

Financial Literacy Annual Report

October 2015

Message from Richard Cordray

Director of the CFPB



The Consumer Financial Protection Bureau was launched on July 21, 2011. It is the first federal government agency dedicated solely to consumer financial protection. The Dodd-Frank Wall Street Reform and Consumer Protection Act mandated that the Bureau develop and implement a strategy to improve the financial literacy of consumers and initiatives to educate and empower consumers to make better informed financial decisions. The Bureau is pleased to provide this report. The report describes the Bureau's financial literacy strategy and the activities it has undertaken or continued over the past year to enhance financial literacy and financial capability.

America is recovering from the most serious financial crisis since the Great Depression. There were many causes of the crisis. But the problems experienced by many Americans were exacerbated by the complexity of the financial marketplace and the complexity of the decisions that consumers must make to manage their finances effectively. Research shows that many Americans are still struggling to gain their financial footing.

The mission of the Consumer Financial Protection Bureau is to make markets for consumer financial products and services work for consumers by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. We view the pieces of this mission as interdependent; our supervision, enforcement, and rulemaking go in tandem with our work to educate consumers and to help them build their financial capability. Consumers need both a safe, transparent marketplace and the financial capability to navigate that marketplace effectively to serve their own life goals.

To achieve that end, we have made financial education a critical component of our work. We are committed to helping consumers increase their own capability to make financial choices that support their financial well-being. The Bureau's strategy to increase consumers' financial literacy and capability includes providing tools and information directly to the public to help them navigate the financial choices they face, education initiatives with others who can reach consumers where they are, and foundational research to identify, highlight, and ultimately work to spread effective approaches to financial education. Fundamental to our strategy is developing approaches to provide youth with opportunities to develop the knowledge and skills to build a healthy financial future.

We are working to provide consumers with tools and information directly to develop practical skills and support sound financial decisions. These skills include being able to ask questions, plan ahead, and act to follow through on those plans. One way we are doing this is with our online tool, *Ask CFPB*, which is found at consumerfinance.gov/askcfpb/. This tool provides answers to consumer questions about financial products and services. It answers questions on topics including mortgages, credit cards, and how to fix an error in a credit report. We also are focusing on helping consumers build the skills to plan ahead. For example, our *Paying for College* set of tools helps students and their families compare what their college costs will be down the road as they decide where to pursue and how to pay for a college education. Our *Owning a Home* set of tools helps consumers shop for a mortgage loan by helping them understand what mortgages are available to them and easily make mortgage comparisons. The *Money Smart for Older Adults* curriculum, developed with the Federal Deposit Insurance Corporation, includes resources to help people prevent financial exploitation and prepare financially for unexpected life events.

We are working with a broad range of governmental, private, and nonprofit entities that can provide decision-making supports in moments when consumers are most receptive to receiving information and developing financial decision-making skills. This includes integrating financial capability into other programs and services where consumers may be seeking assistance. We also are tailoring our approaches to financial decision-making circumstances, challenges, and opportunities for specific populations, including servicemembers and veterans, students and young adults, older adults, people with low incomes, and people who are economically vulnerable.

We all have a part to play in improving consumer financial capability. We need to spark and sustain a national conversation about money and money management skills. That conversation needs to occur throughout our communities, including in our families and in schools,

workplaces, and other local community institutions. Parents can and should talk to their children about money and how to make sound money choices. Public and private employers can invest in a financially fit workplace – with benefits to both employees and employers. Libraries, which are already a trusted source of information, can provide access to unbiased resources, and serve as a safe setting where people can learn to enhance their control over their own financial lives. Financial services providers also have much to offer, given their ability to connect with consumers at important times in their financial lives. Schools are central to this effort, and many are working to do more to teach key financial concepts and decision-making skills – and we as a society need to support our schools and teachers in this effort.

The CFPB is uniquely positioned to help bridge the gap between people's actual financial capability and the complex financial decisions they have to make. As the American economy continues to recover, we want consumers to be able to look ahead with renewed hope and resilience. We can enhance the financial capability of consumers in America by working alongside all those who are dedicated to achieving these goals. Money decisions should support the hopes, dreams, and life goals of individuals and families. It takes both a financially-capable populace and a well-functioning marketplace to achieve that end. This report shows the progress the Bureau has contributed toward that national goal. As we move forward, this important work will continue to benefit consumers, strengthen the economy, and foster a brighter future for our country.

Sincerely,



Richard Cordray

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Executive summary

An essential part of the mission of the Consumer Financial Protection Bureau (CFPB or Bureau) is to empower consumers to take control over their financial lives. Despite the availability of a wide range of information about managing money and about financial products and services, many consumers still struggle to make the financial decisions that serve their life goals. The Bureau hears every day from people experiencing difficulty in their financial lives, who often express regret that they did not know more about the risks involved in particular financial decisions at the time they made those decisions. Recent research indicates that significant numbers of Americans are worried about their household finances – from not being able to cover regular expenses, to not having savings to cover a financial shock, to not having enough money to retire.

The Dodd-Frank Wall Street Reform and Consumer Protection Act mandates that the Bureau work to improve the financial literacy of consumers in America. The Bureau has developed a strategy and a range of initiatives to help consumers take control over their financial lives. Broadly, this strategy recognizes that financial literacy and financial capability require more than simply providing consumers with more information. Being able to manage one's financial life and make the financial decisions that will serve one's life goals requires a combination of knowledge, skills, and action. For that reason, the Bureau has pursued a strategy that focuses on identifying how, where, when, and through whom the Bureau can provide assistance to consumers for maximum benefit. The Bureau then develops and implements initiatives to carry out those approaches.

The Bureau has developed a strategy and a broad range of initiatives to help consumers take control over their financial lives.

The Bureau's strategy to improve financial literacy has two key aspects. First, the Bureau is seeking to provide assistance to consumers at important points in their financial lives. This includes building channels with a broad range of entities that consumers trust and may look to

for financial and related guidance. Second, the Bureau is moving forward on research to identify effective approaches to financial education and better define the metrics for success.

Fundamental to this strategy is developing approaches to provide youth with opportunities to develop the knowledge, skills, and attitudes that will serve them as adults.

The Bureau's financial education strategy focuses on identifying opportune moments to engage consumers about their financial decisions and providing information, tools, or other decision-making supports to help with those decisions. The Bureau strives to provide consumers with financial decision-making resources and skills that will serve them today and in the future. The Bureau is working to address financial decision-making issues that affect consumers generally, and also issues that affect specific populations – servicemembers, students and young adults, older adults, and consumers who are low-income or economically vulnerable.

The Bureau seeks to provide consumers with financial education assistance directly, and also works with others who can provide consumers with financial educational assistance in connection with other types of services consumers may seek. The Bureau is targeting its direct-to-consumer educational tools and resources toward assisting consumers with the financial aspects of large life decisions, starting with going to college, moving on to buying a home and, later in life, retiring; and on smaller decisions that can have large life consequences, such as starting a habit of savings, managing debt, and passing along financial life skills to one's children. The Bureau also provides a robust tool, *Ask CFPB*, to answer common consumer questions that arise as people make choices about their financial lives and about financial products and services.

As part of its efforts to assist consumers in their financial lives, the Bureau engages in a rich and ongoing dialogue with stakeholders to share information, learn about promising practices, and identify opportunities to create or strengthen channels to bring financial education and financial capability programming to consumers. These stakeholders include financial education practitioners; federal, state, and local government agencies; and various other private and nonprofit organizations.

The Bureau's financial education research program focuses on determining how to define and measure financial well-being as the end goal of financial education; identifying the knowledge, skills, and habits associated with financially capable consumers; and identifying effective approaches to improving financial capability and well-being. The Bureau will use the results of this research to refine how it supports consumers' financial decisions. The Bureau is sharing the results as they become available so others can look to the Bureau's findings as they make choices

about how to provide financial education that can lead to better outcomes for consumers in America.

Highlights of education initiatives

The Bureau has undertaken a broad array of education initiatives this year, as well as continued or expanded upon prior initiatives. These initiatives are described in more detail in various sections of this report. Here are some highlights:

Bureau tools and information to assist consumers directly in making financial decisions:

- *Ask CFPB* (consumerfinance.gov/askcfpb/) is an interactive online tool that gives consumers “when you need it” answers to questions about financial products and services including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection.
- *Paying for College* (consumerfinance.gov/paying-for-college/) is a set of online tools for students and families evaluating their higher education financing options – comparing college costs and financial aid, learning about college money and loan options, and assessing repayment options.
- *Owning a Home* (consumerfinance.gov/owning-a-home/) is a set of online tools for consumers to use as they begin and pursue the process of finding a home mortgage product that fits their needs and their budget. It helps consumers understand the basics of mortgages, orient themselves in the market and process, and consider various factors that may affect their own mortgage decision.
- *CFPB en Español* (consumerfinance.gov/es/) provides Spanish-speaking consumers, who make up the second largest language group in the United States, a central point of access to the Bureau’s most-used consumer resources available in Spanish.

