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## Bank Branch Closures Highlight Need for Creative Financial Solutions in the Bronx

Coalition launches tour with mobile credit union van, visiting Bronx neighborhoods affected by branch closures and few affordable banking options

Tour begins on International Credit Union Day – Thursday, October 20



*Both Bank of America and Chase closed branches in the Norwood section of the Bronx during the fall of 2019. The Bank of America branch (at left) remains vacant while the Chase branch has since become a fast-food restaurant.*



**(The Bronx, NY)** – In many parts of the Bronx, it is easier to find a check casher or pawn shop than a bank branch, and a spate of branch closures that started in the year before the pandemic has exacerbated the situation. In response, the [Bronx Financial Access Coalition](#) has partnered with the [Lower East Side People's Federal Credit Union](#) to bring affordable and convenient financial services to the Bronx through a mobile branch van. Over the next month, the coalition and the Bronx People's mobile branch will visit closed Bronx bank branches to speak with local residents about their banking experiences and what they want to see in their neighborhoods.

The tour will begin on the morning of **Thursday, October 20** – [International Credit Union Day](#) – from 9:30 – 11:30 AM in the Norwood section of the Bronx where two branches on the same



street closed in the fall of 2019: a former Bank of America branch at 299 East 204th Street remains vacant while a former Chase branch at 309 East 204th Street has since become a fast food restaurant.

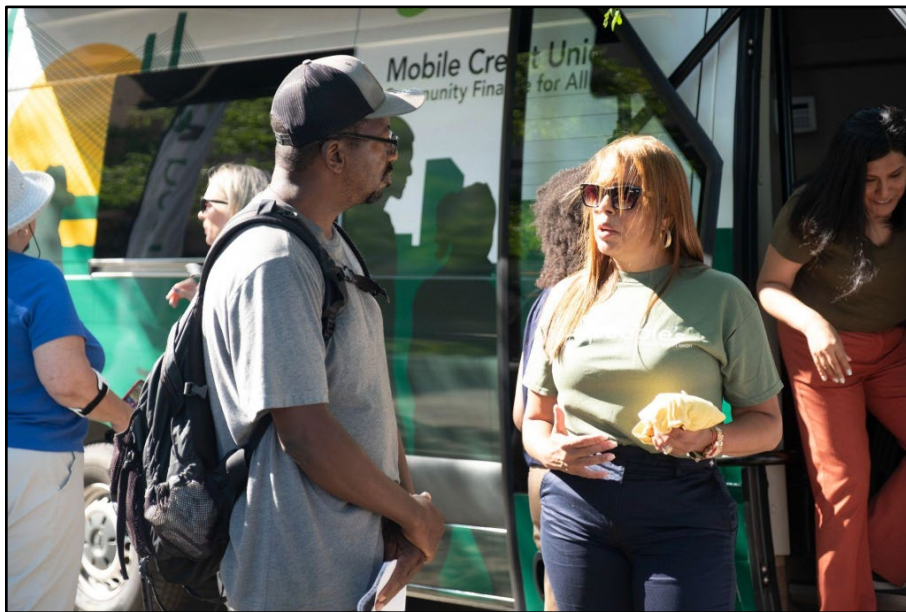
The tour will continue the following **Thursday, October 27**, when the mobile branch van will visit the former Popular Bank branch at 1046 Southern Boulevard in Hunts Point/Longwood section of the Bronx, also from 9:30 – 11:30 AM. On **Thursday November 3**, the coalition of organizations and credit union representatives will talk to residents in front of the closed Amalgamated Bank branch at 94 East Burnside Ave. Subsequent tour dates are still to be announced.

Even before the pandemic, the Bronx had [the fewest bank branches](#) and the [most check cashers and pawnshops](#) per household in the state, and possibly the country. From the beginning of 2020 to the end of 2021, 19 branches in the Bronx closed while only four opened. The vast majority of those closures (16) were in majority Black and Brown neighborhoods. Another 10 Bronx branches had closed in the prior three years while six had opened, meaning a net loss of 19 branches over five years across the borough.

At a press conference this past July, the [Bronx Financial Access Coalition](#) celebrated the launch of the Bronx People’s Mobile Branch while advocating for affordable and convenient financial services throughout the borough. Founding members of the Coalition include Banana Kelly Community Improvement Association, University Neighborhood Housing Program, We Stay/Nos Quedamos and WHEDco. A future permanent branch in the Bronx will be the credit union’s fourth location, joining [branches](#) in the Lower East Side, East Harlem and Staten Island’s North Shore.

