



MEDIA ADVISORY / FOR IMMEDIATE RELEASE

Contact: [Gregory Jost](#) or [Alicia Portada](#) 212-529-8197 x0116

***** PRESS CONFERENCE: July 19 at 10:00 AM in The Bronx *****

The Bronx Takes Banking Into Their Own Hands

Coalition launches The Bronx People's Federal Credit Union with mobile branch as first step to address financial-access challenges heightened by recent bank branch closures

WHAT: Press conference to launch The Bronx People's Federal Credit Union, announce goals for bringing more affordable and convenient financial services to The Bronx

WHEN: Tuesday, July 19, 2022 at 10:00 AM

WHERE: Boricua College Plaza, 890 Washington Ave, The Bronx, NY 10451

WHO: The Bronx Financial Access Coalition (Banana Kelly Community Improvement Association, University Neighborhood Housing Program, We Stay/Nos Quedamos and WHEDco), The Lower East Side People's Federal Credit Union and Webster Bank, along with supporters and partners including The Drivers' Coop, The Association for Neighborhood and Housing Development, New Economy Project and Boricua College.

(The Bronx, NY) – Even before the pandemic, the Bronx had [the fewest bank branches](#) and the [most check cashers and pawnshops](#) per household in the state, and possibly the country. At the height of the pandemic in 2020, a spate of branch closures spurred four longstanding Bronx community groups into collective action, teaming up with a longstanding credit union based on the Lower East Side to change the banking game in the Bronx. At the July 19th press conference, these groups – which now form the new [Bronx Financial Access Coalition](#) – will celebrate the launch of The Bronx People's Federal Credit Union with a mobile branch and advocate for affordable and convenient financial services throughout the borough.

The organizations negotiated a deal with Sterling National Bank (which is now Webster Bank [after a recent merger](#)) to fund their efforts to partner with the credit union on the launch of the Bronx People's Federal Credit Union with a mobile branch van that has begun to serve numerous Bronx neighborhoods. A future permanent branch in the Bronx will be the People's Federal Credit Union's fourth location, following [branches](#) in the Lower East Side, East Harlem and Staten Island's North Shore.

"We are excited to expand to the northern borough and create the Bronx People's Federal Credit Union in partnership with the Bronx Financial Access Coalition," **says Lower East Side People's CEO Aissatou Barry-Fall**. "These communities don't just need financial services, they need affordable financial services. Today we proudly announce our goal of establishing a permanent branch in the Bronx by the end of 2023."

The credit union [offers](#) free checking accounts, credit builder loans, low-cost auto loans, and accounts for members with ITINs who may have trouble opening accounts at a traditional bank. For now, these services will be offered through their [mobile branch van which launched in April](#) in a number of Bronx neighborhoods including Melrose, Morris Heights and Longwood. The coalition and credit union's strategy is to restore and build trust with community residents who have had bad experiences with banks, or are tired of paying high fees to banks or check cashers. With a low deposit of \$25 members are able to access credit union products and services including fee-free ATMs at most McDonald's, 7-11s and Citibank branches, and a [67% discount for CitiBike membership](#) for low-income families.

"Community development financial institutions like LES People's Federal Credit Union are designed to meet the needs of historically redlined communities, with affordable and convenient products that build wealth and community ownership," **says Jorge Luis Vasquez, Jr. Board Chair of Lower East Side People's**. "We don't extract resources or perpetuate poverty."

The Bronx People's Federal Credit Union has been the result of two years of conversations between The Bronx Financial Access Coalition's member organizations. They began working together even earlier in a [citywide coalition](#) advocating for responsible banking in historically redlined communities like the Bronx. Going back to 2019, they had [opposed bank branch closures](#) in the face of claims by the banks that they were losing money on local branches. Complaints to banking regulators also proved unfruitful, as both state and federal agencies claimed they lacked the enforcement power to stop branch closures. For example, New York's state banking regulator [released a statement](#) in December of 2020 declaring that the [closing](#)

[of two Popular Bank branches](#) in Hunts Point in Castle Hill “will not result in a significant reduction of banking services in the communities to be affected.”