The Bureau is working with community institutions, government agencies, and other organizations to integrate financial education or capability strategies into existing service programs or consumer relationships:

- Schools provide the opportunity to transform the financial lives of a generation of Americans by introducing key money and finance-related concepts early, and building on that foundation consistently through the kindergarten through grade 12 (K-12) school years. The Bureau has launched a youth financial education initiative to build on existing

efforts to integrate financial education into K-12 curricula and undertake other approaches to improving youth financial capability. This work includes a guide to help policymakers connect with tools, information, and insights to enhance K-12 financial education efforts; and a tool for analyzing and identifying appropriate and promising youth financial education curricula.

- The Bureau is working with the Federal Deposit Insurance Corporation (FDIC) to engage teachers, parents and caregivers, and financial institutions to improve the financial futures of young people. With the Bureau's participation, the FDIC released a new education series for youth, *Money Smart for Young People*, along with a new series of guides for parents and caregivers. *Money Smart for Young People* is available for download from the FDIC website at fdic.gov/consumers/education/torc/curriculumtools.html; the guides for parents and caregivers are also available at consumerfinance.gov/parents/. The collaboration includes a CFPB-hosted web page for parents and caregivers at consumerfinance.gov/parents/, and an FDIC-hosted web page for teachers at fdic.gov/consumers/education/torc/curriculumtools.html.
- Employers, including the federal government, can play an important role in helping people avoid financial distress and in promoting long-term financial well-being. Employers can do this by implementing practices in the workplace that strengthen financial capability, including making it easier for employees to adopt positive saving and investing habits. The Bureau has developed information about these practices in its report, *Financial wellness at work*. The report is available at consumerfinance.gov/reports/financial-wellness-at-work/.
 - The Bureau continues its workplace initiative focused on empowering public service organizations to help their employees tackle their student debt. As part of this initiative, the Bureau developed a toolkit, *Employer's guide to assisting employees with student loan repayment*. Public service organizations can use the toolkit to help employees learn about their options and work toward qualifying for federal loan repayment benefits available for student debt, including public service loan forgiveness. The Bureau is asking public service employers to take a pledge to help their employees in this effort. The pledge can be found at consumerfinance.gov/pledge/.
 - The Bureau is working with the Department of Labor's Employment and Training Administration to assist municipal leaders and local workforce boards in 25

communities over the next two years to integrate financial capability services into their year-round youth employment programs. Innovations and lessons from this work will be shared with the Department of Labor's broader workforce system, which includes American Job Centers nationwide.

- Community organizations often serve as first responders in times of financial crisis for American families. Libraries are trusted institutions, and serve as a central neighborhood resource. The Bureau is working with libraries and national organizations with community networks to identify resources and community partnerships that can help libraries develop financial education programming. The Bureau is providing information and trainings for librarians. These efforts will help libraries build the expertise to help consumers research their financial questions. Resources for libraries are available at consumerfinance.gov/library-resources/. The Bureau is also working with faith communities and other neighborhood organizations to inform them about CFPB resources that individuals and community groups may use.
- Volunteer Income Tax Assistance (VITA) sites assist more than 3.5 million low-income households each year to prepare their tax returns and, when eligible, apply for the Earned Income Tax Credit. For the third year, the Bureau offered training and materials that site managers and volunteer tax preparers at VITA sites could use to encourage consumers to save a portion of their tax refunds. The training was offered to VITA site managers and their volunteer tax preparers nationwide via webinar in 2015. The Bureau offered an array of educational materials for taxpayers as well, in English and Spanish, explaining available savings options, such as direct deposit into an account and purchase of a Series I savings bond. The Bureau made these materials available via download at consumerfinance.gov/blog/taxtime2015/. The Bureau also offered posters and table tents, and delivered printed copies to VITA sites across the country.
- To support consumers and the mortgage industry in transitioning to new residential mortgage disclosure forms effective for use beginning October 3, 2015, the Bureau developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide*. The *Toolkit* is designed to help consumers use the new forms to guide them through the process of shopping for a mortgage and buying a home. Lenders can use the *Toolkit* to satisfy the requirement under the Real Estate Settlement Procedures Act to provide a special information booklet to each person from whom they receive an application for a mortgage loan, to help consumers better understand the nature and costs of real estate settlement services. Because the booklet is delivered to millions of

consumers each year, it represents an opportunity to spread educational messages at a time when consumers are entering into a major financial transaction. The *Toolkit* is available in print-ready and web-ready versions, in English and Spanish, at consumerfinance.gov/learnmore/.

- The Bureau expanded its offerings for financial education practitioners by establishing the *CFPB Financial education exchange (CFPB FinEx)*. *CFPB FinEx* is an online and in-person information exchange designed to provide financial education practitioners with centralized access to CFPB tools, research on consumer financial behavior and effective practices, and other financial education resources. *CFPB FinEx* also facilitates discussion among financial educators and allows the Bureau to gather feedback on financial education tools and approaches. Financial educators can access CFPB financial education resources through the *Resources for financial educators* web page, which is available at consumerfinance.gov/adult-financial-education/. This web page includes a printable, shareable inventory of Bureau tools, research, and other resources, which is available at consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf.
- The Bureau launched a toolkit, *Your Money, Your Goals*, for use by frontline staff in social services organizations. The toolkit allows social services organizations to help the people they serve strengthen their financial capability and personal money management skills. Ten entities, including federal, state, tribal, and local agencies and national organizations, participated in the rollout by training frontline staff across the country. The Bureau also developed, field-tested, and released versions adapted for specific types of users – legal aid organizations, community volunteers, and workers – and has worked with various entities to expand the reach of these adapted versions. More information is available at consumerfinance.gov/your-money-your-goals/.
- The *ROADS to Financial Independence* initiative (Reach Outcomes. Achieve Dreams. Succeed.) aims to ensure that more Americans with disabilities have the tools, resources, and support to improve their financial lives and build a brighter economic future. This initiative integrates financial education counseling with employment, independent living, and other support services provided to individuals with disabilities. Participants have the opportunity to make more informed financial decisions, set financial goals, and work toward improving their financial lives through improved credit, reduced debt, and increased savings.
- The Bureau hosts a series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal

counseling to servicemembers and their families worldwide. The Bureau makes these forums available as on-demand video trainings on the Bureau’s website at consumerfinance.gov/servicemembers/on-demand-forums-and-tools/. These trainings currently cover issues in debt collection, credit reporting, veteran consumer issues, and solutions for servicemembers with troubled mortgages.

- The Bureau and the FDIC collaborate in serving older adults and distribute a financial education tool, *Money Smart for Older Adults* (MSOA), as a stand-alone module in the FDIC’s *Money Smart* financial education program. MSOA provides information for older adults and their caregivers on preventing and responding to financial exploitation such as scams and identity theft, and resources on how to prepare financially for unexpected life events. MSOA is offered by community organizations around the country that interact with older adults, family members, or caregivers. The FDIC and CFPB released the Spanish version of this program in 2014. Participant guides are available for download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf and are available for order through promotions.usa.gov/cfpbpubs.html. Community organizations that wish to offer the course in their communities can order the instructor materials from the FDIC at fdic.gov/consumers/consumer/moneysmart/olderadult.html.

The Appendix to this report provides a listing of the Bureau’s current tools and resources for consumers and for those who work with consumers, and research reports related to financial capability and the consumer financial marketplace.

1. Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) mandates that the Director of the Consumer Financial Protection Bureau (CFPB or Bureau) submit a report, no later than 24 months after the designated transfer date, and annually thereafter, on the Bureau's activities and strategy to improve the financial literacy of consumers to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.¹ The Bureau is pleased to submit this third of its annual reports on the Bureau's financial literacy work. The report covers the time period from June 2014 through September 2015.²

Enhancing financial literacy is an integral part of the Bureau's consumer financial protection function.

The Bureau is the nation's first federal agency focused solely on consumer financial protection. Created by the Dodd-Frank Act, the Bureau's mission is to help consumer financial markets work for American consumers, responsible providers, and the economy as a whole,

- by making rules more effective;
- by consistently and fairly enforcing those rules; and
- by empowering consumers to take more control over their economic lives.

¹ Consumer Financial Protection Act of 2010, Pub. L. No. 111-203, § 1013(d)(4), 124 Stat. 1955, 1971 (codified at 12 U.S.C. § 5493(d)(4)).

² This 2015 report covers a period longer than one year as the Bureau shifts the reporting period to align with the Bureau's October 1 through September 30 fiscal year. For context, the report also describes programs that started previously that continued into the reporting period.

Enhancing financial literacy is an integral part of the Bureau’s consumer financial protection function. The Bureau’s statutory objectives under the Dodd-Frank Act include “exercis[ing] its authorities under Federal consumer financial law for the purpose[] of ensuring that . . . consumers are provided with timely and understandable information to make responsible decisions about financial transactions.”³ Similarly, among the Bureau’s “primary functions” under the statute is “conducting financial education programs.”⁴ This financial education mandate is further reflected in numerous other provisions of the Dodd-Frank Act that charge the Bureau with researching, developing, promoting, and implementing financial literacy programs and activities, which are discussed further in Section 1.1, below.

