law firms, museums, sports enterprises and retail organizations. Since the program started, more than 2,000 of the eligible participants have opened NYC First Accounts.

In February 2010, DCA's Office of Financial Empowerment (OFE) announced the findings of its Citywide Financial Services Study, which for the first time quantified the number of unbanked adults in New York City. The study found that more than 825,000 adult New Yorkers do not have bank accounts, but instead use fringe financial services like check cashers to pay bills, cash payroll checks, buy money orders and conduct other financial transactions. To help New Yorkers transition from using high-cost fringe financial services, DCA created NYC SafeStart Account, the City's first banking product available to all New Yorkers. Opening an NYC SafeStart Account is the number one tip in DCA's recently launched *Protect Your Money* public awareness campaign, which aims to help New Yorkers save and make the most of their hard-earned dollars.

The NYC SafeStart Account is an ATM-based starter account designed to help New Yorkers protect their money by avoiding costly fees, like overdraft fees or monthly fees. City data shows that those fees are the top reason unbanked City residents do not use, or stop using, banks or credit unions. The Account is offered in partnership with Amalgamated Bank, Bethex Federal Credit Union, Brooklyn Cooperative Federal Credit Union, Capital One Bank, Carver Federal Savings Bank, Checkspring, Lower East Side People's Federal Credit Union, M&T Bank, Neighborhood Trust Federal Credit Union and Union Settlement Federal Credit Union. Any New Yorker is eligible to open an NYC SafeStart Account, which, for the first two years, includes:

- No overdraft fees
- No monthly fees, provided minimum balances are met
- Minimum balance requirements of \$25 or less
- ATM Card

For more information about how to open an NYC SafeStart Account, City residents can call 311 or visit nyc.gov/ProtectYourMoney.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 71,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment (OFE) is the first local government initiative in the nation with a mission to educate, empower, and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. Toward that end, OFE seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce and improve consumer protections to enhance financial stability. DCA is also a founding member of the Cities for Financial Empowerment (CFE), which brings together pioneering municipal governments from across the country that have begun to use their power and positions to advance innovative financial empowerment initiatives. Drawing on its experiences, DCA has advised various federal agencies, including the U.S. Treasury and bank regulators, on

promoting access to affordable and appropriate financial services. For more information, call 311 or visit DCA online at nyc.gov/consumers.

Tuesday, June 8, 2010

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**CONSUMER AFFAIRS COMMISSIONER JONATHAN MINTZ ANNOUNCES EXPANSION OF
THE CITY'S FINANCIAL EMPOWERMENT CENTERS SERVICES TO INCLUDE
COUNSELING IN CHINESE, HOMEOWNERSHIP AND FORECLOSURE PREVENTION
COUNSELING AND COUNSELING FOR HOMEBOUND NEW YORKERS**