The breakthrough occurred when Sterling Bank, which announced the closing of its branch on 149th Street in the Hub in August 2020, reached a compromise with the four community groups that now comprise The Bronx Financial Access Coalition. Even though they would not stop the branch closure, officials at Sterling National Bank, which is now Webster Bank after its merger, negotiated an agreement to financially sponsor the groups to bring an established community credit union to the bank-starved neighborhoods of the Bronx.

“We heard from our community partners that bringing a community development credit union to the Bronx would make a big difference and we listened. We are proud to be the premier bank sponsor of the Bronx Financial Access Coalition and their partnership with Lower East Side People’s Federal Credit Union,” **says Karina Saltman, a Senior Managing Director within the Office of Corporate Responsibility at Webster Bank.**

“We are grateful to the bank for listening to us, and acknowledging the collective expertise in our own neighborhoods. Our conversations have been many, and at times difficult, but they are guided by a mutual commitment and understanding. We negotiated a strong agreement with the bank that seeks to make up for the harm done by the recent branch closing, and we encourage other banks who have closed branches in the Bronx to follow Webster’s responsive and innovative example,” **says Jumelia Abrahamson of University Neighborhood Housing Program** and a board member of the credit union since 2021. “We believe that their investment in our efforts will impact the banking game in the Bronx by bringing access to affordable and solid banking to neighborhoods beyond the largest commercial districts, and in particular for residents who feel they don't need, trust or could afford mainstream products and lending. By merging literacy and products, the Bronx Financial Access Coalition is making it easier for low-income and immigrant families to avoid check cashing fees, to apply for credit and improve their score no matter their immigration status, and for new entrepreneurs to open business accounts.”

One South Bronx resident described the challenges of accessing financial services in her bank-starved neighborhood, and why she recently joined the credit union. “Before, I would go to the check casher and buy a prepaid card for \$10. Then I’d have to pay additional money to load my money onto the card. If I wanted to put \$100 on my card, I had to pay \$5. When I needed to take money off my card, I had to pay \$2.50 to get my money, plus the \$1 from the ATM. You end up spending the money you have just to use it,” **says Sonya Ferguson, the**

president of the Banana Kelly Block Association, a Bronx Community Board 2 member and a board member at Banana Kelly Community Improvement Association. “I signed up for the credit union because it’s for the people, and I like the idea of belonging to something. The part about fixing your credit is great, and a free ATM is even better. Now I can say I’m a member of a financial institution!”

The Coalition is actively recruiting other organizations to become [select partner groups](#) of the credit union, which then opens up membership benefits to all of its staff, members, clients and affiliates. First, the coalition groups themselves signed up to lead the way.

“I cannot express enough how critical the credit union’s mobile branch is to our community and how grateful I am to the partners of the Bronx Financial Access Coalition. I encourage more organizations to join as Select Partner Groups. This is a great opportunity to talk to your staff, members and clients about building credit, banking services and taking control of your finances,” **says Hope Burgess, the President & CEO of Banana Kelly Community Improvement Association, Inc.** “After joining as a select partner group, a number of our staff and residents have already joined the credit union. I signed up as a member myself because I have seen firsthand the barriers and struggles our residents face from the lack of access to financial institutions. And besides the financial security this brings, the People’s Credit Union also helps to build credit and improve credit scores for our residents. This is an empowering tool.”

The Bronx neighborhood of Melrose currently has no bank branches, and it is not alone in this regard. Many stretches of the West Bronx along Jerome Avenue, the Grand Concourse and University Avenue have few, if any, branches, and many of those charge high monthly maintenance fees for customers without direct deposit or certain minimum balances. Long lines often meet customers at the few bank branches that remain.

In a [pre-pandemic survey](#) of hundreds of community members, WHEDco found that about one out of every four respondents did not have a U.S. bank account and more than forty percent of respondents said they have zero dollars saved.

“I knew we needed something radically different, innovative and responsive that would build wealth, like a community development credit union,” **says Davon Russell, President of WHEDco.** “We’re elated to be a key partner bringing the Bronx People’s Federal Credit Union and better banking services to community members, staff and volunteers. That it is community-owned is a plus I could only imagine.”

Many of those surveyed by WHEDco who are banked said they can't maintain the minimum balance required and do not have a bank branch in their neighborhood, among other challenges cited.