The Bureau’s financial literacy work is performed chiefly through its Division of Consumer Education and Engagement. This division includes the Office of Financial Education; the Consumer Engagement Office, which works to create an interactive, informative relationship between the CFPB and consumers; and the four offices that address the issues and needs of special populations, including financial education needs. These four special population offices are the Office of Servicemember Affairs, the Office for Students, the Office of Financial Protection for Older Americans, and the Office of Financial Empowerment.

Many parts of the Bureau contribute to this financial education mission. For example, the Bureau’s Office of Research contributes to the research elements of the Bureau’s financial education strategy. The Bureau’s Office of Fair Lending and Equal Opportunity, and Office of Consumer Response, also provide education to the public. The Bureau’s *Know Before You Owe* initiatives draw widely on many parts of the Bureau. The Bureau’s Division of External Affairs works to keep the public and a broad range of stakeholders informed about the Bureau’s work.

³ 12 U.S.C. § 5511(b)(1).

⁴ 12 U.S.C. § 5511(c)(1).

1.1 Financial education mandate: educate and empower consumers to make better informed financial decisions

The Bureau’s financial literacy mandate is set forth more specifically in § 1013(d) of the Dodd-Frank Act. Section 1013(d)(1) directed the establishment of an Office of Financial Education to “be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions.”⁵ Further, the statute directs the Office of Financial Education to “develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission, consistent with the National Strategy for Financial Literacy, through activities including providing opportunities for consumers to access” various types of information, education, tools, and services.⁶ The Office of Financial Education is also responsible, with the Bureau’s Office of Research, for conducting research related to financial education and counseling.⁷

The Dodd-Frank Act also mandated creation of offices to develop financial education and policy initiatives to support the financial well-being of particular segments of the consumer population. These offices focus on servicemembers, students, older consumers, and “traditionally underserved” consumers.

1.1.1 Servicemembers

The Dodd-Frank Act mandated the establishment of an Office of Servicemember Affairs to “be responsible for developing and implementing initiatives for service members and their families,” including initiatives intended to “educate and empower service members and their families to

⁵ 12 U.S.C. § 5493(d)(1).

⁶ 12 U.S.C. § 5493(d)(2).

⁷ 12 U.S.C. § 5493(d)(3)(B).

make better informed decisions regarding consumer financial products and services.”⁸ The Office of Servicemember Affairs works to improve consumer financial protection for servicemembers, veterans, and their families in a number of ways. The Office works with the Department of Defense and the Department of Veterans Affairs to provide opportunities for servicemembers, veterans, and their families to receive financial education relevant to their needs. The Office monitors complaints submitted by servicemembers, veterans, and their families. The Office coordinates consumer protection efforts among federal and state agencies related to consumer financial products and services offered to, or used by, military families.⁹ Information about Bureau initiatives and tools that address servicemember financial challenges can be found at consumerfinance.gov/servicemembers/.

1.1.2 Students

The Dodd-Frank Act directed the Secretary of the Treasury, in consultation with the Bureau’s Director, to designate a Private Education Loan Ombudsman within the Bureau “to provide timely assistance to borrowers of private education loans.”¹⁰ The Private Education Loan Ombudsman position is held by the Assistant Director of the Office for Students. The Office for Students works to enhance the ability of students and younger consumers to make financial decisions, including monitoring complaints about private student loans, providing information and tools to help students and young adult consumers understand the risks from student loans and other financial products, and identifying policy and marketplace issues with special impact on students and younger consumers.¹¹ Information about Bureau initiatives and tools that address student financial challenges can be found at consumerfinance.gov/students/.

⁸ 12 U.S.C. § 5493(e)(1)(A).

⁹ 12 U.S.C. § 5493(e)(1).

¹⁰ 12 U.S.C. § 5535(a).

¹¹ 12 U.S.C. § 5535(c).

1.1.3 Older Americans

The Dodd-Frank Act mandated establishment of an Office of Financial Protection for Older Americans (Office for Older Americans). The functions of the Office for Older Americans include, among other things, “activities designed to facilitate the financial literacy of individuals who have attained the age of 62 years or more . . . on protection from unfair, deceptive, and abusive practices and on current and future financial choices, including through the dissemination of materials to seniors on such topics.”¹² More specifically, the Office for Older Americans develops materials that help older consumers, their caregivers, aging networks, and service providers, among others, recognize warning signs of unfair, deceptive, or abusive practices. In addition, the Office for Older Americans works to educate older consumers about financial decisions that may affect their retirement security. The Office for Older Americans works with federal and state agencies, community organizations, and other entities that educate and assist older consumers.¹³ Information about Bureau initiatives and tools that address financial protection for older consumers can be found at consumerfinance.gov/older-americans/.

1.1.4 Traditionally underserved consumers

The Dodd-Frank Act mandated that the Bureau include a unit whose functions include providing “information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities.”¹⁴ “Traditionally underserved consumers” includes unbanked and underbanked consumers.¹⁵ The Office of Financial Empowerment directs its efforts toward strengthening financial consumer protection and enhancing the financial capability of low-income and economically vulnerable consumers who make up the traditionally underserved. Information about Bureau initiatives for low-income and economically vulnerable consumers can be found at consumerfinance.gov/empowerment/.

¹² 12 U.S.C. § 5493(g)(1).

¹³ 12 U.S.C. § 5493(g)(3).

¹⁴ 12 U.S.C. § 5493(b)(2).

¹⁵ See 12 U.S.C. § 5493(b)(1)(F).

1.1.5 Other financial education functions

Consumer complaints

A vital part of the Bureau’s work to empower and engage consumers is hearing directly from them about the challenges they face in the marketplace, bringing their concerns to the attention of companies, and assisting in addressing their complaints.¹⁶ This work is managed by the Office of Consumer Response, which is part of the Bureau’s Operations Division, and is supported by subject matter experts throughout the Bureau.¹⁷ The Offices of Servicemember Affairs and Students help to monitor and provide subject matter expertise to address complaints specific to the populations they serve, and the Offices of Servicemember Affairs, Students, and Older Americans have issued periodic reports on what the complaints from these populations reveal about their experiences.

Information about consumer complaints is available to the public through the Consumer Complaint Database. The database is available on the CFPB’s website at consumerfinance.gov/complaintdatabase/ and serves as an additional informational tool to inform consumer decision-making around financial products and services. Consumers can submit complaints in more than 180 languages at consumerfinance.gov/complaint/ or by calling 855-411-CFPB (2372).¹⁸

Fair lending and access to credit

The Dodd-Frank Act charges the Office of Fair Lending and Equal Opportunity with “providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities that are enforced by the Bureau.”¹⁹ Among other things, the statute directs the Office of Fair Lending to work with

¹⁶ See 12 U.S.C. § 5493(b)(3); see also 12 U.S.C. § 5511(c)(2).

¹⁷ This work is also discussed in a separate annual report to Congress. See CFPB, *Consumer Response Annual Report* (Mar. 2015), available at consumerfinance.gov/reports/2014-consumer-response-annual-report/.

¹⁸ Complaints also can be submitted by mail to Consumer Financial Protection Bureau, P.O. Box 4503, Iowa City, Iowa 52244, or by fax to 855-237-2392.

¹⁹ 12 U.S.C. § 5493(c)(2)(A).

“private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education.”²⁰ The Office of Fair Lending, as well as other offices throughout the Bureau, work to promote awareness of fair lending and access to credit issues, and help consumers protect themselves from credit discrimination. The Bureau does this through public dialogue such as speeches, presentations, field hearings, and webinars; and through educational resources including blogs and *Ask CFPB* questions and answers for consumers.²¹

²⁰ 12 U.S.C. § 5493(c)(2)(C).

²¹ This work is also discussed in a separate report to Congress. See CFPB, *Fair Lending Report of the Consumer Financial Protection Bureau* (Apr. 2015), available at consumerfinance.gov/reports/2014-fair-lending-report/.

2. Financial literacy strategy

Managing one's finances presents a complex set of challenges in today's financial marketplace. Financial products are numerous and complex, requiring individuals to make choices from an array of options. In addition, there are substantial costs to attaining many significant life goals, such as owning a home or sending children to college. Further, consumers are increasingly responsible for saving for and managing the funds for their retirement. In this context, not having the skills to make sound financial decisions can have severe consequences for Americans' abilities to reach their life goals.

2.1 The need for financial literacy and capability

Many studies provide evidence of specific ways that U.S. consumers could use help in developing effective habits and skills around money management and personal finances. According to results of the 2012 National Financial Capability Study, a majority of American adults say they have not formed a savings cushion to protect them from unanticipated financial emergencies or to provide for predictable life events such as their children's college education or their own retirement.²² Many Americans say they did not comparison shop before obtaining financial products such as a credit card. Similarly, many American adults who believe they are adept at dealing with day-to-day financial matters use credit cards in costly ways, such as paying

²² See FINRA Investor Education Foundation, *Financial Capability in the United States: Report of Findings from the 2012 National Financial Capability Study* (May 2013) at 13, 15, available at usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf.

only the minimum payment each billing cycle, making late payments, thereby triggering late fees, or using the cards for cash advances and other costly non-bank borrowing methods.²³

More recent research on the state of consumers' financial wellness shows that significant numbers of Americans still struggle with household finances. According to the 2014 Survey of American Family Finances conducted by The Pew Charitable Trusts, only half of American families surveyed feel their households are financially secure.²⁴ More than half reported just breaking even or spending more than they make each month. Sixty-nine percent worry about not having enough money for retirement. Likewise, the Board of Governors of the Federal Reserve System's 2014 Survey of Household Economics and Decisionmaking shows that many consumers are ill-prepared for a financial disruption and would struggle to cover emergency expenses.²⁵ For example, 47 percent of respondents said they either could not cover an emergency expense of \$400, or would cover it by selling something or borrowing money. Recent surveys by the Federal Deposit Insurance Corporation (FDIC) and the Center for Financial Services Innovation reflect similar results.²⁶

Further, research released by the Bureau in 2013 found that the amount spent in the United States on financial education of all types is dwarfed by the amount spent on consumer financial marketing. For every dollar spent on financial education in a year,

For every dollar spent on financial education in a year, \$25 is spent on consumer financial marketing.

