

110TH CONGRESS
1ST SESSION

H. R. 2840

To amend the Community Reinvestment Act of 1977 to allow the direct support by a financial institution of a qualified community-based financial literacy program provided to consumers and borrowers to be taken into account in assessing the institution's record of meeting the credit needs of its entire community, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2007

Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. ELLISON, and Ms. CARSON) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Community Reinvestment Act of 1977 to allow the direct support by a financial institution of a qualified community-based financial literacy program provided to consumers and borrowers to be taken into account in assessing the institution's record of meeting the credit needs of its entire community, 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 “National Financial Lit-
3 eracy Act of 2007”.

4 **SEC. 2. FINANCIAL LITERACY PROGRAMS.**

5 Section 804 of the Community Reinvestment Act of
6 1977 (12 U.S.C. 2903) is amended by adding at the end
7 the following new subsection:

8 “(d) DIRECT SUPPORT FOR FINANCIAL LITERACY
9 PROGRAMS TAKEN INTO ACCOUNT.—

10 “(1) STANDARDS ESTABLISHED FOR ELIGIBLE
11 PROGRAMS.—The appropriate Federal financial su-
12 pervisory agencies shall jointly prescribe regulations
13 establishing—

14 “(A) the minimum standards required to
15 be met by a community-based financial literacy
16 program in order to be eligible for consideration
17 under paragraph (3) as a qualified community-
18 based financial literacy program;

19 “(B) the procedures for financial institu-
20 tions to apply to the appropriate Federal finan-
21 cial supervisory agency for approval of a finan-
22 cial literacy program as a qualified community-
23 based financial literacy program; and

24 “(C) a requirement that financial institu-
25 tions submit a regular report on how the insti-
26 tution supported and promoted financial lit-

1 eracy in its entire community, including low-
2 and moderate-income neighborhoods.

3 “(2) FACTORS.—The regulations required
4 under paragraph (1) shall require at a minimum
5 that a qualified community-based financial literacy
6 program—

7 “(A) be offered by a nonprofit budget and
8 counseling agency which is exempt from tax-
9 ation under section 501(c)(3) of the Internal
10 Revenue Code of 1986; and

11 “(B) include adequate education to pro-
12 mote consumer understanding of consumer, eco-
13 nomic, and personal finance issues and con-
14 cepts, including saving for retirement, man-
15 aging credit, long-term care, estate planning
16 and education on predatory lending, identity
17 theft, and financial abuse schemes.

18 “(3) PROGRAMS TAKEN INTO ACCOUNT.—The
19 direct support by a financial institution of a quali-
20 fied community-based financial literacy program
21 may be taken into account by the appropriate Fed-
22 eral financial supervisory agency under subsection
23 (a) in assessing the institution’s record of meeting
24 the credit needs of its entire community, including
25 low- and moderate-income neighborhoods, in such

1 amount and to such extent as may be provided in
2 the joint regulations prescribed under paragraph
3 (1).”.

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