



Working to Reduce Poverty in America

July 9, 2018

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

Re: Bureau of Consumer Financial Protection Request (CFPB) for Information
Regarding Financial Education Programs Docket No. CFPB-2018-0015

Dear Acting Director Mulvaney:

Episcopal Liaison
The Most Reverend
David A. Zubik, D.D.
Bishop of Pittsburgh

Chair
Charles Cornelio

Vice Chair
Robert McCann

Secretary
Martina O'Sullivan

Treasurer
Michael Connelly

President & CEO
Sr. Donna Markham OP, PhD

Catholic Charities USA (CCUSA) is a national membership organization representing more than 160 diocesan Catholic Charities member agencies. These member agencies operate more than 2,600 service locations across 49 states, the District of Columbia and five U.S. territories. Their diverse array of social services reached more than 8.6 million individuals in need last year. In 2017, the Catholic Charities network provided vital asset development and financial services for 135,000 individuals and HUD Counseling services for 20,000 individuals. We see every day the plight of vulnerable men, women and families struggling to make ends meet. Many of these vulnerable people have to seek assistance with making rent payments, utility bills and other basic needs. To help these individuals, Catholic Charities agencies provide financial coaching, referrals to anti-payday lending programs, workshops, tax assistance, matched savings programs, micro-loan programs and more.

Therefore, CCUSA submits the following responses to the Bureau of Consumer Financial Protection's (CFPB – "the Bureau") request for information on financial education programs, delivery channels and use of technology and contractors.
Question 1: Are the Bureau's financial education programs focusing on the right topics and areas to educate and empower consumers to make better-informed financial decisions?

The CFPB's consumer financial education programs play a key role in the overall consumer financial education system. The content of these programs guides consumers in buying a house, paying for college and planning for retirement. The content also covers a range of important topics such as mortgages, student loans, debt collection and credit reporting. These programs are useful and complement the work done by local Catholic Charities agencies in financial education and housing counseling courses.



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The emphasis that the CFPB gives to educating front-line human service staff has been very helpful in building the capacity of local agency staff to reach individuals and families before a financial crisis. The tools and resources provided in *Your Money, Your Goals*, and other educational tools developed by CFPB have supported agency staff to better assist with budgeting, debt negotiation and financial services.

It is also important to recognize that while providers such as Catholic Charities can assist with financial education and address holistically an individual's financial well-being, the CFPB can reach a wider audience and provide general financial education on topics that are targeted to specific audiences.

In addition, financial education must not be used as a substitute for strong regulation of the industries under CFPB jurisdiction nor for strong enforcement actions against bad actors.

Question 2: What financial education topics should the Bureau address?

The improvements that were made by CFPB to the *Know Before You Owe* mortgage disclosures to homebuyers are an example of the CFPB's successes in financial education. The improved *Know Before You Owe* disclosure forms replaced the previously duplicative and confusing disclosure forms. CFPB's new *Know Before You Owe* disclosures, which include a loan estimate provided by the lender within three days after a mortgage application is submitted and a closing disclosure provided at least three days prior to closing, provide consumers clear information and a better understanding of loan costs, monthly payments, risky loan features and differences between estimated and final loan costs.

Know Before You Owe is an example of the type of financial education at which CFPB excels. The program provides clear, easy to use and understandable tools that help consumers make informed financial decisions. We appreciate CFPB's efforts in this regard and encourage CFPB to continue to pursue similar measures.

2-A: Financial Education Areas for Improvement

The following are recommendations as to how CFPB can improve its financial education efforts, particularly around how CFPB works with other financial education providers such as HUD-approved housing counseling agencies.

➤ CFPB's Financial Education Programs Should Guide Consumers to Additional Financial Education Resources, such as HUD-Approved Housing Counseling Agencies

CFPB's approach to financial education, which focuses on providing generalized education materials aimed at broad audiences, is an excellent complement to the more personalized financial education that is provided through one-on-one counseling and group education. Particularly with respect to one-on-one counseling, as provided by HUD-approved counseling agencies, many consumers who benefit from CFPB's generalized financial education programs can also benefit from more individualized attention.

All one-on-one counseling that is provided by a HUD-approved counseling agency includes an in-depth look at the household's finances, including understanding debt and income, credit score,

and household budgeting. Counselors also work with clients to develop a plan to address any areas that are in need of improvement, such as improving credit scores or increasing savings. This counseling helps consumers meet their housing needs and prepares them for long-term financial success.