²³ See FINRA Investor Education Foundation, *Financial Capability in the United States: Report of Findings from the 2012 National Financial Capability Study* (May 2013) at 21, 22, available at usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf.

²⁴ See The Pew Charitable Trusts, *Issues Brief: Americans' Financial Security: Perceptions and Reality* (Mar. 2015), available at pewtrusts.org/en/about/news-room/press-releases/2015/02/26/pew-survey-shows-americans-financial-worries-cloud-optimism.

²⁵ See Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2014* (May 2015), available at federalreserve.gov/econresdata/2014-report-economic-well-being-us-households-201505.pdf.

²⁶ See Federal Deposit Insurance Corporation, *2013 FDIC National Survey of Unbanked and Underbanked Households* (Oct. 2014), available at fdic.gov/householdsurvey/2013report.pdf; Center for Financial Services Innovation, *Understanding and Improving Consumer Financial Health in America* (Mar. 2015), available at cfsinnovation.com/Document-Library/Understanding-Consumer-Financial-Health.

\$25 is spent on consumer financial marketing.²⁷ These results highlight the need for high-quality sources of unbiased financial information, and effective, scalable methods for providing financial education to consumers.

Financial education experts say that providing consumers with information is only part of the solution. Being able to manage one's financial life and make the financial decisions that will serve one's life goals require a combination of knowledge, skills, and action. Together, these abilities are known as "financial literacy" or "financial capability."²⁸ Consumers need to be able to analyze the costs, risks, and consequences of particular financial services, products, and decisions. They need to be able to make effective choices and recover from poor ones, and to know where to go for help. They need to be able to take other actions to improve present and long-term financial well-being in an evolving financial landscape. Financial education experts consistently suggest that more research is needed to further determine what financial education approaches are most effective in developing financial capability, and to further identify meaningful ways to measure financial knowledge, behavior, and well-being.²⁹

²⁷ See CFPB, *Navigating the Market: A comparison of spending on financial education and financial marketing* (Nov. 2013), available at consumerfinance.gov/f/201311_cfpb_navigating-the-market-final.pdf.

²⁸ See, e.g., Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 8 n.4 (defining financial capability), available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](http://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf); Organisation for Economic Co-operation and Development, International Network on Financial Education, *Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy* (2011) at 3, available at oecd.org/finance/financial-education/49319977.pdf.

²⁹ See, e.g., CFPB, *Feedback from the financial education field* (May 13, 2013) at 11, available at consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf; U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011) at Highlights, available at gao.gov/assets/330/320203.pdf.

2.2 The Bureau's financial literacy strategy

The Bureau has developed a strategy to improve consumers' financial capability and help consumers make better informed financial decisions.³⁰ Broadly, this strategy recognizes that financial literacy and financial capability require more than providing consumers with more information. Being able to manage one's financial life and make the financial decisions that will serve one's life goals requires a combination of knowledge, skills, and action. For that reason, the Bureau has pursued a strategy that focuses on identifying how, where, when, and through whom the Bureau can provide assistance to consumers for maximum benefit. The Bureau then develops and implements initiatives to carry out these approaches. The strategy has two key aspects: education initiatives, which include building channels with those who can help reach the public; and research to identify and build effective practices.³¹ Fundamental to both of these aspects is developing approaches to provide youth with opportunities to develop the knowledge and skills that will serve them as adults.

2.2.1 Education initiatives to reach consumers

The Bureau seeks opportunities to engage consumers at those moments when they are most receptive to learning about financial decisions. To this end, the Bureau has developed education initiatives to engage with consumers in a broad array of times and places. The Bureau does this through the tools and resources the Bureau makes available to consumers directly on the Bureau's website and elsewhere, and through other government agencies, community institutions, and others who can reach consumers at

The Bureau provides tools and resources directly and also helps to build financial capability training into the provision of other products or services consumers may seek.

³⁰ This financial literacy strategy is reflected in Goal 2 of the Bureau's strategic plan, which is to empower consumers to live better financial lives. See CFPB, *Consumer Financial Protection Bureau Strategic Plan FY 2013 – FY 2017* (Apr. 2013) at 16-23, available at consumerfinance.gov/strategic-plan/#goal2.

³¹ Outreach to key stakeholders, to share information and develop approaches, was previously described as a third prong of the Bureau's financial literacy strategy and reflected in a separate section of this report. While outreach continues to be key to the Bureau's work, it has become increasingly intertwined with the education initiatives.

opportune moments. This work includes helping to build financial capability training into the provision of other products or services consumers may seek.

The Bureau is targeting its direct-to-consumer educational tools and resources toward assisting consumers with the financial aspects of large life decisions, such as going to college, buying a home, and retiring; and on smaller decisions that can have significant life consequences, such as starting to build an emergency savings cushion, managing debt, and passing on financial knowledge and skills in the family by talking to children about money. The Bureau also provides a robust tool, *Ask CFPB*, to answer common consumer questions that arise as people make choices about their financial lives and about financial products and services.

The Bureau seeks to support financial decisions today in a manner that will develop and sustain skills for decisions tomorrow. For example, students applying to college can use the *Financial Aid Shopping Sheet* and the *Paying for College* web tools to help them compare financial aid offers from different colleges as they decide where to pursue a college education. At the same time, using these tools for the college comparison may help develop comparison-shopping skills they can apply to other major financial decisions in the future. Similarly, the Bureau seeks to support development in young people of the knowledge, skills, and personal attributes that underlie financial capability, as appropriate at each stage of their development.

The Bureau focuses on ways to effectively reach consumers broadly and inclusively. The Bureau has developed targeted efforts to reach consumers with limited English proficiency and people with disabilities.³² The Bureau undertakes efforts that are tailored to the needs of specific populations such as servicemembers, students, older consumers, and low-income and economically vulnerable consumers. The Bureau focuses on ways to reach consumers in their communities, such as through schools, workplaces, and libraries, and as they make financial decisions. This entails broad and varied outreach with consumers and with organizations that serve consumers in order to build relationships, share information and promising practices, and connect to networks through which a larger portion of the public can be reached with timely and meaningful assistance and resources.

Section 3 of the report discusses the Bureau's financial education initiatives.

³² For example, the Bureau developed and posted for public comment a Language Access Plan for providing limited-English proficient consumers with access to Bureau resources. See 79 Fed. Reg. 60840 (Oct. 8, 2014).

2.2.2 Evidence-based research and evaluation to build effective practices

To improve consumers' capability to make financial decisions to reach their own life goals, the Bureau seeks to expand the base of knowledge about what works to achieve positive financial outcomes. This knowledge will be useful for the Bureau as well as other providers of financial education. To this end, the Bureau is conducting evidence-based research to build on current knowledge of what approaches to financial education are effective and how to measure effectiveness.

This financial education aspect of the Bureau's research is focused on determining how to define and measure financial well-being, the end goal of financial education; identifying the knowledge, skills, and habits associated with financially capable consumers; and identifying effective approaches to improving financial capability and well-being. The Bureau seeks to identify educational and informational strategies that go beyond improving knowledge of financial facts in a classroom. The Bureau is using the results of this research, as they become available, to inform its financial education work. The Bureau is sharing the results broadly with others interested in consumer financial capability and well-being, so that these research findings also can support development of effective policies and programs by others involved in financial education.

Section 4 of the report discusses the Bureau's financial education research work.

2.2.3 Measurable performance goals

The Bureau incorporates measurable performance goals and objectives into its financial education work. For example, the Bureau tracks metrics on usage of online resources, such as the number of unique visits and views to areas of the Bureau's website that provide consumer tools, information, and assistance. When the Bureau offers new resources or materials through existing programs hosted by community providers or others, the Bureau builds in a measure of the number of people served through the programs. The Bureau is evaluating additional ways to assess the impact of its financial education efforts. The Bureau's financial well-being project, discussed later in the report, will identify what knowledge and other factors affect financial well-being and how to measure these factors. The Bureau will use the learnings from this research to foster enhanced financial education and financial capability work by others, and further hone and target the Bureau's own financial education work.

