



Increasing Use of Contactless Payments by Transit Riders

A Guide to Reducing Cash Dependence

Introduction

Why is cash fare collection a challenge for transit agencies?

Across almost every industry, payments are evolving rapidly. From mobile wallets and apps to using credit and debit cards for large and small purchases, people have more ways to pay for goods and services than ever before.

At the same time, cash payments continue to play an outsized role in transit fare collection, with disadvantages for both riders and agencies. For riders, paying in cash means that they aren't always getting the best price for their trip or able to take advantage of discount programs for which they may be eligible. Paying in cash for each trip means riders have to bring **exact change**, have **limited access to new or affordable fare products like** fare capping or free and reduced fare programs, and may experience **undue safety concerns**. Meanwhile, for transit agencies, collecting cash onboard buses and at transit stations is **expensive** to process, can **increase vehicle dwell times** and **delay timely operations**. Some agencies have also found that cash collection onboard results in **short fares or fare evasion**, creating unnecessary conflicts between drivers and riders.

Collectively, these challenges are prompting transit agencies to ask:

1. What role will cash play in the future?
2. How can I right-size my fare collection investments to reduce my operational costs, while ensuring inclusive options for riders?

Who is this document for?

Across California, there will be a full spectrum of agency interests and aspirations for reducing dependence on cash. Some agencies may focus on maximizing their investment in contactless payments, while others may seek to create new pathways for financial inclusion for their un/underbanked riders. Agencies whose cash fareboxes are nearing the end of their useful life may be grappling with the extent to which they should be investing in more robust cash collection needs, and what alternatives may exist to give riders convenient ways to pay that acknowledge their current payment preferences and capabilities.



What can you expect in this document?

To support agencies with answering these questions, Cal-ITP has developed a set of practical strategies that help transit agencies understand their riders' payment preferences and capabilities, the investments and initiatives that they can undertake to expand contactless payments on their system, and ways to encourage riders to use those payment methods.

For agencies committed to reducing fare collection costs overall, this document outlines opportunities to streamline fare products to reduce reliance on more complex fareboxes – or perhaps, on fareboxes at all.

Even for agencies with the most ambitious goals of removing cash collection on board, the strategies outlined here are incremental. Taking small, deliberate steps to support riders in transitioning away from cash is essential to chart a positive course forward, one on which riders are excited to come along and are not left behind.

Strategies for reducing cash dependence:

Agencies support many types of fare media, each with impacts on efficiency, cost, and rider experience. While the use of cash endures, these steps can help you move from **high cash dependence** to **high efficiency fare collection**.

Fare Payment Options:



1. Know your riders.

Understanding your riders can help you analyze what fare media might make the most sense for them. Riders decide how they pay for transit based on many factors, with cost and convenience at the top of the list. Understanding these preferences can lead to more targeted interventions that reduce high cash dependency.



2. Encourage banked riders to tap to pay.

Riders that already have bank cards have the easiest time migrating to contactless payments, reducing the share of fares collected by other means. Targeted marketing and awareness campaigns can help shift behavior.



3. Provide un/underbanked riders options.

For riders that don't have a bank card, focus on offering digital or prepaid card options that work for them. These should be easy to use and are often cheaper per-ride compared to cash payments.



4. Enable contactless on other modes.

Accepting contactless payments across the system allows more riders to take advantage of tap-to-pay fares and reduces the contexts in which riders have no easy alternative to cash.



5. Remove other fare products.

Fully migrating legacy fare payments to modernized equivalents allows agencies to phase out old fare media and acceptance devices, saving money and streamlining operations, resulting in more efficient fare collection.



High efficiency fare collection
 OLP = contactless open loop payments



Strategy 1: Know Your Riders

Like any business looking to optimize for their customers' spending habits, it is essential for transit agencies to first understand their riders' payment preferences and capabilities. There are various avenues to collect this information about riders:

1. Rider surveys

A great baseline is surveying riders about their payment preferences and capabilities. Depending on other planned engagement, agencies can incorporate a few targeted questions into upcoming surveys or initiate a full separate survey if of interest. During the development of this report, several Cal-ITP agencies chose to integrate a few key questions into their upcoming Short Range Transportation Plan (SRTP) efforts, as a fare study was being conducted as part of that effort. The full survey guideline is available to agencies in Appendix A.

2. Agency data analysis

Agencies themselves have a trove of valuable data on how riders are choosing to pay for transit today, and what fare mediums are most prevalent on their systems. Some key questions to focus the investigation include:

- What percentage of riders pay in cash vs. digital payment methods (including card and/or app)?
- What percentage of riders are taking advantage of discounted pass products?
- Are there observable trends with how agencies' fare products align with the different fare media offered (i.e. are passes are mostly purchased via a fare card, app, etc.)?
- How often are people using their passes? This helps agencies think about how pass products could be served through other mediums, like fare capping, in the future.

Gathering this data deliberately helps identify key insights on riders that can subsequently inform how transit agencies can prioritize their roadmap to reduce cash dependence on board.

Strategy 2: Encourage banked riders to tap to pay

For transit agencies that have invested in accepting contactless payments, the first order of business is to ensure that riders who already have banking products (be it a debit or credit card or a mobile payment app) know that they can use these on the transit system, and they are attracted to making the switch.

1. Right-sizing marketing resources:

Increasing riders' awareness of agencies' investment in contactless payments requires targeted marketing efforts. With many agencies facing a constant shortage of marketing resources, what is needed to be successful? While the resources themselves should be



tailored to different riders (i.e. banked riders vs. un/underbanked), the following tools and strategies can help to focus on driving more riders to use their bank cards on transit:

- Leverage templates: Cal-ITP has developed bi-lingual templates on tapping to pay that can be adapted to any agency's needs
 - Target partnerships: prioritize connections to partners that have aligned interests (be it special event venues, cultural institutions, financial institutions, community partners, which is outlined more below)
 - Focus marketing on contactless payments vs. other fare products: to drive adoption of contactless payments, limiting the promotion of other fare products can help focus riders' attention on this way to pay
- 2. Make contactless payments as (or more) compelling than existing fare products:**

For agencies that are looking to attract riders to use contactless payments, it is critical that it makes financial sense for riders to do so, and they understand how the financial structure works to ensure they will receive the best price as they tap to pay. For example, implementing fare capping ensures that riders never pay more than a certain amount in a given period; the back-end processing ensures that any rides after that threshold are free. At minimum, implementing fare capping that mirrors the cost of an agency's daily/weekly/monthly fare products ensures that riders are getting the same value of existing fare products, with the added benefit of not needing to purchase that product up front.