CFPB's financial education programs should include aggressive efforts to direct consumers who can benefit from more individualized financial education to appropriate resources, especially HUD-approved housing counseling agencies. Whereas financial and housing counseling agencies that are not HUD-approved may not be required to meet any quality or consumer protection standards, HUD-approved housing counseling agencies are well-regulated, including certification and continuing education requirements. This makes HUD-approved counseling agencies (and any other similarly regulated non-profit agencies) the ideal providers of financial counseling and education for those consumers who need more personalized financial education needs.

➤ **CFPB's "Find a Housing Counselor" Tool Should Be Searchable by Language**

CFPB's online "Find a Housing Counselor" tool is a significant improvement over the existing HUD tool. While the HUD tool provides consumers a list of agencies in the state sorted alphabetically by city, the CFPB tool allows consumers to find the 10 agencies that are located closest to their zip code. This is a valuable improvement that helps consumers more easily identify agencies in their area. However, consumers with limited English proficiency (LEP) are not able to search by languages spoken at an agency, despite the fact that "languages spoken" is a data field in the directory. Therefore, the CFPB tool may be of limited use to an LEP consumer.

To address this, CFPB should add the ability to search the database both by zip code and by languages spoken and provide the tool in different languages.

➤ **Consumer Relief Payments Made to CFPB Should Be Used to Fund HUD-Approved Housing Counseling**

In order to bolster financial education, CFPB should provide consumer relief settlement funds to HUD-approved housing counseling agencies. New and diverse funding sources are needed to ensure that HUD-approved counseling agencies are able to provide one-on-one and group education services that are a critical component of a successful financial education regime for American consumers. This funding should be especially focused on preventive counseling and education that will help consumers identify and avoid dangerous financial products and bad actors such as those who are subject to CFPB enforcement actions.

➤ **CFPB's Financial Education Programs Should Be Expanded to Focus on Additional Populations**

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 and HUD-approved housing counseling organizations and financial capability providers.

In addition, the CFPB should consider including the following communities in its financial education work:

- Parents and caregivers;
- Information and guides for people who rent a home;
- Students in middle school and high school;
- Information and guides that are specific to communities of color;
- Immigrants;
- Family members and caregivers of people with mental and physical disabilities.

Question 3: What delivery channels should the Bureau use to conduct financial education programs?

CCUSA has a long history in working with CFPB on financial education and agency-focused training. Continued partnerships with local social service and faith-based organizations are a critical component of financial education program delivery. These organizations not only have a long history of working with low-income and moderate-income families but also have long-term experience within their broader communities. For individuals who are targeted by predatory lenders or who are working to move from poverty to long-term economic security, local social service and faith-based organizations can provide unbiased information and address the individuals other economic and social needs. We urge the Bureau to expand partnerships with local social service and faith-based organizations conducting financial education programs.

Question 4: Measuring the effectiveness of the Bureau's financial education programs.

4-A. How should the Bureau measure the success of its financial education programs?

The CFPB should pursue progressively rigorous evaluation of its financial education programs to demonstrate their effectiveness. CCUSA, in partnership with the Lab for Economic Opportunity, routinely engages in impact evaluations of its poverty-reduction program to identify which programs work. CFPB's evaluations should utilize tools, such as the Financial Well-Being scale, that have already been developed to support financial education programs. CFPB should also use credit bureau data, wage data and other administrative sources to quantify the impact of its programs.

The ability to measure the impact of training front line staff has long been an issue. Despite joint trainings done by CCUSA and CFPB, we do not have a tool to demonstrate the impact to the consumer who participated in CFPB's *Your Money, Your Goals* at a local agency. To date, we can only measure before or after agency staff participated in the training. We urge CFPB to design tools that can be used by agencies that receive CFPB training to track progress on financial goals and individual needs.

Further integrating the Bureau's financial education programs into other HUD and HHS community development and safety-net programs provides a more holistic support system for families and individuals moving from poverty into economic self-sufficiency. These programs help to ensure that individuals do not become victims to predatory lending activity and develop the

skills and discipline necessary for short and long-term saving. We encourage the Bureau to continue to seek and identify other agencies that would benefit from adding financial education services to their existing programs.

Catholic Charities appreciates the opportunity to provide public comment. Given the breadth and scope of the services of Catholic Charities agencies, we hope that you will give due consideration to our feedback and work to strengthen financial education and protections for all consumers.

We look forward to working with you on this issue. For further information, please contact Lucreda Cobbs at lcobbs@catholiccharitiesusa.org.

Sincerely,

A handwritten signature in purple ink that reads "Brian Corbin".

Brian Corbin
Executive V.P. for Member Services
Catholic Charities USA