2.3 Consultation with FLEC and alignment with the National Strategy

The Bureau’s strategy to improve the financial literacy of consumers has been informed by its consultations with the Financial Literacy and Education Commission (FLEC or Commission). Congress established the Commission in 2003 with the mandate to improve the financial literacy and education of Americans, and to coordinate financial education efforts in the federal government through, among other things, development of a national strategy to promote financial literacy and education.³³ The Commission currently comprises representatives from 21 federal agencies and the White House Domestic Policy Council. It is chaired by the Secretary of the Treasury, and the Bureau’s Director serves as Vice-Chair.³⁴

In addition to the Director’s role as Vice-Chair, the Bureau is an active member of the Commission’s committees.³⁵ In these capacities and in its own work, the Bureau is actively engaged in furthering the National Strategy for Financial Literacy (National Strategy) and FLEC’s current “Starting Early for Financial Success” strategic focus. The Starting Early strategic focus is intended to serve as a vehicle for achieving coordination of resources and activities among Commission member agencies, as well as with other levels of government and the private and nonprofit sectors.³⁶ A number of the Bureau’s activities are aligned with this initiative, including its youth initiatives, workplace financial education initiative, and *Paying for College* tools, which are discussed below. In addition, the Bureau’s financial education research

³³ See Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Tit. V, § 513, 117 Stat. 2003 (2003) (codified at 20 U.S.C. §§ 9701-9709).

³⁴ 20 U.S.C. § 9702(c)(1); see Department of the Treasury, *Resource Center: Financial Literacy and Education Commission*, treasury.gov/resource-center/financial-education/Pages/commission-index.aspx (last visited Sept. 15, 2015).

³⁵ These committees are the Children and Youth Committee, Post-Secondary Education Committee, Early Career Committee, and Research and Evaluation Committee.

³⁶ See Financial Literacy & Education Commission, *Minutes of Public Meeting* (Oct. 18, 2012), available at treasury.gov/resource-center/financial-education/Documents/Minutes%2010%2018%2012.pdf.

initiatives are consistent with the Commission’s research priorities.³⁷ The Bureau also has played an active role in the Commission’s public meetings and other events.³⁸

The National Strategy establishes a guiding vision of “sustained financial well-being for all individuals and families in the United States.”³⁹ The Bureau has set out to define and develop measures of financial well-being in order to allow meaningful assessment of the effectiveness of financial education efforts. The Bureau undertakes this work not only to inform its own efforts, but also to inform the work of other FLEC agencies and others working in financial education inside and outside the government sector. In a January 2015 report on the first phase of this research, the Bureau released a U.S. consumer-derived definition of financial well-being, which is discussed in Section 4.1.1, below.⁴⁰

³⁷ Financial Literacy & Education Commission, *Research Priorities Applied to the 2013-2014 Strategic Focus, “Starting Early for Financial Success”* (May 2013), available at treasury.gov/resource-center/financial-education/Documents/Starting%20Early%20Research%20Priorities%20May%202013.pdf; Financial Literacy & Education Commission, *Research and Evaluation Working Group, 2012 Research Priorities and Research Questions*, available at treasury.gov/resource-center/financial-education/Documents/2012%20Research%20Priorities%20-%20May%2012.pdf. Financial Education staff serve on the Commission’s Research and Evaluation Working Group, which developed these research priorities to coordinate research efforts among the FLEC agencies. The Bureau’s financial education research work is discussed in Section 4, below.

³⁸ See Financial Literacy & Education Commission Public Meeting (May 21, 2015) (financial education and workforce development), materials available at treasury.gov/resource-center/financial-education/Pages/fleco5212015.aspx; Financial Literacy & Education Commission Public Meeting (Feb. 25, 2015) (encouraging youth savings), materials available at treasury.gov/resource-center/financial-education/Pages/February-25,-2015.aspx; Financial Literacy & Education Commission Public Meeting (Nov. 5, 2014) (workplace financial wellness), materials available at treasury.gov/resource-center/financial-education/Pages/November-5,2014.aspx; CFPB, *Live from Madison, Wisconsin!* (Sept. 25, 2013) (youth financial education field hearing), consumerfinance.gov/blog/live-from-madison-wisconsin/; CFPB, *Live from Atlanta!* (Feb. 25, 2014) (workplace financial education field hearing), consumerfinance.gov/blog/live-from-atlanta/; Financial Literacy & Education Commission Member Briefing, *Starting Early for Financial Success: Capability into Action* (Sept. 16, 2014); Financial Literacy & Education Commission, *Briefing and Brainstorming on Financial Education Resources for Youth Employment Training* (Nov. 10, 2014).

³⁹ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 7, available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](http://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf).

⁴⁰ See CFPB, *Financial well-being: The goal of financial education* (Jan. 2015), available at consumerfinance.gov/reports/financial-well-being/.

The National Strategy identifies four goals to help move the nation toward that guiding vision. The Bureau’s strategy aligns with each of these goals. The first goal of the National Strategy is to “increase awareness of and access to financial education.” The Bureau’s strategy likewise seeks to provide individuals and families with access to reliable, clear, timely, relevant, and effective financial information and educational resources disseminated through many channels, such as schools, employers, libraries, financial education practitioners, social workers, and others who provide products or services to consumers.

The second goal of the National Strategy is to “determine and integrate core financial competencies.” Core competencies are basic topic areas in financial management: earning, spending, saving and investing, borrowing, and protecting. The Bureau’s strategy includes providing tools and informational resources that help consumers develop and enhance their knowledge and skills in these basic areas of managing their personal finances.

The third goal of the National Strategy is to “improve financial education infrastructure.” The Bureau’s strategy relies on working with other governmental, private, and nonprofit organizations to reach consumers. In this way, the Bureau helps to create or builds on existing infrastructure for delivering financial education to diverse constituencies and sharing information. For example, the toolkit *Your Money, Your Goals* helps staff and volunteers in social services, legal aid, community and faith-based programs and organizations help the people they serve develop skills in personal financial tasks. Additionally, the Bureau developed *Advancing K-12 financial education: A guide for policymakers*, aimed at supporting state policymakers in integrating financial education in schools by providing resources and tools.

Goal four of the National Strategy is to “identify, enhance, and share effective practices.” The Bureau seeks to use evidence-based approaches in its financial education initiatives. The Bureau is conducting rigorous research and evaluation of financial literacy and education strategies and metrics, and is sharing the results of this research widely as they become available. For example, to support the National Strategy vision and growing global consensus that individual financial well-being is the ultimate goal of financial literacy, the CFPB commissioned research to understand how children and youth develop the skills, attitudes, and habits that lay the foundations for financial well-being later in life. A paper presenting the results of this research, *Foundations of Financial Well-Being*, along with nine other new academic research papers on

financial literacy and capability, were published in a special issue of the *Journal of Consumer Affairs* in conjunction with FLEC.⁴¹

These elements of the National Strategy are consistently reflected in the Bureau's financial education and research initiatives, many of which are described in Sections 3 and 4 of this report, respectively.

⁴¹ See 49 Journal of Consumer Affairs, Special Issue on Starting Early for Financial Success (Michal Grinstein-Weiss & Margaret S. Sherraden eds., Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.2015.49.issue-1/issuetoc.

3. Financial education initiatives: developing financial capability

The Bureau has developed a broad range of education initiatives to implement its financial literacy strategy to serve consumers in America. These initiatives are designed to provide consumers with actionable financial information and tools at important moments in their financial lives, and opportunities to develop the skills to navigate the financial marketplace and manage their financial lives effectively. The Bureau is approaching these tasks in two ways. First, the Bureau is engaging consumers directly through interactive tools, social media, a CFPB digital library of consumer information, and CFPB print publications. Second, the Bureau is reaching consumers by leveraging existing public, private, and nonprofit networks and efforts.

The Bureau's financial education initiatives are designed to provide consumers with opportunities to access a broad range of financial information, tools, services, and other resources to support financial capability. These include resources to assist with understanding and managing credit and their individual credit records; evaluating credit products such as mortgages, credit cards, or student loans; preparing for education expenses and other major purchases; reducing debt and improving the consumer's financial situation; developing long-term savings strategies; saving at the time of income tax filing; and providing opportunities to access savings, borrowing, and other financial services.⁴²

⁴² See 12 U.S.C. § 5493(d)(2).

3.1 Bureau tools and resources

The Bureau has developed extensive resources to provide consumers directly with impartial information about the financial marketplace and tools for financial decision-making. Highlights of these initiatives are described below.

3.1.1 Ask CFPB

In March 2012, the Bureau launched *Ask CFPB*, an interactive online tool that gives consumers “when you need it” answers to questions about financial products and services, including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection.

Ask CFPB is available at

consumerfinance.gov/askcfpb/. The Bureau has gradually added product categories to *Ask CFPB* as it has developed questions and answers based on consumer inquiries or to support the handling of complaints in those areas. The Bureau augments and updates the questions and answers on an ongoing basis.

Ask CFPB gives consumers answers to questions about financial products and services.

Consumers can navigate *Ask CFPB* by typing in search terms or choosing a financial product category. Consumers can narrow a search to specific topics, such as “credit report” or “debit card” from any search page. Consumers can access information about financial issues applicable to specific populations, such as servicemembers, students, older consumers, or parents. Answers to common questions are available in Spanish at consumerfinance.gov/es/obtener-respuestas/. *Ask CFPB* has served more than eight million visitors since its launch.

