

Increasing Banking Access for People Experiencing Homelessness

People experiencing homelessness (PEH) face unique challenges to banking access. Frequent movement between shelters, social isolation, stigmatization of being homeless, and limited access to technology impede access to bank accounts for PEH. Additionally, federal law requires individuals to provide a physical address when applying for a bank account. While individuals without a physical address are permitted to provide an Army Post Office address, the address of a friend or family member, or the address of a shelter or homeless services agency that provides them mailing services, many PEH are not aware of or do not have access to these resources.

This lack of banking access for PEH can exacerbate economic insecurity. Many PEH receive checks for Federal and State benefits. Without a bank account, PEH utilize check cashing centers to access this income. However, check cashing businesses often charge large fees that can reduce PEH’s incomes. Being unbanked can also make it more difficult to secure employment, easily pay bills, and digitally track expenses.

Being unbanked while unhoused can also pose significant threats to personal safety. Without a safe place to store cash, PEH often carry large sums of money on their

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person. This can make them vulnerable to robbery, posing a threat to their personal safety.

These vulnerabilities are uniquely significant for older adults experiencing homelessness. According to a study by UCSF, nearly half of unsheltered single adults experiencing homelessness in California are over the age of 50, and 41% of those older adults have never experienced homelessness before. This population, having never navigated homeless services before, may be less familiar with which homeless shelters and agencies provide mailing services and the ability to use shelters' or family members' addresses to apply for a bank account. Moreover, older homeless adults may be less likely to have access to and be familiar with the digital technology and applications often required to open and access a bank account. Older adults experiencing homelessness who carry cash may also be perceived as easier targets for theft and harassment.

While federal regulations require a physical address to have a bank account, the County can explore workarounds for PEH, lobby for federal reform, or conduct outreach campaigns to increase the number of PEH utilizing existing avenues to banking access. Taking steps to increase the number of PEH that have bank accounts will help improve the safety, economic security, and quality of life for PEH, and help provide the financial avenues and economic security needed to reduce homelessness.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Department of Consumer and Business Affairs (DCBA), in collaboration with the Chief Executive Office-Homeless Initiative, County Counsel, the Department of Aging and Disabilities, the Department of Public Social Services, the Los Angeles Homeless Services Authority, and all other relevant County Departments, to develop

a plan to increase banking access for people experiencing homelessness, and report back to the Board in 90 days with their current efforts and next steps. This plan should include:

- a. Options for collaborating with banks, community-based organizations, and County Departments to ensure PEH can open and access bank accounts,
 - b. An outreach campaign specifically tailored for PEH to inform them of the existing options and processes for applying for a bank account without a personal address,
 - c. The feasibility of, and options for, providing unbanked PEH opportunities to cash checks or receive State and Federal benefits without fees, including through County-provided check-cashing services in collaboration with community-based organizations or banks,
 - d. Efforts that specifically target increasing banking access for older adults experiencing homelessness.
2. Direct County Counsel, in collaboration with the Chief Executive Office – Legislative Affairs and Intergovernmental Relations, to report back to the Board in 90 days on:
- a. Federal regulations that require a physical address to open a bank account, including when and why these regulations were first imposed and widely enforced,
 - b. Options for federal regulatory and/or statutory reforms, if any, to make it easier for people experiencing homelessness to obtain bank accounts.

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