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FEDERAL RESERVE SYSTEM COMMUNITY AFFAIRS OFFICES FINANCIAL EDUCATION FOR CONSUMERS AND COMMUNITIES

The 12 Federal Reserve Banks offer a broad range of programs for nonprofit organizations, government agencies, and financial institutions that work to improve financial education and access to services for lower-income consumers and communities. The following is a representation of the wide range of leadership, resources, training, and research that the Federal Reserve System's Community Affairs offices have undertaken to support financial education within the community economic development field. Additional information about the Federal Reserve's Community Affairs offices can be found at www.federalreserve.gov/communitydev/default.htm.

ASSET AND WEALTH BUILDING

Atlanta

- The Bank provided leadership and assistance that resulted in the convening of numerous regional meetings throughout Florida to gain input on asset policies and needs. The Bank also supported the Florida Prosperity Partnership, the Georgia 4 Pro\$perity, the Alabama Asset Building Coalition, and the Tennessee Alliance for Financial Independence initiatives.

Dallas

- The Bank's key asset-building work is centered around the educational resource *Building Wealth*, the Bank's most requested publication and the most frequently downloaded page on the Bank's website. The *Building Wealth* program includes a booklet (in both English and Spanish), an online tool, and a train-the-trainer course.
- In partnership with RAISE Texas, a network of organizations that support asset-building activities, the Bank sponsored four rural asset-building forums in 2010.
- The Bank and the Texas Department of Banking hosted a webinar on financial education in the workplace. The CFO of Randall's Food Markets discussed her experience of using *Building Wealth* to teach financial education seminars to more than 400 employees throughout Texas.

Kansas City

- Community Affairs partnered with the Oklahoma Native Assets Coalition and First Nations Development Institute to conduct a symposium on asset-building programs and policies for representatives of Native American tribes.

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BANKING THE UNBANKED

Atlanta

- Community Affairs staff played key roles in the development of statewide asset-building organizations and provided valuable support to regional and statewide “Bank On” initiatives, including developing curricula to train bank and credit union employees to meet the needs of unbanked and underbanked individuals establishing banking relationships with their institutions.

Dallas

- Bank staff developed a guide (in both English and Spanish) about opening a bank account for the “Bank On” campaign.

Kansas City

- Community Affairs staff provided leadership in the development of “Bank On” initiatives in Kansas City, Omaha, Denver, and New Mexico. The Bank also partners with “Bank On–America Saves of Greater Kansas City,” which is the first pilot in the country to combine the two programs.

New York

- The Bank supports the “Bank On” campaigns for Manhattan and Newark, New Jersey.

San Francisco

- Community Affairs staff facilitated the creation of new Jump\$start affiliates and convened a regional group of Jump\$start state leaders for training sessions. Staff also built new financial education and asset-building collaborative groups from scratch in areas that lack an existing networking mechanism or where networking is more challenging, such as in rural areas.
- The Bank supports the ongoing growth of the “Bank On” programs throughout the District, including San Francisco, Oakland, San Jose, Los Angeles, Nevada, Eastern Oregon, Central Oregon, and Idaho, to promote access to mainstream financial services by advising new communities on the best practices identified by existing programs.
- In 2010, Community Affairs staff focused on exploring alternatives to payday lending and overdraft charges to meet consumers’ need for unsecured short-term consumer debt. The program convened several conferences and meetings to discuss the role that credit unions and alternative financial services providers can play in addressing this need.

St. Louis

- The Bank collaborated extensively with the “Bank On” campaign in seven cities throughout the District.

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CREDIT MANAGEMENT

Kansas City

- Community Affairs hosted a “Be Credit Smart Workshop” in Omaha for small business owners and aspiring small business owners on personal finances as they prepare to apply for bank financing.
- The program hosted a webinar for District financial educators on the history, provisions, and implementation of the Credit Card Act of 2009.

FORECLOSURE/MORTGAGE LOAN MODIFICATIONS

Atlanta

- In 2010, Community Affairs sponsored 14 events in 11 cities throughout the District that focused on mortgage delinquencies, foreclosures, and foreclosure scams. Technical assistance and data were provided to 19 organizations, ranging from federal and local governments to nonprofit entities, to help inform policy decisions and develop effective intervention programs. The program participated in 10 additional events intended to maximize local neighborhood stabilization efforts, improve mediation practices, increase efficiencies in loan modification practices, and inform consumers of available foreclosure prevention resources.
- The Bank’s “Foreclosure Response Podcast Series,” initiated in 2009, concluded with the production of the 12th podcast in January 2010. A second installment began in the fall of 2010, with three more podcasts added to the series. Topics include vacant properties, best practices in REO programs, Neighborhood Stabilization Program follow-up, and rural foreclosure issues.