3. Allow riders to received discounted/concession fares via bank cards:

Many transit riders receive discounts as part of their transit purchase today, be it for students, seniors, veterans, or disability status, among others. To reduce the dependence on agency fare cards and increase the use of contactless payments, agencies can facilitate the process to allow riders to receive these discounts via a bank card as well.

In collaboration with the California Department of Technology, Cal-ITP developed a digital tool to support transit agencies offering discounted fares on bank cards. This tool enables the transit agency's fare payment service provider to 1) link the right to discounted travel to the rider's bank card and 2) digitize the eligibility verification process. Digital eligibility verification is currently offered for seniors, veterans and Medicare card holders. If a transit agency already has a reduced fare card program, the tool can help migrate those rider's discounts to their bank card.

More about the Cal-ITP Benefits Program can be found [here](#).



4. Leverage special events and promotions to encourage the switch:

There is nothing like a special event to create a moment to engage with riders and promote a new way to pay. Special events – from large community gatherings, sports or entertainment – encourage people to rethink their travel behavior, even if temporarily. As such, they present an opportune time to promote a frictionless travel experience, which can include encouraging riders to pay with what’s in their pockets today. The other opportunity that emerges from special events is that with increased visibility and ridership comes the potential for unique partners or sponsors that may want to support the use of contactless payments on the system. Be it an event venue, the payment networks such as Visa, Mastercard, American Express, Discover, or financial institutions like a local credit union, this is a unique moment for the private sector to reach riders and potentially attract new (or happier) customers to their services.

5. Rewards programs:

As demonstrated by the financial sector on a variety of services, such as airline miles or hotel points, the use of rewards is a proven concept to incentivize loyalty and nudge behavior. As such, there is an opportunity to leverage contactless payments to link spending on qualifying transportation purchases to a cash back or rewards program. Each time a customer uses mobility services like transit, bikeshare, or EV charging, they could receive a percentage cash back or points that are linked to their bank card, which they can then use to pay for other goods and services.

There are numerous examples of transit rewards programs already underway in the U.S. In Summer 2021, Monterey Salinas Transit (MST) and Sacramento Regional Transit District (SacRT) launched contactless payment acceptance projects and [partnered with Cash App](#) to connect riders with a contactless solution. As part of this promotion, Cash App offered cash back “Boosts,” \$1 per ride on MST and 50% off their ride on SacRT. Card provider [FutureCard](#) offered 100% cash back on the New York subway during December 2023 and January 2024. Mastercard has also launched a [Transit Benefit Program](#) that is live in five U.S. cities, which offers customers a \$2.50 statement credit every time they spend \$10 tapping their contactless Mastercard on transit rides in those cities. These programs are an effective way to encourage travelers to sign up for a contactless bank card if they don’t yet have one, or to use their contactless card to pay if they weren’t already.

Strategy 3: Provide Options for Un/Underbanked Riders

For those without access to a contactless payment method, the challenge – and opportunity – is helping connect them to options that work for them. Nationally, there



nearly 6 million unbanked and 19 million underbanked¹ households. Across California, this equates to almost 2 million unbanked and over 5 million underbanked households. Instead of keeping un and underbanked riders using cash, paying for mobility could be a gateway to unlock financial inclusion opportunities. There are opportunities to point customers to payment options that increase their familiarity with financial services and allow them to build trust with financial institutions.

1. Provide information about accessible bank and credit union accounts:

A solid first step in the path to financial inclusion is to refer transit riders to safe, inclusive banking accounts. While bank accounts have historically required significant personal information (like a social security number), account opening fees and annual maintenance fees, many banks and credit unions are moving away from those requirements. Launched under the Cities for Financial Empowerment (CFE) Fund, a non-profit focused on expanding the availability and affordability of banking products, Bank On lists certified banks and credit unions with services and products tailored to un/underbanked customers that feature lower fees and minimum requirements.

As part of this effort, Cal-ITP collaborated with CFE and MST to refer MST riders to Bank On accounts. This included sharing information about Bank On account, including local outlets, on [MST's website](#), developing multilingual printed flyers (see Appendix B), and publishing a press release in [local publications](#).

2. Leveraging financial partners:

While providing information on safe, inclusive banking options as a transit agency is valuable, financial institutions also have a role to play in demonstrating their commitment to supporting transit riders and pathways to financial inclusion for those who are un and underbanked. In the Monterey-Salinas area, CFE and Cal-ITP worked to identify financial institutions that may be interested in partnering with MST to promote their financial offerings to riders. Interested financial institutions could support transit agencies through various partnership offerings, including developing educational materials to let their customers know they can use their bank cards on transit, ensuring they offer a Bank On certified product, or including transit as a potential sign-up or cash-back promotion when they bank cards are used on transit, among others. A template for banking partnerships conversations can be found in Appendix C.

¹ According to the [FDIC](#) in 2021, “underbanked” was defined as households with at least one bank account and “in the past 12 months used at least one of the following nonbank transactions [money orders, check cashing, etc.] or credit products or services [rent-to-own service, auto loans, etc.] ... to meet their transaction and credit needs.”