3.1.2 Consumer Experience Program

The Bureau’s Consumer Experience Program provides actionable information and online tools to help consumers navigate the large financial decisions in their lives. The first two modules in the program focus on paying for college and owning a home. A third module, which will focus on financial security for older consumers, is slated for release in fall 2015.

Paying for College

Paying for College is a set of online tools targeted to students and families evaluating their options when financing a higher education. The tools address the entire lifecycle of financing college, from comparing college costs and financial aid offers, to shopping for a loan, through assessing options to repay student loan debt after graduation. The Bureau first launched the *Paying for College* tools in 2012, and continues to offer them and make improvements as the Bureau learns from user experience. All the *Paying for College* tools described below are available at consumerfinance.gov/paying-for-college/.

Paying for College is a set of online tools targeted to students and families evaluating their options when financing a higher education.

STUDENT FINANCIAL GUIDES

Choosing a loan is an interactive tool designed to help students and families understand their options for financing the costs of college. This tool allows consumers to see the future costs and risks of different financing options, to enable them to make informed choices. For example, private student loans may not offer the same consumer protections as federal loans and are generally more expensive for borrowers. The tool includes expert advice on the different types of student loans and a plain-language explanation of the terms, conditions, costs, and fees associated with these different products. This feature includes a printable one-page action guide that students and families can use when evaluating financing options.

Manage your college money is an interactive guide for college students and prospective college students to help inform what may be their first major set of choices in the financial services marketplace. Users can learn about financial aid disbursement options and bank accounts, and the costs and risks associated with these products. College students and prospective college students can use *Manage your college money* to help them get settled financially even before they get to campus.

COMPARE FINANCIAL AID OFFERS

The financial aid offer letters that prospective students receive from schools can be confusing. In particular, the descriptions of the different types of financial aid that are available can vary widely. *Compare financial aid* allows users to make apples-to-apples comparisons among financial aid offers from different colleges and universities. Users can take the financial aid offer letters provided by their schools and build a personalized visualization of the costs down the road of particular college and financial aid package choices—including an estimate of the

monthly payment upon graduation that would be required to pay back the combined types of financial aid. This tool uses data from the Department of Education to fill in information that may not be included in the applicant's financial aid offer letter, giving users a more complete picture of their options. It also includes a feature designed to assist servicemembers, veterans, and their families in accessing information about military educational benefits to which they may be entitled.

REPAY STUDENT DEBT

More than 40 million borrowers are currently repaying federal and private student loans. Many borrowers are eligible for a wide range of alternative repayment plans and other consumer protections, but they may not understand their options. *Repay student debt* guides users through a series of questions and provides a set of recommendations tailored to their answers. Borrowers can learn more about repayment options that may lower their monthly payment or provide short-term relief if they run into trouble. Borrowers in default can learn about options that might hold the key to repairing their credit, going back to school, or bringing their loans back into good standing. The Bureau launched a prototype of this tool in October 2011. Based on user feedback, in July 2012, the Bureau launched a separate tool for borrowers in default and facing debt collection. In December 2012, the Bureau launched the full-featured version of *Repay student debt* designed to assist all borrowers in repayment.

The Bureau released version 2.0 of *Repay student debt* in May 2015. The tool now features sample instructions that student loan borrowers can send to their student loan servicers when seeking an affordable payment on a private student loan, when requesting a co-signer be released from a loan obligation, and when directing a student loan servicer to apply a prepayment in a manner that is in the borrower's best interest.

Owning a Home

Owning a Home is a set of online tools and resources to help consumers find the mortgage product that best fits their needs and their budget. It helps consumers understand the basics of mortgages, orient themselves to the market and the steps of the home loan process, and consider various factors that may affect their own mortgage decision. The tools and resources aim to create a culture of shopping in the mortgage market by helping consumers understand what types of mortgages may be available to them, get organized to successfully navigate the mortgage shopping process, and learn what questions to ask along the way. *Owning a Home* is informed by and supports the Bureau's broader *Know Before You Owe* effort to make mortgage

costs clearer and easier to understand. All the *Owning a Home* tools and resources described below are available at consumerfinance.gov/owning-a-home/.

KNOW THE PROCESS

The mortgage process is complex, and many consumers find it difficult to know whether they are on the right track. In fall 2015, the Bureau launched an interactive guide to help consumers navigate the mortgage process. The guide includes action steps, information, and tips that take consumers from the beginning of the process, when they are preparing to buy a home, through closing, when they sign for their mortgage loan. The guide also includes links to the other *Owning a Home* tools and resources that allow consumers to consider factors specific to their situations. This guide is available at consumerfinance.gov/owning-a-home/.

EXPLORE INTEREST RATES

When starting the process of obtaining a mortgage loan, many consumers struggle to understand what a “good” loan offer looks like for them, or what they can expect. In January 2015, the CFPB launched a tool that helps consumers explore the range of interest rates they might expect to be offered, and how much they might be able to save – for example, by shopping among different lenders, changing their down payment amount, or improving their credit score. The tool helps consumers orient themselves to the market and understand how shopping around for different offers or terms might affect their bottom line. This tool is available at consumerfinance.gov/owning-a-home/explore-rates/.

UNDERSTAND LOAN OPTIONS

The kind of mortgage a consumer chooses has a big impact on how much the consumer ends up paying—upfront, monthly, and over the life of the loan. In October 2014, the Bureau launched the first *Owning a Home* resource, a consumer guide to understanding the basics of mortgage loans and the key choices a consumer can make – loan term, loan type, and interest rate type. Knowing what kind of loan options exist can prepare a consumer for talking to lenders and getting the best deal. This resource is available at consumerfinance.gov/owning-a-home/loan-options/.

UNDERSTAND MORTGAGE FORMS

As discussed further in Section 3.2.8, below, the Bureau published a rule in December 2013 that provides for new mortgage disclosure forms that became effective for use as of October 3, 2015.⁴³ These forms are the Loan Estimate and Closing Disclosure. The new forms make it easier for consumers to understand and compare terms of different loans before they commit to a loan. The forms also include links to the CFPB website for additional information. The Bureau has created landing pages to serve consumers at the junctures in their mortgage journey when they receive each of these disclosure forms: consumerfinance.gov/mortgage-estimate/ and consumerfinance.gov/mortgage-closing/.

In addition, the Bureau has created interactive sample disclosure forms to help consumers understand the details and get definitions for terms used on the forms. The interactive sample disclosure for the Loan Estimate form is available at consumerfinance.gov/owning-a-home/loan-estimate/. The interactive sample disclosure for the Closing Disclosure form is available at consumerfinance.gov/owning-a-home/closing-disclosure/.

3.1.3 CFPB en Español

According to 2010 Census data, 37 million people in the United States primarily speak Spanish at home.⁴⁴ Recognizing the need for Spanish language digital resources, the Bureau launched *CFPB en Español*, a Bureau website that provides Spanish-speaking consumers with a central point of access to the Bureau's most-used consumer resources translated into Spanish. The website has four major components: *Ask CFPB* content in Spanish; a consumer complaints page that highlights the complaint process and the phone number consumers can call to submit a complaint in Spanish; an *About us* page

CFPB en Español provides Spanish-speaking consumers a central point of access to the Bureau's most-used consumer resources available in Spanish.

⁴³ More information about the new disclosures is available on the Bureau's regulatory implementation page at consumerfinance.gov/regulatory-implementation/tila-respa/ and at consumerfinance.gov/know-before-you-owe/.

⁴⁴ U.S. Census Bureau, *Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over*, factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_B16001&prodType=table (last visited Sept. 15, 2015).

that features a Spanish-language video and introductory content about how the Bureau works to protect consumers; and an *Hogar* (Home) page that offers details on the Bureau’s latest protections for consumers in search of a mortgage and those who already own a home. The website was created using responsive design, meaning it is optimized for use on both mobile devices and computers in order to better serve all consumers. Officially launched in May 2013, the website is available at consumerfinance.gov/es/.

3.1.4 Publications and advisories

The Bureau has created a range of publications for consumers that provide straightforward information about money management and other financial issues. These publications include brochures about checking a credit report, avoiding checking account fees, tax-time savings, how to avoid foreclosure, what to do when unable to pay credit card bills, and other topics. The Bureau makes many of these resources available in both English and Spanish, as well as other languages, and provides them for download or bulk ordering at promotions.usa.gov/cfpbpubs.html. Between June 2014 and July 2015, the Bureau distributed more than 2.5 million copies of its publications. Among the most popular during that period were *Money Smart for Older Adults – Participant/Resource Guide*, *Check your credit report*, *My new money goal worksheet*, *How to Find the Best Credit Card for You*, and *Managing Someone Else’s Money*. A list of current publications is provided in the [Appendix](#) at the end of this report.

This year the Bureau developed the *Newcomer’s Guide to Managing Money* series. The guides are targeted to recent immigrants and others who may be new to the use of U.S. banking services, including youth. They provide information about ways to pay bills, ways to receive money, what to look for when selecting financial products and services, and what to consider when opening a bank account. The guides can be found in English and Spanish at consumerfinance.gov/blog/the-newcomers-guides-to-managing-money/. The guides are expected to be available in additional languages later in 2015.