“You can have a bank account and still be unhappily banked in the Bronx,” **adds Kerry A. McLean, WHEDco's Vice President of Community Development.** “It's time the people of the Bronx have more affordable, convenient, wealth-building, tech-forward, financial services, and the Bronx People's Federal Credit Union will do just that.”

Branch closures are part of a long history of redlining practices that led to the devastation of places like the South Bronx and the Lower East Side in the 1970s and 80s. Back then, community residents organized to save their neighborhoods, and one of their victories was the passage of the federal Community Reinvestment Act in 1977. The specifics of the regulations under this law [are currently being revised](#) by all three federal banking regulators for the first time in over two decades.

“The changes being proposed to the Community Reinvestment Act provide a historic opportunity for the CRA to finally meet its original intent to combat redlining and disinvestment and increase access to banking and capital in communities of color like ours here in the Bronx,” **says Jessica Clemente, Executive Director of Nos Quedamos.** “We appreciate the regulators working together and proposing several positive changes to the CRA regulations. However, the proposal as written is a missed opportunity that fails to live up to its purpose as an anti-redlining law. The CRA must explicitly include race, downgrade for harm and displacement, strengthen community input, and improve access to branches and banking.”

The Coalition will also use the July 19 event to encourage and support local residents in writing letters to the federal banking regulators demanding a stronger Community Reinvestment Act that considers racial equity in the bank examination process.

Investment from the federal and state government can also spur these initiatives forward. LES People's FCU was able to access federal dollars from the Department of Treasury's CDFI fund to aid in their expansion. In 2021, the state's fund made its first ever allocation to community development financial institutions around New York, including to LES People's for expanding into the Bronx, though no money was allocated by state officials in 2022.

“Funding the state’s CDFI Fund should be a top priority to boost initiatives like ours,” says **Gregory Jost of Banana Kelly Community Improvement Association** and a steering committee member of the New York State Community Equity Agenda Coalition which includes more than 40 groups from across the state. “We also believe that legislation like the New York Public Banking Act can make a big difference by paving the way for places like New York City to create public banks to hold municipal deposits. Instead of depositing taxpayer money in big Wall Street banks, local public banks can act in the public interest to expand quality affordable and convenient financial services in partnership with community-based financial institutions like the Bronx People’s Federal Credit Union. With initiatives such as these, we can seriously address the longstanding inequalities in our financial system.”

The mobile branch van is able to come to neighborhoods throughout the Bronx for special events by visiting the website, bronxfinancialaccess.nyc. Organizations can become select partner groups and create a regular bi-weekly or monthly schedule for the mobile branch as well. Community residents [can sign up to join the credit union online](#) or come visit the mobile branch van. Upcoming dates and locations include July 19 at Boricua College Plaza, July 29 on Kelly Street between East 163rd Street and Intervale Ave and August 11 on the Grand Concourse at East 196th Street.

About the Bronx Financial Access Coalition

The Bronx Financial Access Coalition seeks to increase access to quality affordable and convenient financial services in the Bronx. Formed between 2020 and 2022 in response to a spate of bank branch closings in the Bronx, the Coalition has partnered with the Lower East Side People’s Federal Credit Union to launch the Bronx People’s Federal Credit Union. The Bronx Financial Access Coalition includes Banana Kelly Community Improvement Association, University Neighborhood Housing Program, We Stay / Nos Quedamos, and WHEDco.

About the Lower East Side People’s Federal Credit Union

Local activists organized the Lower East Side People’s Federal Credit Union in 1986 to fill the void left by the closing of the last bank branch in the neighborhood. Today, LESPFCU is a nationally-recognized leader in the credit union and community development financial institutions (CDFI) field, having received numerous federal CDFI Fund awards to support our growth and expansion. As NYC’s largest CDFI credit union, LESPFCU had \$84 million in assets, \$53 million in outstanding loans and 8,768 members as of the close of 2021. As a Community Development Credit Union, they have invested over \$126 million into the community and

expanded financial access to 90,000 underbanked families. Credit Union members are 78% low-income (with 29% very or extremely low-income) and are 63% Hispanic/Latino and 22% Black. LESPFCU is committed to a vision that all communities in NYC should have access to safe, affordable financial services and credit, and not be abandoned and left vulnerable to predatory financial services simply because they are poor, lack prior banking, a credit history or immigration papers.

For the most updated release, visit: bronxfinancialaccess.nyc/epk

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