3. Reaching riders through trusted community partners:

Increasing awareness of contactless payment options requires the support of people whom riders trust. Community partnerships are an important part of any successful effort to encourage new rider initiatives because trusted partners know the community intimately, what their challenges are and how to provide information in a way that speaks their language, literally and figuratively. As an example, Cal-ITP worked with MST and CFE to identify local community-based organizations that were supporting financial inclusion in the Monterey-Salinas region. As part of a [UnidosUS campaign](#) to reach unbanked Latinos, the [Community Action Board](#) of Santa Cruz County was instrumental in that effort. To support their efforts, they were focused on hiring indigenous speakers, as many of their community members spoke indigenous languages from Mexico, and that Spanish was their second language. To engage in important work around financial and digital literacy, it is difficult to do so in your second (let alone third) language, and community partners are attuned to these nuances and can add an invaluable connection to ensure communities receive the support they need during this transition.

4. Offer alternatives to cash payment for riders who remain unbanked

For riders that are still unable to tap to pay, agencies have several options to offer solutions that can leverage their investment in contactless validators. For example, a transit agency might consider maintaining or introducing transit cards that utilize the same technology and payment standards (known as Europay, Mastercard and Visa, or EMV) – as riders’ bank cards. This way they do not need additional equipment on board and can provide viable cash alternatives to riders. Retail networks can be used to distribute these cards to riders and allow topping up cards even with cash. In the future, there will be opportunities to leverage EMV transit cards in mobile wallets with Apple and Google.

Aside from EMV technology, agencies can leverage the optical readers that are equipped on many validators to deploy mobile applications using a QR code. This allows for riders to pre-pay for travel using various payment methods, while agencies can benefit from having mobile application usage more accurately tracked on their systems.

Strategy 4: Expand Contactless Payments to Other Modes

One way to support the growth of non-cash alternatives is to ensure that all transportation services accept contactless payments, and that agencies deliver their subsidies or vouchers on other modes via contactless payments. In addition to the fixed-route transit services, two key services that agencies are focusing on are paratransit and taxis (in particular, supporting agencies who distribute paratransit taxi vouchers).



Contactless Payments on Paratransit

When transit agencies wish to extend their contactless payment solution to paratransit, Cal-ITP recommends assessing the feasibility of using an agency's existing vendors, which can be determined using the questionnaire below. If leveraging an agency's current vendors is a possibility, Cal-ITP recommends drafting a scope of work and contacting an agency's vendors to confirm feasibility, pricing and implementation options.

Questions to assess to feasibility of using fixed route revenue collection vendors for micro/paratransit revenue collection:

1. **Validators:** Does your paratransit fleet have room for your fixed route validators to be installed? Can they be installed in locations that are accessible to your customers (e.g. in wheelchairs)?
2. **Fares:** what is the fare structure/policy of paratransit (flat, distance-based, etc.)? Is it the same structure as your fix route service (flat fare)? Does the paratransit fare structure fit with the fare logic of your transit processor?
3. **Reporting:** Are your transit processor's current reporting capabilities adequate for your paratransit revenue collection reporting needs?
4. **Contracting:** according to your legal team/advisor, can you extend the service contract with your current suppliers if these will be deployed after the initial contracting period?
5. **Stakeholders:** Are there other stakeholders that you should keep in mind when thinking about the paratransit offering? Are the same entities managing your paratransit vehicles/drivers/on-board technology as your fixed route?
6. **Other considerations:** Are there further differences between your fixed route service and your paratransit that might impact the proposition or implementation? Ownership of vehicles, subcontractors involved, different driver union, etc.?

Agencies that find they are unable to use their current vendors are encouraged to contact Cal-ITP (hello@calitp.org) for further guidance.

Paratransit Taxi Vouchers

It is also important for agencies to consider how they administer programs and encourage interoperable contactless solutions for services they fund, but may not operate. In addition to – or in lieu of – their own paratransit service, many agencies administer vouchers to subsidize the costs of demand-responsive trips (taxis or transportation network companies, like Uber and Lyft). These vouchers are often company-specific or paper-based, making them difficult to administer and to track. As a result, many agencies are looking to migrate their voucher programs to a single, unified contactless solution.

Marin County Transit District (MCTD) is one such agency seeking to optimize the delivery of their on-demand transit programs. They had been subsidizing trips for seniors on three separate services: Uber, Lyft, and taxis. This approach was proving to



be administratively onerous, so MCTD began exploring issuing the subsidy for senior on-demand services through a single prepaid card. In the long term, if the program is successful, the prepaid card program could be expanded or adjusted for use in other subsidy, discount, or incentive programs in Marin. Marin launched its RFP for prepaid mobility cards in December 2024 and is currently in the process of choosing an issuer.

For other agencies administering similar programs, a contactless bank card can be an elegant solution. Since contactless payments are accepted across most services, from public transit to private sector taxis and Uber and Lyft, this allows agencies to deliver funds in a convenient manner that can be used across modes they operate and fund. The benefits of leveraging contactless payments also ensures that agencies can leverage the “payment rails” to customize spending restrictions and eligible purchases in a way that suits them, but that is very commonplace in the financial industry. While the voucher programs may be a small slice of agencies’ overall responsibilities, the opportunities presented by distributing them through contactless bank cards presents a whole host of broader opportunities for them to promote and incentivize seamless, sustainable mobility access in their communities.

Strategy 5: Simplify Pricing and Products

Multiple fare products and complex pricing structures can create confusion for customers, especially those who are new or infrequent public transit users. This complexity also requires extensive time for the most vulnerable riders to assess what products are most cost-effective for them, and enrolling in discounted fare programs often requires participants to take on burdensome processes and provide sensitive information. For the hundreds of transit agencies across California, seamless transit usage is often disrupted by the need for customers to navigate multiple services, each with its own fare policies and a complex array of fare products, spread across various regions. This complexity is compounded by individual agencies offering an overwhelming number of fare products—many with dozens or even hundreds of options, in the case of large agencies – for customers to decipher. For riders across the board, the abundance of choices can obscure the visibility of any preferred options, and in turn, can reduce the uptake of new choices like contactless payments. To address these challenges, Cal-ITP has developed draft Statewide Fare Guidelines aimed at supporting agencies with simplifying fare offerings and improving accessibility for riders. These guidelines are set to be published online through [Cal-ITP](#) in early 2025.

