

July 9, 2018

Comment Intake
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Docket No. CFPB-2018-0015 (Request for Information Regarding Bureau Financial Education Programs)

Dear Acting Director Mulvaney and Others:

The Illinois Asset Building Group (IABG), along with our community-based partner organizations, appreciate the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) financial education programs. Many IABG partner organizations rely on the CFPB's financial education resources to support their financial capability programs and services. CFPB's consumer financial education tools and programs are a very valuable component of a broader system of consumer financial education and the CFPB should continue its efforts to provide consumers with financial information and education.

Illinois families and communities continue to struggle to maintain financial security and get ahead. Nearly one-third of Illinoisans are liquid asset poor and would not have enough savings to live at the poverty level for just three months if they lost their source of income. Across all measures of financial health, we see significant racial disparities. Almost half of black households in Illinois are liquid asset poor, while one-quarter of white households are liquid asset poor, and white Illinois households have 29 times the net worth of black households. Financial education, along with savings programs and strong consumer protections, support low-income families and families of color as they try to get ahead.

Consumer financial education, however, is just one of several consumer protection tools that is available to the CFPB. The CFPB must continue to utilize the Bureau's other tools, including its enforcement and rulemaking authority, as appropriate, to fully protect consumers in accordance with the CFPB's mission. Our comments include steps the Bureau should take to improve its existing consumer financial education efforts.

I. Objections to the CFPB's Request for Information Process

We must first note our objections to the burdensome RFI process. The amount of time and attention required to adequately address the CFPB's numerous RFIs on a multitude of subjects in a very short amount of time has diverted valuable consumer advocacy to respond to these requests. The very structure of these RFIs, the nature of many of the questions, and the fact that many focus on processes known mostly to industry actors, favor financial institutions with greater resources at their disposal, and we are gravely concerned about any attempts to weaken consumer protection and financial education through this process.

The onerous RFI process has prevented us from responding in more detail, identifying and commenting on more issues, seeking more input or signatories, or publicizing the comment opportunity more widely. The CFPB must not take the failure to comment on a particular issue, or a limited number of comments from the public, as indicative of a lack of support for robust financial education efforts and strong consumer protections through the CFPB's rulemaking and enforcement.

II. CFPB's Financial Education Programs Are a Valuable Piece of the Overall Financial Education System

The CFPB's consumer financial education programs are an important piece of the overall consumer financial education system. The CFPB takes a generalized approach to financial education by providing materials that are meant to be broadly distributed, such as guides for specific financial decisions (such as *Buying a House*, *Paying for College*, and *Planning for Retirement*). The CFPB's financial education materials cover a range of important topics such as mortgages, student loans, debt collection, and credit reporting, and target both the general population and specific groups such as older Americans, service members, and students.

The CFPB's materials are useful to a broad audience and function as an excellent complement to the more individualized financial education that is taught by financial empowerment programs. Community organizations work one-on-one with consumers and provide individualized guidance based on each consumer's individual circumstances. The different approaches taken by CFPB and community organizations complement each other perfectly. The CFPB is able to reach a wide audience and provide general financial education on specific topics targeted to specific audiences. Meanwhile, community organizations are able to work individually with Illinoisans to address their overall financial well-being.

The CFPB's financial education resources support financial empowerment programs across Illinois and help community members increase their financial capability. IABG partners rely on many of the Bureau's tools and incorporate them into their 1-on-1 financial coaching sessions with participants. The flexibility of the modules in the *Your Money, Your Goals* toolkit and the accessibility of the CFPB's tools make them easily catered to participants' financial goals.

III. Financial Education Is Not a Substitute for CFPB's Other Consumer Protection Efforts

While consumer financial education is valuable and necessary to help consumers make informed financial decisions and better understand their financial transactions, financial education is not a substitute for other consumer protection efforts for which CFPB is responsible. Most notably, financial education must never be treated as a substitute for strong regulation of the industries CFPB is charged with overseeing nor for strong enforcement actions against bad actors.

Financial education is a consumer-facing tool. As carried out by CFPB, financial education serves two major purposes: to help consumers better understand complex financial transactions (such as purchasing a home) and to more generally help consumers realize financial success (by, for example, educating consumers on managing debt).

This consumer-facing work is distinct from—not a substitute for—the work CFPB does to regulate the industries it is charged with supervising, or taking enforcement action on bad actors that fail to follow those regulations. Strong regulation is necessary to protect against concerning practices. For example, in the wake of the financial and foreclosure crises, CFPB promulgated strong qualified mortgage regulations that largely prohibit mortgage lenders from selling the types of predatory loan products that were causes of the financial and foreclosure crises. Likewise, strong enforcement is necessary to enforce existing law and to disincentivize illegal business practices.

