

108TH CONGRESS
1ST SESSION

H. R. 3520

To reduce duplication in Federal financial literacy and financial programs, identify more effective ways to provide financial education, and facilitate greater cooperation at the Federal, State and local levels and between government units and entities in the private sector by requiring the establishment of a national strategy for assuring financial education, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2003

Mrs. KELLY introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To reduce duplication in Federal financial literacy and financial programs, identify more effective ways to provide financial education, and facilitate greater cooperation at the Federal, State and local levels and between government units and entities in the private sector by requiring the establishment of a national strategy for assuring financial education, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strategy for Assuring
3 Financial Empowerment Act” or the “SAFE Act”.

4 **SEC. 2. STRATEGY FOR ASSURING FINANCIAL EDUCATION.**

5 (a) FINDINGS.—

6 (1) IN GENERAL.—The Congress finds it is im-
7 perative to—

8 (A) reduce overlap and duplication in Fed-
9 eral financial literacy and financial education
10 programs and in public and private educational
11 activities, in order to increase effectiveness and
12 coordination and to better utilize resources;

13 (B) identify the most effective types of
14 public sector financial literacy programs and
15 techniques as measured by improved consumer
16 decision-making;

17 (C) coordinate and promote financial lit-
18 eracy and financial education efforts at the
19 State and local level, including partnerships be-
20 tween Federal, State and local governments,
21 non-profit organizations and private enterprises;

22 (D) obtain recommendations for inte-
23 grating economic education and personal-fi-
24 nance education into primary, secondary and
25 post-secondary curricula; and

1 (E) provide multilingual materials and pro-
2 grams under the strategy for assuring financial
3 education whenever appropriate in order to ef-
4 fectively reach the broadest number of people.

5 (2) ADDITIONAL FINDINGS.—The Congress also
6 finds that as many as 1 in 10 American families, or
7 about 10,000,000 households, do not have a rela-
8 tionship with a traditional financial institution such
9 as a bank, thrift institution, or credit union, despite
10 the significant advantages of such a relationship, in-
11 cluding the following:

12 (A) The establishment of a deposit account
13 with a financial institution leads to greater
14 knowledge of personal financial fundamentals.

15 (B) Account ownership provides an oppor-
16 tunity to build assets, because a deposit account
17 is a tool that can be used to save for home-
18 ownership, educational opportunities, or retire-
19 ment.

20 (C) The unbanked typically pay higher
21 costs in transaction fees for financial services
22 than do individuals with banking relationships.

23 (D) Opening and maintaining an account
24 with a financial institution provides opportuni-
25 ties to obtain other products and services—such

1 as home loans, car loans, education loans, or
2 small business loans—from the institution, and
3 can help individuals establish a credit history
4 for their future borrowing needs.

5 (E) Owning an account provides a record
6 of financial transactions that can be drawn on
7 in the case of a dispute.

8 (F) Account ownership provides the oppor-
9 tunity for safer, more secure types of financial
10 transactions, such as direct deposit and check-
11 writing, reducing the risk that paychecks could
12 be stolen or lost and reducing the risk of be-
13 coming the victim of a robbery or burglary trig-
14 gered by carrying large sums of cash.

15 (b) DEVELOPMENT AND TRANSMITTAL TO THE CON-
16 GRESS.—

17 (1) DEVELOPMENT.—The President, acting
18 through the Secretary of the Treasury, the Office of
19 Financial Education established by the Secretary in
20 the Department of the Treasury, and in consultation
21 with the Secretary of Housing and Urban Develop-
22 ment and other officials of the administration, as
23 appropriate, shall develop a national strategy for fi-
24 nancial education, to be known as the Strategy for

1 Assuring Financial Empowerment (hereinafter in
2 this section referred to as the “SAFE strategy”).

3 (2) TRANSMITTAL TO THE CONGRESS.—By
4 February 1 of 2005 and by that date of each suc-
5 ceeding year, the President shall transmit to the
6 Congress a national strategy developed in accord-
7 ance with paragraph (1).

8 (3) APPEARANCE BEFORE THE CONGRESS.—
9 Before March 1, 2004, and before March 1 of each
10 subsequent year, the Secretary of Treasury shall ap-
11 pear before the Committee on Financial Services of
12 the House of Representatives and the Committee on
13 Banking, Housing, and Urban Affairs of the Senate
14 at hearings regarding the development of a national
15 strategy for assuring financial education.

16 (4) WORKING GROUP.—The first national strat-
17 egy transmitted to the Congress in 2005 shall con-
18 tain recommendations and a proposal for forming a
19 Financial Literacy and Education Working Group to
20 be chaired by the Secretary of the Treasury.

21 (c) ISSUES TO BE ADDRESSED.—The SAFE strat-
22 egy shall address any area the President considers appro-
23 priate, acting through the Secretary of the Treasury, the
24 Office of Financial Education established by the Secretary
25 in the Department of the Treasury, and in consultation

1 with the Secretary of Housing and Urban Development,
2 the Financial Literacy and Education Working Group es-
3 tablished pursuant to the proposal under subsection
4 (b)(4), and other officials of the administration, as appro-
5 priate, including the following:

6 (1) GOALS, OBJECTIVES, AND PRIORITIES.—

7 (A) IN GENERAL.—Comprehensive, re-
8 search-based goals, objectives, and priorities for
9 increasing the financial literacy of all citizens,
10 with particular attention to those with low and
11 moderate incomes, Native Americans, immi-
12 grants, youths from ages 10–25 and those of
13 pre-retirement age.

