



# Bank On National Account Standards Validation and Certification: Frequently Asked Questions

## 1. FAQs: National Account Standard Certification

### What are the Bank On National Account Standards?

The Cities for Financial Empowerment Fund (“CFE Fund”) first issued Bank On National Account Standards in October 2015, and an updated version of the Standard can be found [here](#). Compiled with input from local coalitions, financial institutions, regulators, advocates, and researchers across the country, the Standards offer specific guidance on consumer transaction accounts appropriate for financial institution partnerships with local Bank On coalitions, such as Bank On Denver.

The Standards include core and strongly recommended features that address cost, functionality, and consumer safety. They establish an ambitious, but achievable, baseline for safe, affordable, and appropriate accounts that meet the needs of consumers with low incomes, particularly those outside of the financial mainstream.

### How do I know if a bank or credit union account meets the Standards?

In 2017, the CFE Fund announced a national account certification process. [Available free online](#), financial institutions can submit accounts that they believe meet the Standards for validation. Once validated by the CFE Fund’s third-party evaluator, the National Consumer Law Center, as meeting Bank On Standards, financial institutions will receive a Bank On seal of approval for marketing and outreach purposes; national recognition highlighting the account’s safety, affordability, and functionality; and opportunities to partner with local Bank On coalitions and other national stakeholders.

### How can stakeholders use the Bank On National Account Standards certification?

- Financial institutions can use the Standards and certification to highlight their commitment to safe and affordable accounts across all branches and local partnerships, as well as in product development planning. National certification also relieves financial institutions from pressure to modify products locally.
- Local coalitions can use national certification to identify appropriate products to which to connect their residents struggling outside of the mainstream banking system. Certification of nationally recognized standards also offers a clear basis for conversations with financial institutions that do not yet offer a certified product.



## What are reporting requirements for Bank On certified accounts?

In partnership with the Federal Reserve Bank of St. Louis, the CFE Fund works with financial institution partners to track and report aggregate data on accounts that meet the Bank On National Account Standards through the Bank On National Data (“BOND”) Hub, a central data portal available to all financial institutions with certified accounts. This data, such as the number of certified accounts opened in a given reporting period, is also relevant and valuable to Community Reinvestment Act regulatory examinations. Financial institutions with certified Bank On accounts are invited to participate in future reports. To learn more, visit [www.stlouisfed.org](http://www.stlouisfed.org).

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## 2. FAQs: The Validation Process

### How does the account validation process work?

Using the free [CFE Fund web portal](#), financial institutions submit their account terms and contact information, as well as any additional information that demonstrates that the account meets [Bank On National Account Standards](#) “core features”.

The CFE Fund’s independent evaluator, the National Consumer Law Center (“NCLC”), compares account features to the “core features” outlined in the Standards. “Strongly recommended” features are intended to provide additional guidance for Bank On programs when partnering with financial institutions but are not required for certification. The validation process is up or down—accounts either meet all “core features” within the Standards or they do not.

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### What if a bank or credit union wants to explore account certification but isn’t yet ready to submit an account for review?

Interested financial institutions can submit a statement of interest at [joinbankon.org/certify](http://joinbankon.org/certify) (form is toward the bottom of the page) or by contacting Bank On Program Head, David Rothstein, at [drothstein@cfefund.org](mailto:drothstein@cfefund.org). Bank On Denver is happy to make to make the connection, as well!

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### Who conducts the validation?

The CFE Fund has partnered with a third-party nonprofit evaluator, the National Consumer Law Center (“NCLC”), to evaluate Bank On accounts. Upon application, financial institutions may receive questions from NCLC and/or the CFE Fund to clarify product details.



**How will I learn the result of the validation process? Are results made public?**

The CFE Fund will contact financial institution applicants promptly with the results of the validation process. Accounts that are not certified are not announced publicly—the CFE Fund will only notify the financial institution applicant. The CFE Fund’s goal is to certify as many products as possible and will work with financial institutions to provide guidance for meeting the “core features” of the Standards.

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**What are the benefits of getting a product validated and certified?**

In addition to providing appropriate and safe accounts to millions of customers in need, financial institutions with accounts that are validated as meeting Bank On National Account Standards are officially and publicly certified as Bank On approved accounts. Such certification will provide a basis for robust local coalition affiliations and programming opportunities. Additionally, financial institutions can use their product-specific national certification seal provided by the CFE Fund in online marketing, branch signage, and other collateral materials to communicate and highlight that their account meets these widely accepted Standards. The CFE Fund will promote Bank On certified accounts through inclusion in Bank On materials and in communications with local Bank On coalitions, as well as through assets like CFE Fund websites and social media outlets. The CFE Fund will also connect financial institutions to opportunities to partner with local Bank On coalitions and national Bank On stakeholders, where appropriate.