The Bureau periodically issues consumer advisories on its website that provide guidance to consumers on particular consumer challenges that come to the Bureau’s attention through the complaint process, the news, or other means. For example, topics covered in the past year have included how to avoid pension advance traps, public benefits that are protected from garnishment, overdraft options, and how to recognize warning signs of student loan debt relief scams. The Bureau’s consumer advisories can be found at consumerfinance.gov/blog/category/consumer-advisory/.

3.1.5 Financial education practitioners

Financial education practitioners comprise a broad range of individuals and organizations that help consumers take charge of their financial lives. They may be housing counselors, credit counselors, K-12 teachers, financial advisers and coaches, librarians, tax preparers, or people working in community-based financial education programs. They may be financial educators, or may provide services related to financial education such as research, evaluation, policy analysis, training and technical assistance, funding, and social and human services. They may be in universities, state and local education agencies, nonprofit organizations, or financial institutions.

The Bureau learned through outreach efforts during its first two years that there was widespread demand from the financial education community for a mechanism to learn about the Bureau's consumer financial education work, and to share and learn about ideas and best practices from the Bureau and each other. The Bureau also learned about challenges faced by the financial education community, which include the diversity of approaches, providers, and standards of quality in this broad field.⁴⁵

The Bureau has considered and developed a number of approaches to these challenges. In consultation with FLEC, the Bureau has explored the possibility of a designation for qualified institutions, such as universities, state and local educational agencies, nonprofit agencies, and financial institutions, as centers of excellence to develop and implement effective financial literacy programs.⁴⁶ A 2011 study and report by the Government Accountability Office (GAO) on the feasibility of certifying organizations that provide financial literacy programs underscored

⁴⁵ See CFPB, *Feedback from the financial education field* (May 13, 2013) at 11, available at consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf.

⁴⁶ For example, a 2015 FLEC report surveyed existing campus-based and non-campus-based financial education programs for postsecondary students. See Financial Literacy & Education Commission, *Opportunities to Improve the Financial Capability and Financial Well-being of Postsecondary Students* (2015), available at treasury.gov/resource-center/financial-education/Documents/Opportunities%20to%20Improve%20the%20Financial%20Capability%20and%20Financial%20Well-being%20of%20Postsecondary%20Students.pdf. In 2015, the Bureau also discussed with FLEC members examples of centers of excellence within existing federal programs, potential criteria for such centers, and examples of universities and organizations already doing important work around financial literacy.

the challenges involved.⁴⁷ The report, mandated by the Dodd-Frank Act, concluded that such a process would likely pose its own significant challenges, including burden and cost on the covered institutions and agencies.⁴⁸ The report recognized the difficulty of creating a single process for certifying such a diverse field, especially where there is a lack of consensus about which financial literacy strategies and approaches are most effective.⁴⁹

To address these concerns, the Bureau has sought to help the financial education community address the challenges it identified around the diversity of approaches, providers, and standards of quality by pursuing a rigorous program of research to provide evidence of financial education practices that work, and sharing research and effective practices among financial educators. The Bureau's research program includes projects to define and develop measures of financial well-being, the goal of financial education, in order to measure effectiveness. In addition, the Bureau is sharing its financial education resources and research broadly in order to support development of effective policies and programs by others involved in financial education. The Bureau does this through its website and published reports. The Bureau also offers resources through both program- and subject-specific channels, such as *Your Money, Your Goals* training sessions for social services providers, and virtual *Military financial educator forums* for people who serve members of the military and their families. Further, as described further below, the Bureau has created a network through which financial education practitioners can share information and learn more about ways they can apply the Bureau's research findings, consumer tools, and other resources to their day-to-day work with consumers. The Bureau also will continue to work with FLEC members to share ideas and best practices for standards of quality for the financial education field.

⁴⁷ U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011), available at gao.gov/assets/330/320203.pdf.

⁴⁸ *Id.*; see 12 U.S.C. § 5493(d)(7).

⁴⁹ U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011), available at gao.gov/assets/330/320203.pdf. A Department of Education effort to rate colleges encountered similar challenges. The Department has opted in favor of putting information and tools in the hands of consumers and others so they can make informed comparisons and choices, and developing meaningful metrics to measure outcomes. See Department of Education, *Helping families navigate their higher education options* (June 2015), <http://www.ed.gov/blog/2015/06/helping-families-navigate-their-higher-education-options/> (last visited Sept. 15, 2015).

Sharing tools and information: CFPB FinEx

In May 2015, the Bureau established the *CFPB Financial education exchange (CFPB FinEx)*.

CFPB FinEx is an online and in-person information exchange designed to help financial educators by providing centralized access to CFPB tools, research on consumer financial behavior and effective practices, and other resources. It also allows the Bureau to gather feedback and facilitates discussion among financial educators. To sign up for *CFPB FinEx*, educators can send an email to CFPB_FinEx@cfpb.gov.

Financial educators can access CFPB financial education resources through the *Resources for financial educators* web page, which is available at consumerfinance.gov/adult-financial-education/. This web page includes a printable, shareable inventory of Bureau tools, research reports, and other resources. The inventory is available at files.consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf. To facilitate the exchange of information among those to whom consumers turn for financial guidance, the Bureau also hosts an online discussion forum for financial education professionals and others interested in the Bureau's work in financial education. In May 2015, this discussion group reached 1,000 members.

As part of *CFPB FinEx*, the Bureau also has convened in-person listening sessions. In these sessions, the Bureau has shared CFPB research findings, gathered input, and encouraged peer learning among local financial educators. In addition, the Bureau has summarized and shared the results of its surveys and listening sessions with those signed up for *CFPB FinEx* to inform effective practices more broadly.

Listening and learning

The CFPB has been listening and learning from financial education practitioners and stakeholders since its inception. In particular, the Office of Financial Education has engaged with a wide range of financial education practitioners and other stakeholders through in-person meetings, presentations, and webinars, for a variety of purposes. These purposes have included introducing the Bureau and its financial education mission, engaging in dialogue to understand the financial education needs of various communities, shaping its financial education strategy and initiatives, building channels to reach consumers, and sharing its latest research findings, effective financial education practices, and tools and resources.

In early 2015, the Bureau fielded a small survey of financial educators to determine how the Bureau could best support the development and sharing of skills among financial education

practitioners using the most recent research on consumers' motivations. The results of the survey are informing ongoing work.

3.2 Initiatives with others

To reach consumers with financial education, the Bureau works with a broad range of entities that include, among others, other federal agencies; state and local governments; private and nonprofit organizations; schools, workplaces, libraries, and other community organizations; and financial services providers. This work takes many forms. The Bureau uses existing infrastructure to reach consumers where they are and to leverage and complement effective efforts already underway, including building financial capability education and approaches into the provision of other products and services.⁵⁰

3.2.1 Youth financial education

In 2013, the Bureau launched an initiative to help ensure that young people in America can gain the knowledge and skills to build a healthy financial future. The Bureau is working to increase young people's opportunities to build financial capability by spreading knowledge about policies that lead to more financial education in schools and communities; supporting educators and practitioners with relevant information, tools, and resources; engaging parents and caregivers to support financial well-being in the home; and conducting research that supports policy and practice. Bureau tools and resources supporting youth financial education can be found at consumerfinance.gov/youth-financial-education/.

The Bureau launched an initiative to help ensure that young people can gain the knowledge and skills to build a healthy financial future.

The Bureau has sought to learn from and support financial education experts, teachers, and nonprofit and government leaders from local, state, and federal levels engaged in youth financial

⁵⁰ Much of this work with others involves the Bureau's fellow member agencies in the Financial Literacy and Education Commission.

education.⁵¹ The Bureau’s five core recommended strategies to improve personal financial capability of youth are:

- Introduce key financial education concepts early and continue to build on that foundation consistently throughout the K-12 school years;
- Include personal financial management questions in standardized tests;
- Provide opportunities throughout the K-12 years to practice money management through hands-on learning opportunities;
- Create consistent opportunities and incentives for teachers to take financial education training with the express intention of teaching financial management to their students; and
- Encourage parents and caregivers to discuss money management topics at home and provide them with the tools necessary to have money conversations with children.⁵²

The Bureau’s projects for youth, described below, seek to advance these strategies. Through these projects, the CFPB can help fill identified gaps for those working on the front lines of financially educating youth and positioning them for a lifetime of better financial outcomes. Among its other K-12 initiatives, the Bureau is exploring opportunities to highlight the value of after-school programs that offer youth hands-on opportunities to practice money management skills. Further, as more fully described in Section 4 of this report, the Bureau has undertaken research to better understand the pathways, processes, and channels through which young people develop the knowledge, skills, traits, and attitudes that underlie financial capability at each stage of development. Insights from this research inform the Bureau’s approach to supporting youth financial education.

⁵¹ See, e.g., CFPB, *Investing in Our Future: Conference Summary: National Conference on Youth Financial Education & Capability* hosted by CFPB on April 30, 2013, available at consumerfinance.gov/f/201312_cfpb_summary_youth-financial-capability-conference.pdf.