No amount of financial education can prepare consumers for financial success in the absence of strong guardrails, in the form of regulation, and financial education cannot protect consumers against unscrupulous actors in the absence of strong enforcement against those who do not follow the rules.

IV. CFPB Financial Education Programs: Successes and Areas for Improvement

The CFPB should be applauded for much of its financial education efforts, including its toolkits, Financial Well-Being Questionnaire, and multi-language glossary. There are also areas in which the Bureau can expand its financial education work by providing resources for specific populations and creating additional topical tools.

A. Financial Education Successes

There are number of areas of CFPB's financial education programs that deserve to be recognized for the positive impact they have had for families in Illinois and across the country.

1. CFPB's Multi-Language Glossary of Financial Terms

As advocates and practitioners who often work with people with limited English proficiency (LEP), we recognize the fundamental importance of making financial education resources available in languages other than English. To help meet this need, the CFPB has created very useful glossaries of financial terms in both Spanish and Chinese. These glossaries are an excellent first step in providing financial education in ways that are accessible to LEP consumers.

The CFPB should continue its efforts to provide financial education to LEP consumers, and expand the Bureau's materials and information so that they are available in additional languages commonly spoken by people with limited English proficiency. First, the glossary of financial terms should be made available in additional languages commonly spoken by people with limited English proficiency, starting with the six other languages currently reflected on the CFPB's website.¹

We also appreciate that the *Your Money, Your Goals* curriculum is available in both English and Spanish. The CFPB should provide more financial education materials in additional languages.

2. *Your Money, Your Goals* Curriculum

The CFPB's *Your Money, Your Goals* curriculum is a vital tool for Illinois organizations. IABG has worked with partner organizations to conduct train-the-trainer events throughout the state, equipping case managers with the tools they need to provide financial education support to families. The toolkit provides resources on a broad array of topics, including budgeting, managing bills, credit reports, and how to identify safe financial products. All of the topics in this toolkit are helpful and needed by the

¹ <https://www.consumerfinance.gov/>

communities IABG partners serve. The CFPB's toolkit, along with their in-person trainings and support, has played a huge role in building the capacity of asset building programs and strengthening the field.

Your Money, Your Goals is an example of the type of financial education at which CFPB excels: providing clear, easy to use and understand tools that support financial coaches and help consumers make informed financial decisions. We appreciate the CFPB's efforts in this regard and encourage the CFPB to continue to develop similar tools.

"A few of my colleagues and I were trained by the CFPB on how to facilitate Your Money Your Goal train-the-trainers 1-day training. In the last 2-years, we have trained over 200 financial coaches in Illinois and Michigan. During our trainings, we saw first-hand how the tools created by the CFPB were life-changing for many practitioners, especially for those working for organizations that do not have the human capital to research, develop and create financial coaching tools."

-Barbara Martinez, Manager of Asset Building Programs at Heartland Human Care Services

"CCL currently uses the Your Money, Your Goals Curriculum, including the Behind on Bills booklet for most of the community workshops and internal classes that coaches provide. It is also a core part of the financial capabilities component of CCL's Business Support Services Training program and for many participants, one of the only resources they have access to. These tools are an asset to the work that the organization does and provide helpful activities that participants really enjoy."

-Kayla Villalobos, Manager of Financial Capabilities for the Center for Changing Lives (CCL)

3. *Your Money, Your Goals: Focus on Reentry Toolkit*

Individuals returning to the community after being incarcerated face significant challenges to becoming financially secure, and the barriers these individuals face is unique. Financial well-being is a critical component in setting individuals returning to the community up for success and reducing recidivism. The *Your Money, Your Goals – Focus on Reentry Toolkit* is a critical support to organizations serving individuals who were formerly incarcerated.

In Illinois, one clear example of the success of this toolkit is in a program at the Peoria County Jail. With the help of the CFPB's toolkit, incarcerated individuals learned critical money management skills that set them up for a successful return to the community.

A collaboration between IABG partner Navicore Solutions and the Jobs Partnership, the Re-Entry Program addressed the holistic needs of individuals incarcerated in the Peoria County Jail. Classes were conducted every Tuesday and Wednesday afternoon for seven weeks, and included financial education and money management workshops using the toolkit. The participants enjoyed the workshops and every participant indicated they had gained valuable knowledge about money management and credit reports.

We encourage the CFPB to maintain the *Focus on Reentry* toolkit, disseminate it widely, and to continue to develop tools that address the specific needs of different populations that tend to have low financial capability.

4. Financial Well-being Questionnaire

The CFPB's financial well-being questionnaire provides a tool for individuals to evaluate progress towards their financial goals and financial capability. Many direct serve providers throughout Illinois use this tool in their work. We urge the CFPB to disseminate the financial well-being evaluation tool more broadly by making it available through a phone application in addition to online.