Additionally, financial institutions with certified Bank On accounts are eligible to voluntarily participate in a streamlined, national data collection effort with the CFE Fund and Federal Reserve Bank of St. Louis, described above.

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**My financial institution is located in multiple cities or states. Does the product need to be validated for each market?**

No, this is a national certification applied to products available across a financial institution’s entire branch network. Note that the certification applies only to the product submitted and not to the entire suite of a financial institution’s offerings or to the financial institution as a whole.

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**Can a financial institution require an extra level of application for opening a certified product, such as a financial education experience?**

While the Bank On National Account Standards do not specifically prohibit any extra steps to opening a certified product, we strongly discourage financial institutions from marginalizing and adding additional barriers to prospective new customers seeking to open accounts that, by design, have minimal risks and are easy to use.



### 3. FAQs: The Standards Themselves

**The Standards allow for non-branch financial institutions to have an account certified, but only if they are an “insured depository institution.” What is meant by “an insured depository institution”?** An insured depository institution refers to any bank or credit union where the deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Administration (“NCUA”). It does not refer to organizations that employ a brokered relationship with a financial institution and carry their own insurance in order to sell accounts.

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**Are prepaid debit cards eligible for Bank On National Account Standards validation?**

Yes, the Standards do not distinguish products based upon whether they are structured as a prepaid card or other type of transactional account. Instead, financial products are evaluated against the articulated Standards. Note that the Standards do require that the product is a transactional account offered by an insured depository institution.

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**Does an account need to be free?**

No, the “core features” within the Standards only require that monthly maintenance fees do not exceed \$5 if there is no waivable fee option. If there is a waivable fee option through direct deposit, online bill pay, or debit card purchase, the Standards accept monthly maintenance fees as high as \$10.

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**Can the account have overdraft or non-sufficient funds fees?**

No, the Standards do not allow for overdraft or non-sufficient funds fees, period. The Standards do not allow for grace period, warning, or fee reversal exceptions to this requirement. Of course, transactions may be denied when an account balance is insufficient, and a financial institution retains the right to cancel a customer’s account after repeated, purposeful overdraw attempts. Accounts may allow for negative balances, but customers cannot be charged fees if this occurs.

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**How can financial institutions address dormant accounts while remaining compliant with the Standards?**

The Standards require that there are no charges for dormancy or non-usage. However, a financial institution can establish a specified time period for which it may refund dormant account funds, for free, to the consumer.

**The Standards prohibit activation fees. Does that prohibition apply to credit union membership fees?**



No, one-time credit union membership-type fees are not considered an account activation fee.

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**What is meant by “ATM networks” in the Standards’ requirements of non-branched financial institution providers of certified products?**

An ATM network refers to networks of ATMs beyond the financial institution’s own branded ATMs. Some larger examples include AllPoint, MoneyPass, COOP Financial Services, Cuiance, NYCE, SUM, and VISA Plus Alliance. An ATM network may also include, for these purposes, a partnership made by the financial institution allowing fee-free access to ATMs in commercial establishments, such as convenience and drug stores.

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**The Standards speak to cash and check deposit capabilities and fees. Must every ATM in a certified product provider’s network, or partner network, offer deposit capabilities?**

No, not every ATM; however, those providers of certified accounts that do not have branches must provide some reasonable opportunities for customers to be able to make free deposits.

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**What does “free and unrestricted” mean when it comes to the Branch Access and Telephone Banking core features?**

The Standards are designed to ensure that account holders are not penalized with additional fees or more limited access for existing branch and telephone banking services, or charged a fee for a service at a branch or on the telephone that is free for holders of other accounts using those services.

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**Do the out-of-network ATM fee limitations within the Standards apply to, or include, fees charged by foreign ATMs?**

No, the cap in the Standards on out-of-network charges applies to the financial institution offering a certified account; that cap does not apply to any costs charged by a foreign ATM provider which is not under their control.

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**What are the bill pay options under the Bank On National Account Standards?**

Transactional accounts must meet consumer needs, which include paying bills and vendors of different types. The Standards require two free bill pay features. First, the product must allow bill pay by the customer, to a vendor, using their 16-digit debit card account number. Second, the financial institution must have a free institutional or subcontracted bill pay system that allows customers to send payments to any person or business (e.g. by electronically generating a paper check) OR, at minimum, allow customers four free money orders or cashier’s checks per month.

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**What do the Standards require of financial institutions regarding monthly statements?**

The Standards require that any electronic monthly statements available by the financial institution be offered for free, and that charges for paper monthly statements, if offered, do not exceed \$2 per month for one mailed statement. A best practice is to offer paper statements.