

AIR Partners with Visa to Help Minority Banks and Credit Unions Close Tech Gap

The Digital Modernization Pilot seeks to strengthen competitiveness and customer access at minority depository institutions to narrow the racial wealth gap

WASHINGTON, D.C., USA, July 12, 2022 /EINPresswire.com/ -- AIR — Alliance for Innovative Regulation – announced a partnership with Visa Inc. to support AIR’s Minority Depository Institution (MDI) Digital Modernization Pilot program, which will provide underserved communities of color with more competitive financial services

options. MDIs uniquely understand the challenges facing this historically disenfranchised and marginalized population, and serve as a trusted home for services. The program elicits MDIs’ feedback about their technology goals, assesses the state of their digital offerings and establishes a path to implementing digital solutions that will improve their competitiveness and benefit their customers. Visa’s partnership will enable collaboration directly with banks and credit unions, building upon the MDI modernization work that AIR started with the National Bankers Association in December 2020.

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David Ehrich

“MDIs are a precious resource to the communities they serve and they are under threat. Digital capabilities will define the competitive environment for financial services over the next decade,” says David Ehrich, AIR’s executive director and co-founder. “AIR is proud to partner with Visa, minority banks represented by the [National Bankers Association \(NBA\)](#) and minority-backed credit unions to

bridge this digital divide,” he continues.

MDIs are a primary node in efforts by the financial ecosystem to address the racial wealth gap



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for people of color. Digital modernization is necessary to scale up their special capacity to serve communities of color with a broad range of affordable and easy-to-use financial services solutions.

"Every day, MDIs are improving customer access and enhancing product capabilities all while positioning themselves to compete with larger banks and rising fintechs. However, these minority-owned and -operated banks need technology solutions to survive and thrive in the era of digital disruption. Cost, capacity strains, IT integration, and change management are the four major challenges in MDIs' journey to digital modernization," says NBA President and CEO Nicole Elam, who was recently featured on AIR's Barefoot Innovation podcast. "National Bankers Association is proud to partner with AIR on the MDI Digital Modernization Pilot, a program that seeks to find digital solutions to these very problems."

"[Inclusiv](#) supports strategies for digital modernization in MDI credit union and cooperative networks. By leveraging technology and data, Inclusiv has been working to increase financial inclusion and independence in low-income communities," says Cathie Mahon, Inclusiv's CEO and president. "We are excited by the opportunities in AIR's pilot program to produce shared-utility tech products that could potentially benefit our network and the communities that need access to credit and banking services the most."

The pilot will include a test group of MDIs — including banks, credit unions and community development financial institutions (CDFIs) — that AIR will partner with to define and execute a digital modernization roadmap. The goal is to improve their competitiveness by identifying and implementing digital solutions for both their client-side services and internal operations. The project aims to establish a "test and learn" collaboration, with the results shared publicly to inspire MDIs across the ecosystem to modernize their digital infrastructure.

"The economic mobility of communities of color is essential to creating a more equitable world. Visa is proud to support AIR's MDI pilot program to help reduce economic disparities and create access and opportunity through digital modernization," says Michelle Gethers, Chief Diversity Officer and Head of Corporate Responsibility at Visa.

To learn more about AIR's work to narrow the racial wealth gap and foster inclusion visit: <https://regulationinnovation.org/racial-equity/>.

About AIR: AIR is a nonprofit, non-membership organization working to make the financial system fully inclusive, fair and resilient through responsible use of new technology. By connecting regulation, finance, technology and society, AIR drives global innovation and collaboration to address rapid technology change.

About the National Bankers Association: Founded in 1927, the National Bankers Association (NBA) is the leading trade association for Minority Depository Institutions (MDIs). The NBA's membership includes federally insured banks owned and operated by Black, Hispanic, Asian,

Pacific Islander, Native American, and women business leaders throughout the country. MDIs serve predominantly minority communities, and minorities account for at least 51% of the voting stock or board seats. NBA's mission is to serve as an advocate for the nation's MDIs as well as the communities they serve. Most members are also Community Development Financial Institutions (CDFIs). They have become banks of last resort for consumers and businesses who are underserved by traditional banks and historically the most vulnerable during economic downturns.

About Inclusiv: Inclusiv is a certified CDFI intermediary that empowers financial well-being for people living in distressed and underserved communities by providing capital, developing innovative financial products and advocating for our member community development credit unions (CDCUs). The Inclusiv Network represents 465 CDCUs and financial cooperatives throughout the United States and its territories holding over \$242 billion in community-controlled assets that serve over 17 million residents in low-income urban, rural and reservation-based communities.

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