"The Financial Well-Being Survey has been a tool that is helpful for review. People like to use this tool as a way to reflect on their progress."

- Natalie Zayas, Center for Changing Lives

"Financial coaches can utilize the financial well-being scale during and after the service delivery to measure the effectiveness of CFPB financial education programs."

-Barbara Martinez, Manager of Asset Building Programs at Heartland Human Care Services

5. Youth Financial Education

IABG partners working with youth and families rely on the CFPB's youth financial education resources, particularly the K-12 curriculum. With financial education in schools lacking, this information is critical in equipping youth with the knowledge and tools they need to succeed. The CFPB should continue to build out its financial education resources for youth and disseminate it broadly to nonprofit organizations, school systems, and local government across the country.

"CCL pulls from the K-12 curriculum provided by the CFPB to support the organization's Two-Generation work with children and teens. This curriculum is comprehensive, provides developmentally appropriate activities, and is one of the only resources available for this type of financial work. It is important that this educational material remains available and easily accessible."

-Kayla Villalobos, Manager of Financial Capabilities for the Center for Changing Lives

B. Financial Education Areas for Expansion

There are also areas in which CFPB can expand its financial education efforts, particularly by developing tools and resources for more specific populations and creating more topical, easy to use resources like *Behind on Bills?*

1. CFPB's Financial Education Programs Should Be Expanded to Focus on Additional Populations

The CFPB's financial education work currently focuses on the general public, service members, veterans and their families, older Americans, students, and underserved consumers. These audiences and communities are a good starting point for reaching the consumers served by financial capability providers. In addition, the CFPB should consider including the following communities in its financial education work:

- Parents
- Immigrants
- Renters
- Communities of color
- Family members and caregivers of people with mental and physical disabilities

2. Create More Easy-to-Use Tools like *Behind on Bills?*

While the CFPB's *Your Money, Your Goals* toolkit provides a comprehensive overview and resources on a broad range of topics, specific tools like *Behind on Bills?* and *Debt Getting in Your Way?* are also very useful for financial capability providers working with individuals on specific issues. These tools are clear, easy to use, and the colorful designs make working on tough issues like debt more approachable. The CFPB should continue to develop booklets like these on specific topics, including credit, saving, and for making big investments like a home, car, or higher education.

"We like these portable tools since they are easy to transport to the communities we serve. Participants love the tools because they are easy to understand, help them get organized, and serve as a reminder of the tasks they need to complete before the next financial coaching meeting."

-Barbara Martinez, Manager of Asset Building Programs at Heartland Human Care Services

V. The Use of Technology: Disseminating the CFPB's Financial Education More Broadly

The CFPB's resources should remain widely available. We appreciate that all of these tools are available, for free, on the CFPB's website and in print. It is critical that all of these resources remain freely accessible online, and that the CFPB continue to provide printed materials for free. The CFPB's website is well-designed, easy-to-use, and an important tool for IABG advocates and practitioners. We encourage the CFPB to continue to build a robust website and not remove any of the resources currently available.

We urge the CFPB to make these tools more broadly available by creating a mobile accessible version of tools such as *Your Money, Your Goals*, and the *Behind on Bills* tool.

"All of the tools from Your Money, Your Goals has the website built in, and people love that they can be directed straight to the CFPB website."

- Natalie Zayas, Center for Changing Lives

In conclusion, the CFPB's financial education programs are a critical resource for organizations providing financial capability and other direct services. The trainings, support, and printed and online materials are widely used by organizations throughout Illinois, and the CFPB should continue to strengthen these programs, make them widely available, and provide these high-quality resources for free. Additionally, none of the financial education programs are a substitute for the rulemaking, oversight, and enforcement efforts that the CFPB is tasked with. We urge the CFPB to maintain and strengthen consumer protections through its rulemaking authority.

Thank you for your review of our comments. We are happy to answer any questions. You can contact Jody Blaylock, Senior Policy Associate of Financial Empowerment Policy at Heartland Alliance and IABG, at 312-870-4932 or jblaylock@heartlandalliance.org.

Sincerely,

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The following Illinois Asset Building Group (IABG) partners sign on in support of these comments:

Center for Changing Lives

Chicago Urban League

Community Plus Federal Credit Union

Englewood Community Connection Outreach Corp

Habitat for Humanity

Heartland Alliance for Human Needs & Human Rights

Illinois PIRG Education Fund

Jane Addams Resource Corp

Kingdom Community Inc.

LIFT, Inc

Northwest Side Housing Center

Partners in Community Building, Inc.

POWER-PAC Illinois, a project of COFI

Woodstock Institute

YWCA Chicago