Agencies can take practical steps to simplify fare offerings while enhancing rider accessibility. One key strategy is to streamline customer categories, reducing their number and aligning them with clear pricing tiers such as Full Fare, Reduced Fare (typically a 50% discount), and Free Fare. Agencies can further simplify by focusing on single-ride or short-period products valid for 90 to 180 minutes and offering the option of two types of fare caps, such as daily, weekly, or monthly options. To increase convenience for customers, agencies should avoid fare products requiring pre-purchase or long-term commitments, like annual or pre-purchased monthly passes, ensuring



riders have greater flexibility and accessibility. Lastly, when reviewing their current suite of fare products, agencies must consider that any product is designed to serve clearly defined and substantial customer segments.

Conclusion

Reducing cash dependence is a complex issue, and not without its own political, regulatory and practical challenges. Agencies that are interested in exploring this should ask themselves: what are the outcomes that I hope to achieve? These may include:

- Maximizing the investment of new fare collection equipment, like contactless validators
- Reducing costs of procuring expensive fareboxes (for agencies with cash fareboxes nearing the end of their useful life)
- Eliminating cash fareboxes on board and costs associated with cash collection

The guidance provided throughout this document is intended to serve as a roadmap to help agencies be successful across the spectrum of their ambitions. At the end of the day, however, the solutions offered on board must work for riders. Tracking rider payment trends is essential to measure how different strategies move the needle, and what gaps remain. Ultimately, each agency must evaluate the trade-offs for making these investments and chart a path forward that allows for agility and learning along the way.



Appendix A

Reducing Cash Dependency: Understanding Customer Preferences

Survey Guidelines

In launching the Reducing Cash Dependency Work Task, the Cal-ITP team recognized the need to better understand how riders can and prefer to pay for everyday purchases to assess the potential opportunities to grow contactless payment use and reduce cash collection on board. Therefore, the Cal-ITP team developed a comprehensive survey that could be used to collect key information from riders, which is detailed below. However, as discussions with each agency advanced, a central theme and recommendation emerged: due to ongoing surveys and the desire to reduce survey fatigue from riders, it was preferred to integrate the most critical questions into other planned agency surveys.

For agencies with upcoming surveys already planned, the key question to incorporate regarding payment capabilities and preferences is below.

Question: Are you able to pay for everyday items, like coffee or groceries, with a **contactless** bank card?

Explanation text: This means that you can tap a prepaid or regular debit card, credit card, or digital wallet (like Apple or Google Pay) from your smartwatch or phone onto a payment device and does not require you to swipe your card or enter a PIN.

Answers:

- Yes
- No
- I'm not sure

With this question, transit agencies can estimate the share of riders who are able to use contactless payments, and therefore have a good understanding of the share of riders that – with the right fare products, such as capping – can be immediately migrated to the new payment method.

For agencies that are interested in a more dedicated, comprehensive survey on payments, the full survey draft is below.

Thank you for taking the time to answer this brief survey! Changes are coming to the way customers pay fares on [agency name]. Help us understand your needs and preferences as we develop and communicate these changes.

1. How do you usually pay for everyday items, like coffee or small food items?
 - a. Cash
 - b. Physical bank card (debit card, credit card, or prepaid debit card)



- c. Mobile wallet (Apple or Google Pay) on a device like a smartphone or watch-
- d. Other (specify) _____
- 2. How do you pay for transit today? (*answers must be made agency specific*)
 - a. Cash
 - b. Fare card
 - c. Physical bank card
 - d. Mobile wallet
 - e. Other (specify)
- 3. Do you know about contactless payments?
 - a. Yes
 - b. No
 - c. Other (specify)
- 4. I have access to the following payment methods: [mark all that apply]
 - a. Credit card
 - b. Bank account with debit card
 - c. Prepaid debit card
 - d. Smartphone with a mobile wallet
 - e. Payment app on smartphone (e.g., Venmo, Cash App, PayPal)
 - f. Other (specify) _____
- 5. What are the reasons you choose to pay for things with cash? [mark all that apply]
 - a. I don't have a debit card or credit card.
 - b. I don't have access to a bank account.
 - c. I don't know how to use other payment options.
 - d. Paying with cash is more comfortable for me.
 - e. I can better manage or control my spending with cash.
 - f. I can't afford to add money to a bank card or mobile wallet.
 - g. The places I shop don't take credit cards.
 - h. N/A (I don't usually pay with cash).
 - i. Other (specify) _____
- 6. Who do you usually travel with?
 - a. Myself
 - b. Other adults (i.e. spouse, friends, colleagues)
 - c. My children
- 7. (if the answer to #7 is b. or c.) Do you pay for their rides, or they pay separately?
 - a. I pay for their ride
 - b. They pay separately

Additional questions if payment survey is not part of a general rider survey covering demographics and other questions.

- 1. How often do you ride transit?
 - a. Every day



- b. Several times a week
 - c. A few times a month
 - d. A few times a year
 - e. Never
2. How old are you?
- a. Under 18
 - b. 35 to 49
 - c. 50 to 64
 - d. 65 or older
 - e. I prefer not to answer.
3. What is your income level?
- a. Less than \$10,000
 - b. \$10,000-\$24,999
 - c. \$25,000-\$34,999
 - d. \$35,000-\$49,999
 - e. \$50,000-\$74,999
 - f. \$75,000-\$99,999
 - g. \$100,000-\$149,999
 - h. \$150,000 to \$200,000
 - i. Over \$200,000
 - j. I prefer not to answer.
4. Choose all that you identify with:
- a. African American/Black
 - b. American Indian or Alaska Native
 - c. Asian
 - d. Latino/a or Hispanic
 - e. Middle Eastern/North African
 - f. Native Hawaiian or Pacific Islander
 - g. White/Caucasian
 - h. Other _____
 - i. I prefer not to answer.