14 (B) GOALS TO BE INCLUDED.—Such goals
15 shall include helping individuals, especially
16 those in the target groups, learn to develop—

17 (i) access to and responsible use of ac-
18 counts at financial institutions;

19 (ii) knowledge of the credit-granting
20 process, including the importance and ben-
21 efits of building credit;

22 (iii) homeownership;

23 (iv) planning for unexpected cir-
24 cumstances, further education, retirement
25 and estate planning;

1 (v) budgets and long-range financial
2 planning;

3 (vi) an appreciation of the value of
4 charitable giving;

5 (vii) an understanding of the impact
6 of taxes on earned income and intelligent
7 planning to minimize the effects of taxes;

8 (viii) a strategy for and an apprecia-
9 tion of the value of broad-based, well-
10 planned, long-term investments; and

11 (ix) patterns of responsible borrowing
12 and consumer behavior.

13 (2) COORDINATION.—Coordination of financial
14 education efforts and programs within the Executive
15 Branch and with the Board of Governors of the
16 Federal Reserve System, the Securities and Ex-
17 change Commission, other Federal banking agencies,
18 the National Credit Union Administration Board,
19 and such other Federal agencies as the Secretary of
20 the Treasury determines to be appropriate.

21 (3) COORDINATION WITH AND ENHANCEMENT
22 OF THE ROLE OF THE PRIVATE FINANCIAL SECTOR
23 IN FINANCIAL EDUCATION.—The enhancement of
24 partnerships between the private government agen-

1 cies and both the financial sector and nongovern-
2 ment agencies with regard to financial education.

3 (4) ENHANCEMENT OF INTERGOVERNMENTAL
4 COOPERATION.—The enhancement of—

5 (A) cooperative efforts between the Federal
6 Government and State and local officials, in-
7 cluding State and local regulators and edu-
8 cators; and

9 (B) cooperative efforts among the several
10 States and between State and local officials, in-
11 cluding State and local regulators and edu-
12 cators which could be utilized or should be en-
13 couraged.

14 (5) PROJECT AND BUDGET PRIORITIES.—A 3-
15 year projection for program and budget priorities
16 and achievable projects for improving financial edu-
17 cation.

18 (6) ASSESSMENT OF FUNDING.—A complete as-
19 sessment of how the proposed budget is intended to
20 implement the strategy, and whether the funding
21 levels contained in the proposed budget are sufficient
22 to implement the strategy.

23 (7) DATA REGARDING TRENDS IN FINANCIAL
24 EDUCATION.—The need for timely, accurate, and
25 complete information necessary for the purpose of

1 developing and analyzing data in order to ascertain
2 trends in the need for financial education.

3 (8) IMPROVED COMMUNICATIONS.—A plan for
4 enhancing the communication between the Federal
5 Government and State and local governments re-
6 garding financial education.

7 (d) EFFECTIVENESS REPORT.—At the time each na-
8 tional SAFE strategy for financial education is trans-
9 mitted by the President to the Congress (other than the
10 first transmission of any such strategy) pursuant to sub-
11 section (b), the Secretary shall submit a report containing
12 an evaluation of the effectiveness of policies to enhance
13 financial education and reach the goals outlined in sub-
14 section (c).

15 (e) CONSULTATIONS.—In addition to the consulta-
16 tions required under this section with the Secretary of
17 Housing and Urban Development, in developing the na-
18 tional SAFE strategy for financial education, the Sec-
19 retary shall consult with—

20 (1) the Board of Governors of the Federal Re-
21 serve System and other Federal banking agencies
22 and the National Credit Union Administration
23 Board;

24 (2) State and local officials, including State and
25 local regulators and educators;

- 1 (3) the Securities and Exchange Commission;
- 2 (4) the Commodities and Futures Trading
- 3 Commission;
- 4 (5) the Secretary of Education;
- 5 (6) to the extent possible, the finance ministers
- 6 of foreign governments;
- 7 (7) to the extent appropriate, State and local
- 8 officials responsible for financial institution and fi-
- 9 nancial market regulation;
- 10 (8) any other State or local government author-
- 11 ity, to the extent appropriate;
- 12 (9) any other Federal Government authority or
- 13 instrumentality, to the extent appropriate
- 14 (10) representatives of the private financial
- 15 services sector, to the extent appropriate;
- 16 (11) the Secretary of Agriculture;
- 17 (12) the Secretary of Health and Human Serv-
- 18 ices;
- 19 (13) the Secretary of Defense;
- 20 (14) the Secretary of Labor;
- 21 (15) the Secretary of Veterans Affairs;
- 22 (16) the Chairman of the Federal Trade Com-
- 23 mission;
- 24 (17) the Commissioner of Social Security, the
- 25 Social Security Administration;

1 (18) the Administrator of the Small Business
2 Administration;

3 (19) the Director of the Office of Personnel
4 Management;

5 (20) the Federal Housing Commissioner;

6 (21) State insurance commissioners working
7 through the National Association of Insurance Com-
8 missioners;

9 (22) the Advertising Council; and

10 (23) the heads of Federal, State and local gov-
11 ernment programs, and privately run programs,
12 which have the purpose of—

13 (A) getting the unbanked to participate in
14 the banking system; and

15 (B) encouraging recipients of State or
16 Federal assistance programs to move away from
17 receiving their programs via paper checks and
18 towards receiving such payments electronically.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to the Secretary of the
21 Treasury for fiscal years 2004, 2005, 2006, 2007, 2008,
22 and 2009 such sums as may be necessary to carry out
23 the requirements of this section.

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