Dallas

- Community Affairs staff provides leadership for the Texas Foreclosure Prevention Task Force and facilitated the formation of the Border Foreclosure Prevention Task Force.
- The Bank hosted foreclosure scam alert forums and webinars focused on educating elected officials, community-based organizations, housing counselors, and other stakeholders on the increasing number of homeowners falling prey to foreclosure scams.

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Kansas City

- Community Affairs co-hosted housing conferences in each state in its District to address affordable housing and foreclosure issues. In Missouri, the conference sparked an effort to create a statewide foreclosure task force.
- The Bank partnered with the Dallas Reserve Bank to develop the “Foreclosure Mitigation Toolkit Update.”
- Community Affairs conducted the Foreclosure Resource Development Roundtable, focusing on emerging issues and the progress made in combating foreclosure-rescue scams.
- Bank staff worked to help initiate a new regional foreclosure scam prevention campaign that uses United Way’s 2-1-1 help line to reach distressed borrowers in eastern Missouri and western Kansas, including Wichita.
- Community Affairs hosted a seminar to raise awareness on the prevalence and types of foreclosure scams in Oklahoma and resources that community organizations can use to address them.
- The Bank sponsored a forum that explored the successes and challenges of the Home Affordable Modification Program, or HAMP, and examined the potential results of the new Home Affordable Foreclosure Alternatives, or HAFA, program that is intended to streamline short sales. A panel of real estate, appraisal, and REO (real estate owned) experts presented.
- Community Affairs hosted a statewide foreclosure counselor training in Colorado.

Richmond

- In 2010, the Bank held four foreclosure prevention events in Maryland and Virginia, serving nearly 1,700 borrowers. In addition, Community Affairs sponsored three tenants and foreclosure events in Maryland, the District of Columbia, and Virginia.
- Community Affairs staff trained 95 pro bono attorneys in Baltimore and the surrounding areas in Maryland to assist troubled borrowers facing foreclosure and new homeowners closing loans to prevent mortgage fraud.

St. Louis

- The Bank held a news conference to increase public awareness of the loan modification scams. The attorneys general from Missouri and Illinois participated, along with a representative of the Federal Trade Commission (FTC) and NeighborWorks America.

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San Francisco

- Community Affairs staff organize borrower outreach events, train housing counselors, work with servicers to improve the modification process, and engage law enforcement agencies and community groups to raise awareness about foreclosure scams.
- To fill the gap in the area of foreclosure recovery, staff collaborated with Atlanta Reserve Bank to create a new foreclosure recovery guide for individuals who have undergone foreclosure. The guide is directed toward local communities and addresses issues such as relocation, credit repair, job training, and mental health issues. This publication was introduced through a series of local convenings and leveraged by encouraging community groups and local governments to work together to address post-foreclosure issues.

RESEARCH

Atlanta

- The Community and Public Affairs offices partnered with the American Council on Consumer Interests to host the annual research conference in April 2010. The conference convened researchers from across the country to share study findings on issues including foreclosure, financial education and literacy, and consumer implications of health care reform.

Kansas City

- Community Affairs conducted a series of focus groups throughout the District to uncover and understand the perceptions and preferences of unbanked or underbanked consumers. The research findings are being used to inform lenders, municipal leaders, and financial educators on ways to transition the unbanked and underbanked into a relationship with a regulated financial institution and to encourage communities to partner on solutions.

Philadelphia

- Community Affairs research staff wrote a paper evaluating the success of a high school personal finance curriculum that the Bank created with the University of Delaware and the Delaware Bankers Association.

San Francisco

- The research team engaged a UC Berkeley master's student to explore the opportunities and challenges for passing a state mandate for financial education in California. As a result of this research, the team partnered with the Minneapolis Reserve Bank and the University of Arizona to convene a two-day workshop for 25 of the top financial education researchers nationwide to improve the evaluation and effectiveness of youth financial education research.

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- The Community Affairs research team conducted an in-depth qualitative evaluation of an innovative youth financial education program run by a credit union in San Francisco's Mission District that explores the effectiveness of prize-linked savings accounts.

St. Louis

- Community Affairs collaborated with the Social Systems Dynamics Lab at Washington University to conduct a qualitative research initiative to develop a systemic understanding of financial services choices of unbanked African Americans in the city of St. Louis and the inner-ring suburbs. The goal is for the study's findings to inform the design of financial services that meet the needs of low- to moderate-income families and individuals.

Federal Reserve System

- The Community Affairs offices hold a biennial research conference to foster research and present the most recent research on community economic development strategies, including the efficacy of financial education programs such as homebuyer/foreclosure counseling, asset building programs, and credit management and repair training. Information about the 2011 conference and prior conferences can be found at www.chicagofed.org/webpages/in_focus/cedric/index.cfm.