Thank you for taking the survey! For more information or assistance, visit ([agency website](#)) or call ([agency customer service number](#)).



Appendix B

Bank On Templates

Tap to pay with TAP2RIDE

Get a contactless bank card so you can Tap2Ride!

MST is pleased to share *Bank On's* safe, low-cost, easy-to-use bank and credit union accounts that offer contactless bank cards.

What is *Bank On*?

Bank On is an initiative by the Cities for Financial Empowerment Fund (CFE Fund) that works to ensure everyone has **access to safe and affordable banking accounts**.

Bank On has developed national account standards for low-fee banking accounts. When banks and credit unions offer accounts that meet these standards, they can receive Bank On certification for that account. Over 50 Bank On certified accounts are available in California today, including those in the Monterey Salinas region listed on page 2.

What are the benefits of a *Bank On*-certified bank or credit union account?

- You can open your own affordable, safe, and certified account in person, with many accounts also available to open online.
- Bank On accounts have no overdraft fees.
- Most Bank On accounts cost \$5 per month or less.
- You can use your Bank On account to manage your money and pay bills at no cost.

How do you open a *Bank On*-certified bank or credit union account?



Step 1: Choose any bank or credit union from the list of certified accounts on page 2.



Step 2: Open your own safe Bank On-certified account.



Step 3: Use your new account to tap your contactless bank card on MST for easy, affordable travel!



Tap to pay with TAP2RIDE

Where can I open a **Bank On**–certified account?

There are several banks and credit unions offering Bank On–certified accounts in the Monterey Salinas area. Some options include:

Bank of America SafeBalance Banking

1010 E. Alisal St., Salinas
405 Main St., Salinas
800 Northridge Shopping Center, Salinas
567 Main St., Watsonville

BMO Smart Money Checking

1050 Del Monte Center, Monterey

Mechanics Bank Bank On Account

307 Main St., Suite 200
1285 N. Davis Rd., Salinas
1915 Main St., Watsonville
532 Broadway St., King City
400 Alta St., Gonzales

Golden 1 Credit Union Easy Checking

1273 N. Davis Rd., Salinas

U.S. Bank Safe Debit Account

1001 S. Main St., Salinas
1890 N. Main St., Salinas
655 Main St., Watsonville

Chase Secure Banking Account

425 Main St., Salinas
1590 N. Main St., Salinas
1596 Constitution Blvd., Salinas
630 Main St., Watsonville
509 Broadway St., King City
502 El Camino Real, Greenfield

Wells Fargo Clear Access Banking

456 S. Main St., Salinas
1546 N. Main St., Salinas
1037 S. Main St., Salinas
820 Northridge Shopping Center, Salinas
326 Main St., Watsonville
506 Broadway St., King City
560 Walnut Ave., Greenfield

For a complete list of online accounts available, please visit: banknonline.org

To open your new account, you may need:

- Identification, such as state-issued identification (like your driver's license), passport, or a country-issued identification card, Social Security Number, or individual taxpayer identification number (ITIN) number
- Mailing address
- Date of birth

Having trouble opening one of these accounts?

Have other questions?

Please contact customer service at the bank or credit union where you want to open your account.

Learn where to open a **Bank On** certified account:





