



April 16, 2020

Dear Governor Hutchinson:

As we work together as one Arkansas to collectively limit the impact of COVID-19, we respectfully request your action to ensure that residents who are already financially vulnerable are not exploited and are able to rebound quickly to help restart the economy once the crisis passes.

As Arkansans continue to navigate this crisis, the Arkansas Asset Funders Network urges the Office of the Governor to ensure that all residents have the financial support needed to stay safe, either at home or at work, during this crisis.

To ensure Arkansans are able to survive and recover from the COVID-19 crisis, we ask that you advance the following protections while Arkansas is under the declared emergency:

1. Promote certified Bank On Arkansas accounts as means for unbanked families to receive IRS economic impact payments in a timely manner
2. Clarify that under state law the money individuals receive via the stimulus checks is exempt from garnishment or collection efforts
3. Place a moratorium on evictions and foreclosures
4. Place a moratorium on debt collection efforts to state and local governments
5. Strongly encourage lenders to be flexible and work with borrowers during this time, such as loan deferments, waiving of fees, and other types of relief

The situation is dire. Even pre-COVID-19, over half of Arkansas households are unable to make ends meet for three months if their income is interrupted. For black households, it is over 73%. Arkansas is projected to lose 113,757 jobs by summer, and has already experienced more than 26,944 in unemployment claims since March 15.

The concern is not only insufficient income to cover basic needs like food and rent, but also the amount of debt people already carry, such as medical and student loan debt. Even before this pandemic, over 39% of Arkansans had a debt in collections. Today, 26.5% of Arkansans are unbanked or underbanked, meaning they are potentially struggling to manage their money remotely or are unable to receive wages, stimulus checks, and/or government benefits. COVID-induced defaults will cause long lasting damage, such as eviction, foreclosure, and damaged credit scores. This will prolong the devastation long after the crisis ends for everyone else since credit scores become barriers to housing, jobs, and affordable credit in the future.

In addition to these necessary consumer protections, we urge the Governor to ensure that stimulus funds disbursed to the states through Congress's bipartisan relief efforts be distributed in a way that specifically includes low- and moderate-income people and communities.

Arkansas Asset Funders Network is a regional chapter of grantmakers who invest in opportunities for low and middle-income individuals and families to build economic well-being. Members include private, public, corporate, and community foundations, public-sector funders, and financial institutions who want to help Arkansans secure economic stability, for now, and for years to come.

Thank you for your consideration. We applaud your leadership during these uncertain times.

Sincerely,

William J. Bynum, HOPE Enterprise
Mary Elizabeth Eldridge, Ross Foundation
Heather Larkin, Arkansas Community Foundation
Dr. Sherece West-Scantlebury, Winthrop Rockefeller Foundation
Ines Polonius, Communities Unlimited
Anna Beth Gorman, Women's Foundation of Arkansas



BANK ON ARKANSAS+



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To learn more visit bankonar.org





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FOR IMMEDIATE RELEASE

Bank On Arkansas+ to Help Expedite COVID-19 Financial Relief Process
Will Offer Certified Checking Accounts to Ensure Swift IRS Payments

LITTLE ROCK, Ark. (April 13, 2020) - Bank On Arkansas+ is offering access to certified checking accounts to ensure Arkansans are able to receive government-issued relief in a timely manner. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the IRS will distribute economic impact payments to help ease American's COVID-19-related financial challenges. Those who are unable to receive funds through direct deposit may not receive paper checks until September.

"Since we formed Bank On Arkansas+ in 2018, we have focused on engaging Arkansans who still receive paper checks and are potentially unbanked," said Kara Wilkins, the initiative's director. "In the face of COVID-19, this has become an urgent need, and we are grateful to our participating banks and credit unions for providing economic relief for struggling families."

In order to receive the IRS economic payments immediately, unbanked and underbanked Arkansans will need to open a bank account and provide their banking information through a secure IRS portal. With the help of participating Bank On Arkansas+ financial institutions—Bank of America, Diamond Lake Federal Credit Union, IBERIABANK, First Security Bank, US Bank, Simmons Bank, Southern Bancorp, Citizens Bank, Wells Fargo and Centennial Bank—these individuals can now open checking accounts, either online or in person by appointment, that have no overdraft fees; monthly minimums of \$5 or less; free debit / ATM cards; and direct deposit options. Individuals may visit bankonar.org for details on how to start an account.

In March, Bank On Arkansas+ partnered with the City of Little Rock to assist nearly 200 city employees who were unable to physically obtain or deposit their paychecks due to COVID-19 restrictions. As Arkansans adjust to the impacts of this national emergency, Bank On will continue to work with nonprofits and municipalities to help those at financial risk.

About Bank On Arkansas+

Bank On Arkansas+ is a project of the Arkansas Asset Funders Network, a regional chapter of grantmakers that invest in opportunities for low- and middle-income individuals and families to build economic well-being. It is sponsored by Carl B. and Florence E. King Foundation, Cities for Financial Empowerment Fund, Diamond Lakes Federal Credit Union, IBERIABANK and Southern Bancorp. For more information, visit bankonar.org.

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