

AIR Hosts Key Stakeholders at U.S. Capitol to Weigh Future of Minority Depository Institutions

The event focused on the digital capability of MDIs as AIR and other partners advance project to provide technology solutions

WASHINGTON, D.C., USA, December 1, 2022 /EINPresswire.com/ -- The [Alliance for Innovative Regulation \(AIR\)](#) gathered financial policy leaders, bank and credit union representatives, technology innovators and other stakeholders at the U.S. Capitol Wednesday to advance an ambitious [initiative](#) to enable Minority Depository Institutions (MDIs) to adopt the digital tools that they need to improve financial services offerings for communities of color.



AIR Executive Director David Ehrich with NBA President Nicole Elam during the event.

“

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AIR is partnering with the National Bankers Association (NBA) and Inclusiv as part of this digital modernization project. The initiative, with an inaugural grant from Visa Inc., seeks to help MDIs build a digital modernization road map to strengthen their digital infrastructure and their technology capability.

The event Wednesday was hosted by AIR in partnership with the NBA, The National Bankers Community Alliance (NBCA), Inclusiv and Visa Inc. It featured presentations with Michelle W. Bowman, a member of the Board of Governors

of the Federal Reserve System; former National Credit Union Administration Chairman and current NCUA board member Rodney Hood; and panel discussions with executives of numerous MDIs, nonprofit leaders, key regulatory officials and other stakeholders.

MDIs play a pivotal role in the financial system addressing the racial wealth gap for people of color. But they face competition from larger financial services players and more digitally savvy fintechs. Modernization of their technology systems and more digitally focused product offerings are key to allowing MDIs to scale up their capacity to serve communities of color.

“When you have small institutions that face really big competitive juggernauts in front of them, how do they begin to scale that mountain? That’s why we’re here today. What we have created is a project that can help the small financial institutions, both credit unions and banks, begin to understand and address these great challenges,” said David Ehrich, Co-Founder and Executive Director for AIR.



A large, diverse and engaged audience attended the event at the U.S. Capitol



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The initiative will begin by assessing the technology needs of five MDI banks and four MDI credit unions to create a tailored digitization road map for each one. A follow-up phase will fund implementation of these road maps as well as share these learnings with other MDIs and with other community institutions.

Nicole Elam, President and CEO of the NBA, referred to the challenges faced by MDIs to implement technology changes as the “four C’s.”

“Cost, capacity, change management, and core integration have been the biggest challenges and areas of opportunity that we’ve seen from our banks as it relates to digital modernization,” Elam said. “We know that with technology, they can increase not only the accessibility of financial services but also how affordable it is.”

Jo Ann Barefoot, Co-Founder and CEO of AIR, said MDIs have an important role in addressing economic inequities that have come under intense focus since the murder of George Floyd.

“There are still tremendous gaps in access to credit, approval rates, pricing on credit, and all the way down the line. There are complicated reasons for that, but I think there is a galvanizing of will today, much of it building off of the murder of George Floyd, which really brought people together to say we need to fix these problems,” Barefoot said. “And one of the players in that endeavor are Minority Depository Institutions, banks and credit unions.”

Videos of Wednesday's event will be made available to stream online soon. To learn more about the event and overall initiative, please visit: <https://regulationinnovation.org/the-future-of-minority-depository-institutions/>.

About AIR: AIR is a global nonprofit leveraging digital modernization to help build a financial system that serves everyone and produces widespread financial health. Founded by Jo Ann Barefoot and David Ehrich, AIR arms regulators with digital tools to counter technology risks and optimize financial services for the digital age.

About the National Bankers Association: Founded in 1927, the National Bankers Association is the voice for the nation's Minority Depository Institutions (MDIs). Members include Black, Hispanic, Asian, Pacific Islander, Native American, and women-owned and -operated banks. MDIs are located across 28 states and the District of Columbia, Puerto Rico and Guam.

About the National Bankers Community Alliance (NBCA): National Bankers Community Alliance (NBCA) is the nonprofit arm of the National Bankers Association (NBA), the leading voice for the country's Minority Depository Institutions whose membership includes Black, Hispanic, Asian, Pacific Islander, Native American, and women-owned and -operated banks across the country. To continue NBA's support of MDIs, the NBCA was founded to provide programs and services to support MDIs and the communities they serve to close the racial wealth gap.

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. Learn more at [Inclusiv.org](https://www.inclusiv.org).

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