The coalition has been openly [opposing bank branch closures](#) since 2019. Banks have typically cited claims of unprofitability as the reason for the closures. Complaints to banking regulators have also proved unfruitful, as both state and federal agencies claim they lacked the enforcement power to stop branch closures. A [statement](#) from New York’s state banking regulator in December of 2020 surprised coalition members by declaring that the [closing of two Popular Bank branches](#) in Hunts Point and Castle Hill “will not result in a significant reduction of banking services in the communities to be affected.”

The credit union [offers](#) free checking accounts, credit builder loans, low-cost auto loans, and accounts for members with ITINs who may have trouble opening accounts at a traditional bank. For now, these services will be offered through their [mobile branch van which launched in April](#) with regular visits to Melrose, Morris Heights and Longwood. The van has also visited Highbridge, Wakefield, Bedford Park, Mott Haven and most recently Soundview in partnership with local organizations and houses of worship. The coalition and credit union's strategy is to restore and build trust with community residents who have had bad experiences with banks, or are tired of paying high fees to banks or check cashers. With a low deposit of \$25 members are able to access credit union products and services including fee-free ATMs at most McDonald's, 7-11s and Citibank branches, and a [67% discount for CitiBike membership](#) for low-income families. Community residents [can sign up to join the credit union online](#) and find out about upcoming dates and locations at [bronxfinancialaccess.nyc](#).



***Ayasilis Nunez of the Lower East People's Federal Credit Union speaks with a community resident in the Melrose neighborhood of the Bronx at the launch of the Bronx People's Mobile Branch on Tuesday, July 19, 2022. A coalition of Bronx organizations is partnering with the credit union on the expansion project.***

In a [pre-pandemic survey](#) of hundreds of Bronx community members, WHEDco found that about one out of every four respondents did not have a U.S. bank account and more than forty percent of respondents said they have zero dollars saved. Many of those surveyed by WHEDco said they can't maintain the minimum balance required and do not have a bank branch in their neighborhood, among other challenges cited.

Branch closures are part of a long history of redlining practices that led to the devastation of places like the South Bronx and the Lower East Side in the 1970s and 80s. Back then, community residents organized to save their neighborhoods, and one of their victories was the

passage of the federal Community Reinvestment Act in 1977. The specifics of the regulations under this law [are currently being revised](#) by all three federal banking regulators for the first time in over two decades, and stronger regulations could help stem the tide of branch closures.

The coalition is also partnering with elected officials to pass state and city legislation that will help small community credit unions grow and expand across the state. [The New York State Public Banking Act](#), for instance, would allow [municipalities](#) across New York to create [local public banks](#) that can partner with and invest in small banks and credit unions. Additional investment from the federal and [state funds for community development financial institutions](#) can also allow community credit unions to grow.

### **About the Bronx Financial Access Coalition**

The Bronx Financial Access Coalition seeks to increase access to quality affordable and convenient financial services in the Bronx. Formed between 2020 and 2022 in response to a spate of bank branch closings in the Bronx, the Coalition has partnered with the Lower East Side People's Federal Credit Union to launch the Bronx People's mobile branch. The Bronx Financial Access Coalition includes [Banana Kelly Community Improvement Association](#), [University Neighborhood Housing Program](#), [We Stay/Nos Quedamos](#) and [WHEDco](#).

### **About the Lower East Side People's Federal Credit Union**

Local activists organized the Lower East Side People's Federal Credit Union in 1986 to fill the void left by the closing of the last bank branch in the neighborhood. Today, LESPFCU is a nationally-recognized leader in the credit union and community development financial institutions (CDFI) field, having received numerous federal CDFI Fund awards to support our growth and expansion. As NYC's largest CDFI credit union, LESPFCU had \$84 million in assets, \$53 million in outstanding loans and 8,768 members as of the close of 2021. As a Community Development Credit Union, they have invested over \$126 million into the community and expanded financial access to 90,000 underbanked families. Credit Union members are 78% low-income (with 29% very or extremely low-income) and are 63% Hispanic/Latino and 22% Black. LESPFCU is committed to a vision that all communities in NYC should have access to safe, affordable financial services and credit, and not be abandoned and left vulnerable to predatory financial services simply because they are poor, lack prior banking, a credit history or immigration papers.

*All photos by the Bronx Financial Access Coalition.*

*For the most updated release, visit: [bronxfinancialaccess.nyc/epk](https://bronxfinancialaccess.nyc/epk)*

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