Appendix C

Banking Partnerships Opportunities

Partnership Opportunities

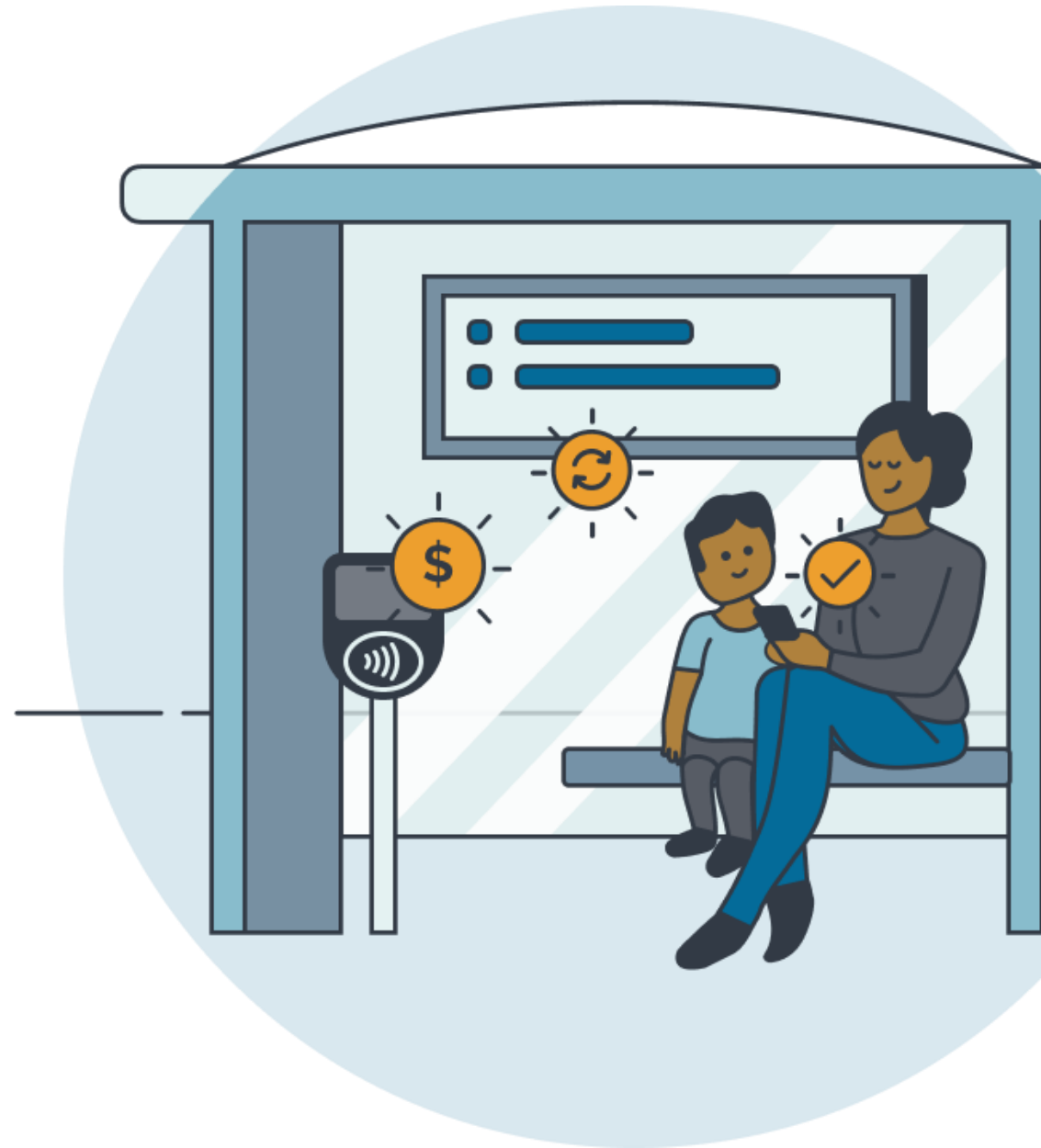
Transit and Banking



What is Cal-ITP?

The California Integrated Travel Project (**Cal-ITP**) is a statewide initiative designed to unify transit in California with fare payment systems, real-time data standards, and seamless verification of eligibility for transit discounts.

To achieve these goals, Cal-ITP provides free advisory services for transit agencies to introduce contactless payments on transit and coordinates partnerships between transit agencies and private companies to deliver a better transit experience for all.



Cal-ITP's Vision

From a transit rider's perspective, paying for transit should be as easy as paying for a cup of coffee.

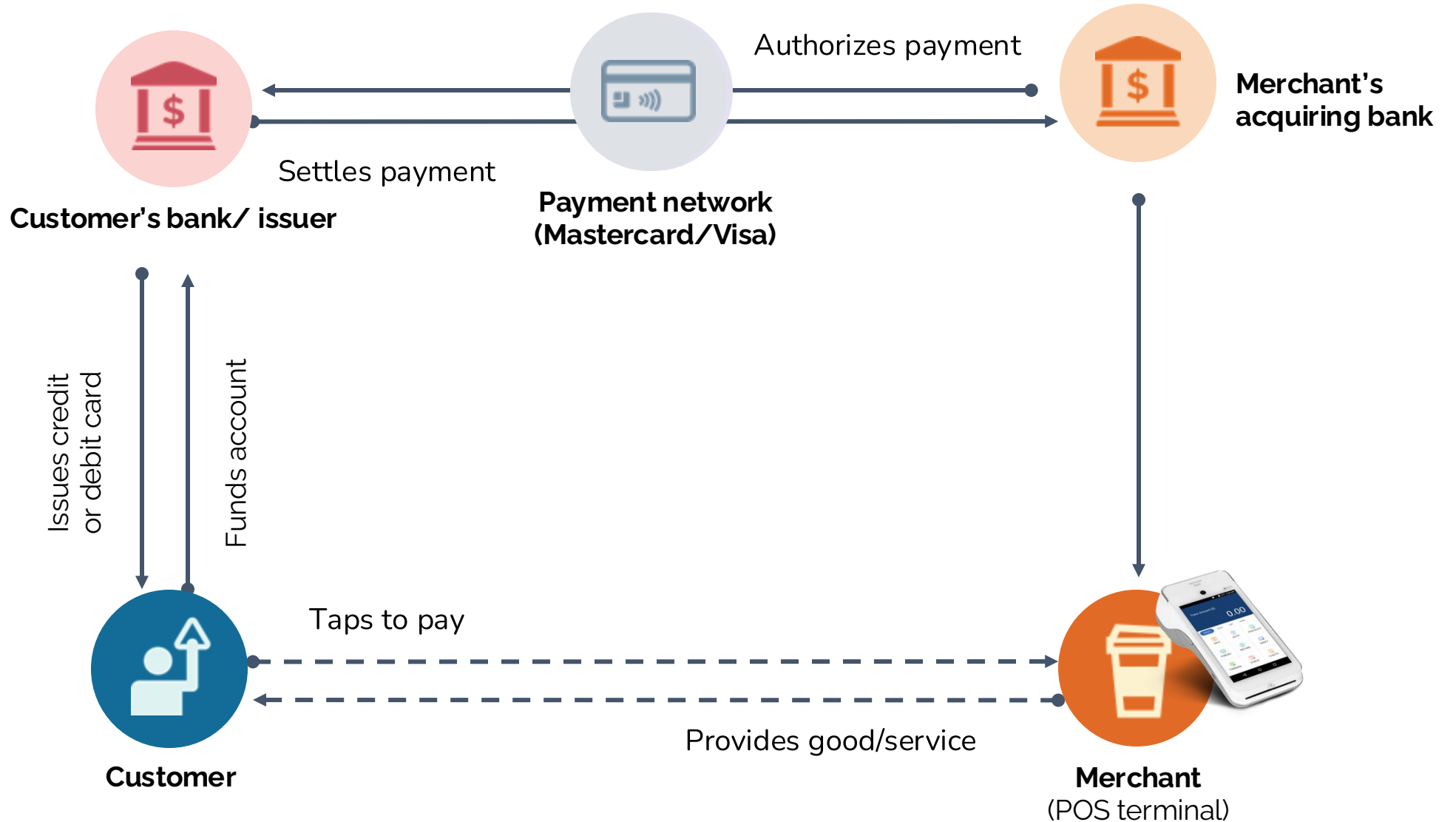
Customers know they can instantly pay by tapping their contactless bank card or smartphone, no matter where they travel.



