

## RESOLUTION NO. 33-15

### A RESOLUTION IN SUPPORT OF PROVIDING FINANCIAL SERVICES AT POST OFFICES AS RECOMMENDED BY THE INSPECTOR GENERAL OF THE UNITED STATES POST OFFICE

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**WHEREAS**, nearly 68 million U.S. residents (over one-fourth of U.S. households) have limited or no access to financial services according to the Federal Deposit Insurance Corporation; and

**WHEREAS**, more than 11% households are unbanked and more than 20% are either unbanked or underbanked according to estimates by the national non-profit Corporation for Enterprise Development; and

**WHEREAS**, the Office of the Inspector General of the United States Post Office issued a white paper on January 27, 2014, titled *Providing Non-Bank Financial Services to the Underserved*, that determined that the Postal Service is well-positioned to provide non-bank financial services to those whose needs are not being met by the traditional financial sector; and

**WHEREAS**, unbanked and underbanked individuals are forced to use check-cashing stores, pawnshops, and payday lenders where interest paid can exceed 1,000 percent and interest and fees amounted to \$89 billion in 2012; and

**WHEREAS**, post offices could deliver the same services at a 90 percent discount, saving average unbanked and underbanked households over \$2,400 per year, about one-tenth of their gross income and approximately the same amount as spent on food; and

**WHEREAS**, large banks have closed branches in very low-income communities (where the largest number of underserved Americans reside), and the USPS has 35,000 outlets in nearly every city and town in the U.S. including fifty-nine percent of internally-managed post offices that are located in "bank deserts," those zip codes with zero or one bank branch; and

**WHEREAS**, financial services are successfully offered by post offices in many countries, and the United States Post Office Department itself successfully offered financial services for over 50 years (1911 to 1967), and currently issues domestic and international money orders; and

**WHEREAS**, proposed prepaid Postal Cards (debit cards) would simply be an electronic 21<sup>st</sup> century extension of paper money orders, and short term Postal Loans would be advances on those cards; and

**WHEREAS**, the proposed Postal Card would cost users less than half what they pay for prepaid cards now, and Postal Loans would cost them less than one tenth the cost of a payday loan; and

**WHEREAS**, access to financial services is key to ensuring economic and social opportunity for low-income Americans, a vital priority at a time of growing inequality in our nation; and

**WHEREAS**, financial services are, after letter mail, the single biggest driver of revenue for postal services around the world and the single best opportunity for new revenue for the U.S. Postal Service; and

**WHEREAS**, providing non-bank financial services would stabilize the Postal Service's finances and remove the threat of mass layoffs of Postal Service employees.

**THEREFORE BE IT RESOLVED**, that the Richmond City Council requests that the USPS Board of Governors implement without delay the recommendations of the USPS Inspector General in the January 27, 2014, White Paper to provide non-bank financial services for the underserved; and

**BE IT FURTHER RESOLVED**, that the Richmond City Council urges the United States Congress to fully support the offering of enhanced postal financial services to address the unmet needs of our communities and promote the growth of commerce; and

**BE IT FINALLY RESOLVED** that this resolution be sent to USPS Board of Governors Acting Chairman James H. Bilbray, Members of the Board of Governors Louis J. Guiliano and Ellen C. Williams, Postmaster General Megan J. Brennan, Deputy Postmaster General Ronald A. Stroman, Congressman Mark DeSaulnier, and U.S. Senators Dianne Feinstein and Barbara Boxer.

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I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on **April 7, 2015**, by the following vote:

- AYES: Councilmembers Bates, Beckles, Martinez, McLaughlin, Pimplé, Vice Mayor Myrick, and Mayor Butt.
- NOES: None.
- ABSTENTIONS: None.
- ABSENT: None.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

TOM BUTT  
Mayor

**Certified as a True Copy**  
  
CLERK OF THE CITY OF RICHMOND, CA

Approved as to form:

BRUCE GOODMILLER  
City Attorney

State of California            }  
County of Contra Costa        : ss.  
City of Richmond               }

I certify that the foregoing is a true copy of **Resolution No. 33-15**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on April 7, 2015.