The tap to pay experience on transit

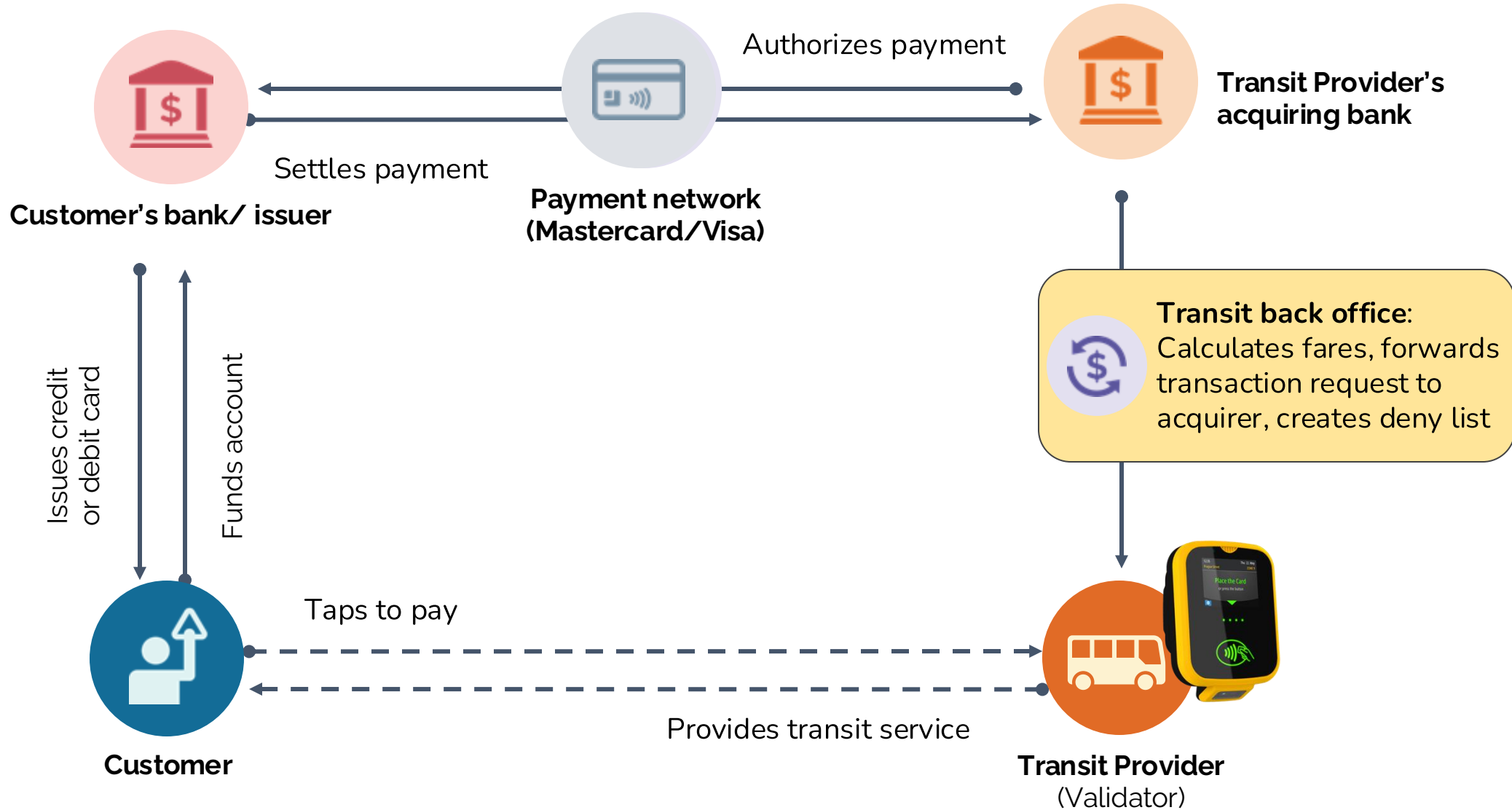
Contactless cards accepted by merchants

How does it work?



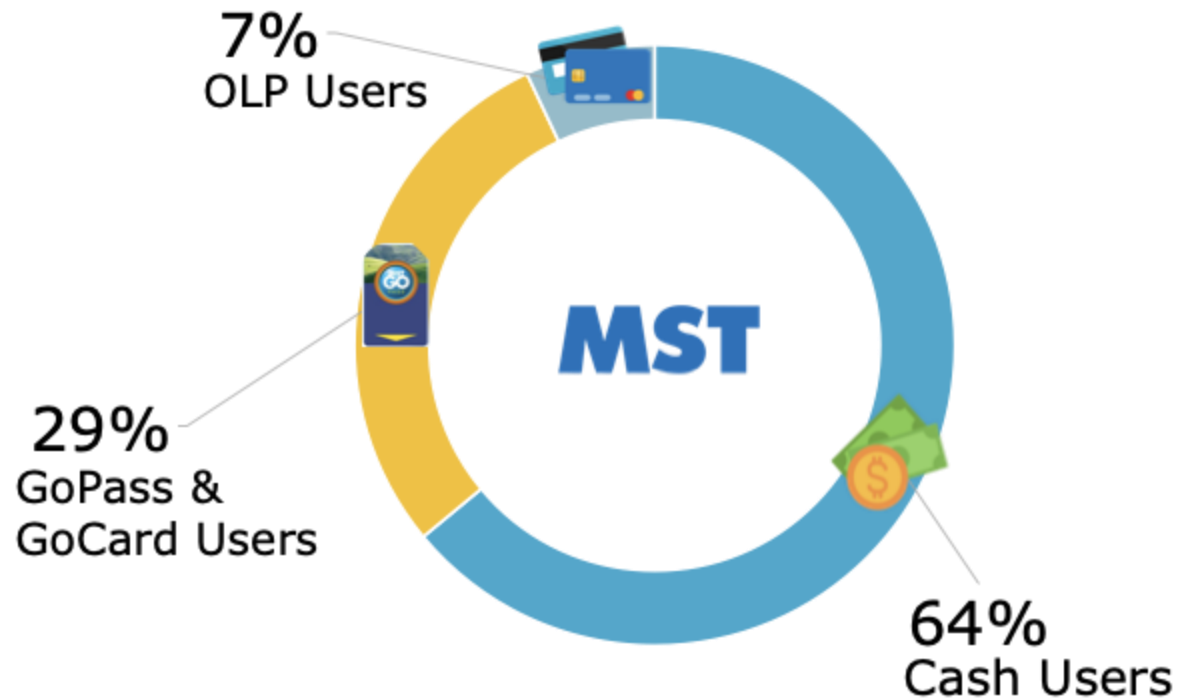
Contactless cards accepted by transit

How does it work?



Transit agencies are looking to increase the share of revenue coming from open loop payments (OLP)

Include data on agencies' revenue share from contactless payments, as shown with MST data as an example below.



Opportunities for financial institutions

At Cal-ITP, we believe that **transit can serve as a bankable moment**. Whether it's increasing familiarity with contactless payments to offering new products or services, financial institutions can reach a new market and help transit agencies grow ridership, increase the return on their OLP investments, and improve the rider experience.

To appeal to	Existing customers	New customer groups	New customer segments
You can offer	<ul style="list-style-type: none">• Create educational materials and let your customers know (how) they can use their cards on transit• Set up promotional cashback programs including transit	<ul style="list-style-type: none">• Include transit in sign-up bonuses for new customers	<ul style="list-style-type: none">• Offer products that are Bank On certified* and collaborate with transit agencies to promote those products• Reassess the risk of lowering your KYC requirements and create products that can capture untapped customer segments
What's been done with transit so far	<p>Some banks have a <u>dedicated webpage</u> to educate customers on how to use bank cards in transit</p> <p>Cash back from <u>MasterCard</u> when using New Jersey Transit during restaurant week in New York</p>	<p><u>Chase</u> offers 2% cash back on all US transit services after signing up for a new credit card with Chase</p> <p><u>CashApp and Visa</u> offers a \$1 reward for MST and SacRT riders if they sign up for a CashApp account</p> <p><u>FutureCard</u> offers 100% cash back on NY subway for first 7 days</p>	<p>Implementation examples are under development by Cal-ITP</p>



* See next slide for more details on Bank On certification

What is Bank On?

[Bank On](#) is an initiative by the [Cities for Financial Empowerment \(CFE\) Fund](#) that supports efforts to connect consumers to **safe and affordable banking accounts**.

Bank On has developed [model account standards](#) for low-fee banking accounts. When banks and credit unions offer products that meet these standards, they can receive Bank On certification. There are currently over [450 certified accounts available with more than 46,000 branches nationwide](#). Over 50 Bank On certified accounts are available in California today.



Safe

No overdraft, non-sufficient funds, or dormancy fees



Affordable

Monthly fees of \$5 or less with an opening deposit of \$25 or less



Functional

Pay bills, make deposits and withdrawals, and transfer money

CITIES FOR FINANCIAL EMPOWERMENT FUND		Bank On
BANK ON NATIONAL ACCOUNT STANDARDS (2023 - 2024)		
TERMS	STANDARDS	
Core Features		
Transaction Account at Insured Depository Institution	Checking account (including checkless checking) or prepaid account, directly offered by financial institution	
Debit Card	Debit card network (e.g., Visa, Mastercard, Discover) for point of sale and bill payments; free	
Minimum Opening Deposit	\$25 or less	
Monthly Maintenance Fee	If not applicable: \$5 or less; If applicable: \$10 or less; offer at least two options to waive fee entirely with a single transaction (e.g. direct deposit with no minimum deposit, online bill pay, or debit card purchase)	
Overdraft of Non-Sufficient Funds (NSF) Fees or Payments	None	
Account Activation, Closure, Dormancy, Inactivity, and Low Balance Fees	None	
Customer Service		
Branch Access	For financial institutions with branches: free and unrestricted; For financial institutions without branches: access to free ATM network and/or remote deposits	
Telephone Banking (Including Live Support)	Free and unrestricted	
ATM Access	Free and unrestricted in network; \$2.50 or less out-of-network fee or up to \$3.00 if also provide free access to a network ATM network	
Functionality		
Deposit Capability	Free cash and checks in branch and at ATM (when available), and direct deposit	
Bill Pay	Free by financial institution if available; otherwise at least four free money orders and/or cashier checks per month	
Online Banking, Mobile Banking, Banking Alerts	Free (if offered)	
Monthly Statements	Free electronic; \$2 or less for mailed paper (if offered)	
Insured Account Deposits	Insured by FDIC, NCUA, or regulator sanctioned equivalent	
Strongly Recommended Features		
Account Screening (e.g. ChexSystems, Early Warning Services)	Only deny new customers for past incidences of actual fraud	
Alternative IDs (Municipal, Consular, etc.)	Accept alternative IDs	
Online Account Opening and Deposits	Free at financial institutions with branches	
Linked Savings Accounts	Free savings accounts and account transfers	
Funds Availability	Immediate availability for known customers cashing government payroll, or checks from local financial institution; \$2.50 or less (based on US Postal Service rates)	
Money Orders	Competitively priced by country (\$15.00 - \$30.00)	
Remittances (International Wire)	Competitively priced by country (\$15.00 - \$30.00)	
Credit Building Product Offerings	Secured credit card or secured personal loan, e.g.	

Partnership Opportunities

Potential partnership opportunities include:

- Marketing and awareness: Offer educational tools and/or promote agency's tap to pay offering to customers
- Transit promotions: Consider promotional rewards for cards tapped on transit
- Bank On certification: Assess your products and discuss Bank On certification with CFE
- Reducing banking barriers: Assess the risk of lowering KYC requirements and start discussions with regulatory bodies (such as FDIC) regarding solutions for undocumented people

Cal-ITP is here to support with refining partnership concepts and coordinating with partners, including the transit agency, CFE, and local community organizations.



Thank You

Visit CAMobilityMarketplace.org for a catalog of code-compliant products and services for Transit Providers.

[Subscribe to our Mobility Newsletter](#) for the latest Cal-ITP and Caltrans updates.