⁵² See CFPB, *Transforming the Financial Lives of a Generation of Young Americans: Policy Recommendations for Advancing K-12 Financial Education* (Apr. 2013), available at consumerfinance.gov/f/201304_cfpb_OFE-Policy-White-Paper-Final.pdf. The focus on youth financial education also aligns with the Financial Literacy and Education Commission’s 2013-2014 strategic focus on “Starting Early for Financial Success,” discussed in Section 2.3, above.

Youth financial education curriculum review tool

More policymakers are recognizing the importance of teaching financial education to youth by requiring that personal finance be taught as part of K-12 education. Educators who wish to teach financial education have few resources to help them select the most promising or appropriate financial education curriculum from among the wide range of available curricula and curriculum providers.

The Bureau seeks to fill this gap with its youth financial education curriculum review tool. Built upon the best information available about curriculum effectiveness, the tool will provide criteria for analyzing and selecting curricula for educating today's students. The tool also can help those who are creating financial education curricula identify strengths of current curricula and areas for further development. The Bureau hopes the tool also will inspire more discussion about financial education curriculum for the K-12 classroom, and offer clues about future avenues for exploration. The tool is expected to be available in fall 2015 at consumerfinance.gov/youth-financial-education.

Advancing K-12 financial education: a guide for policymakers

Integrating financial education throughout the K-12 experience represents a promising opportunity to reach young people at pivotal points in their development and financial lives. By starting early with age-appropriate and relevant financial education and having those lessons consistently reinforced throughout the K-12 years, young people will have more chances to develop positive habits and behaviors. The Bureau developed and published *Advancing K-12 financial education: A guide for policymakers* to help connect policymakers with tools, information, and insights to enhance K-12 financial education efforts, foster connections among the financial education community, and grow the conversation around K-12 financial education initiatives.

The guide's framework for advancing K-12 financial education has three main sections: laying the groundwork, building the initiative, and extending the impact. Each section contains guiding questions for policymakers to consider, case studies, and a resource directory with additional information. While each circumstance is unique, policymakers can use the guide as a resource to identify the best approach for their community. The Bureau intends to revise and update the resource guide on an ongoing basis. People can contact the Bureau for additional information or to share experiences related to advancing K-12 financial education at k12financialeducation@cfpb.gov.

FDIC collaboration to develop youth financial capability

The Bureau is collaborating with the FDIC on an initiative to help youth build skills to make better financial decisions to achieve their own goals throughout the stages of their lives. The collaboration focuses on improving youth financial capability by developing and promoting financial education resources for youth, parents and caregivers of youth, and teachers. The collaboration resulted in a new FDIC *Money Smart for Young People* program to address youth from preschool through age 20, and provide resources for parents, caregivers, and teachers. The collaboration uses the CFPB's expertise in working directly with consumers to build financial decision-making skills. The resources and initiatives developed to date are:

- **Web page for parents and caregivers:** The CFPB and FDIC launched a page on the CFPB website, consumerfinance.gov/parents/, that contains links to age-appropriate tools, games, and activities that parents and caregivers can use in building a child's financial skills and habits. Parents and other caregivers of children can use it to explore ways to engage kids in financial activities.
- **Teacher online resource center:** The CFPB and FDIC launched a *Teacher online resource center* on the FDIC website, fdic.gov/consumers/education/torc/, that contains resources and activities teachers can use to bring financial education into their classrooms. With consultation from the CFPB, the FDIC produced a series of videos to illustrate specific activities aimed at middle school students, and each video includes a discussion of ways to adapt the activities for elementary and high school students.
- **Money Smart for Young People:** The FDIC released an all-new *Money Smart for Young People* program, created with CFPB input and aimed at young people in pre-kindergarten through grade 12. The program is intended to be delivered in a teacher-led setting and aligns with several leading curriculum standards. It features lesson plans, teacher supplements, group activities, vocabulary, and further reading and research lists. The full *Money Smart for Young People* program is available for download from the FDIC at fdic.gov/consumers/education/torc/curriculumtools.html.
- **Money Smart guides for parents and caregivers:** For the first time, *Money Smart for Young People* features guides for parents and caregivers. The guides can be used to accompany the lessons given by a teacher or to reinforce learning at home. They also can be used on a stand-alone basis by the parent or caregiver. The parent and caregiver guides are available through *Money Smart for Young People* download links

on the FDIC website at fdic.gov/consumers/education/torc/curriculumtools.html and from the CFPB website at consumerfinance.gov/parents/.

As part of this project, the FDIC invited banks to participate in its Youth Savings Pilot, a program designed to encourage youth financial education through the opening of safe, low-cost savings accounts by school-age children. This project supports the CFPB's recommended strategy of building opportunities for experiential learning, and the CFPB and its stakeholders can benefit from the FDIC's key learnings from this pilot program.

Financial education tools for parents and caregivers

Parents and caregivers are in a powerful position to introduce and reinforce development of financial decision-making skills for young people. The Bureau continues its work to engage parents and caregivers in the financial education of children by encouraging discussion of money management topics at home and providing information and tools for having money conversations with children. The Bureau's information and tools are based on a developmental approach that supports parents and caregivers in providing money lessons that are appropriate for the child's age and stage of development.

Parents and caregivers are in a powerful position to introduce and reinforce development of financial decision-making skills for young people.

The Bureau has a set of *Ask CFPB* questions and answers especially for parents and caregivers, which is available by going to consumerfinance.gov/askcfpb/ and clicking on the “Especially for” link for Parents. The questions and answers are available in Spanish by visiting consumerfinance.gov/es/obtener-respuestas/ and clicking “Enseñar a otros.”

The Bureau also has created a dedicated web page for parents and caregivers that identifies key milestones in children's development and provides examples of age-appropriate activities to support them. The web page is available at consumerfinance.gov/parents/. The parents and caregivers resource page offers the FDIC's *Money Smart for Young People* guides for parents and caregivers, in English and Spanish.

Financial education in youth employment programs

Youth employment programs in local communities offer a unique opportunity to provide financial capability education to young people. Youth who may be entering the workforce for the

first time can build habits to serve them throughout their working lives. In November 2013, the Bureau, along with federal agency colleagues from FLEC, convened a roundtable of national and local leaders to discuss current efforts to help youth build financial capability through employment programs. The successful programs represented at the roundtable featured three important components: integrating financial education into existing youth employment programs, partnering with employers, and collaborating with financial institutions to improve access to financial services such as transaction accounts. The discussion revealed that while many programs recognize the need to help youth develop financial skills, they may not have the time, expertise, or resources to do so.

Building on these key takeaways, the Bureau developed tools to help communities that want to include financial capability skills in their youth employment programs, and worked with several communities to pilot these new tools in summer 2014. In 2015, the Bureau began working with the Department of Labor's Employment and Training Administration to expand the program by assisting municipal leaders and local workforce boards in 25 communities to integrate financial capability services into their year-round youth employment programs. Innovations and lessons from this work will be shared with the Department of Labor's broader workforce system, which includes American Job Centers nationwide.⁵³

President's Advisory Council on Financial Capability for Young Americans

During the past year two years the Bureau's Director served as a member of the President's Advisory Council on Financial Capability for Young Americans (Council). The Council was established by President Barack Obama in June 2013 to advise and provide recommendations to the President and the Secretary of the Treasury on how to promote and enhance financial capability among young Americans and encourage building the financial capability of young people at an early stage in schools, families, communities, and in the workplace.⁵⁴ The first meeting of the Council was held in March 2014, and the Council completed its work in June

⁵³ See generally Department of Labor, *The Public Workforce System*, dol.gov/business/pws.cfm (last visited Sept. 15, 2015).

⁵⁴ See Exec. Order No. 13646, *Establishing the President's Advisory Council on Financial Capability for Young Americans*, 78 Fed. Reg. 39159 (June 28, 2013).

2015 with submission of recommendations to the President.⁵⁵ The Bureau worked with the broad range of leaders within the Council to identify strategies for fostering development of youth financial capability, which include fostering the use of high-quality financial capability resources and practices, building strong partnerships between and among governmental (federal, state, tribal, and local) and private entities; developing pilot programs; leveraging technology; and supporting research and evaluation.

3.2.2 Workplace financial education

The workplace is where many people earn their income and make critical financial decisions. At work, people may decide how to allocate their wages to current needs, savings, investing for retirement, and other important life goals. Research suggests that employers can play an important role in helping people avoid financial distress and in promoting long-term financial well-being.⁵⁶ Employers can do this by implementing practices in the workplace that strengthen the financial capability of employees to meet their own life goals, including making it easier for employees to adopt positive saving and investing habits.

Financial wellness at work report

The Bureau has been studying how innovative companies are leveraging technology, peer-to-peer relationships, and other promising practices to implement low-cost, high-impact ways to increase their employees' engagement in their own financial lives. The results are available in the Bureau's August 2014 report, *Financial wellness at work*, which provides a resource of promising practices and policies for employers and others interested in promoting financial wellness programs in the workplace. In November 2014, FLEC held a public meeting focused on the importance of workplace financial literacy. Director Cordray shared examples from the report. The report is available at consumerfinance.gov/f/201408_cfpb_report_financial-wellness_at_work.pdf.

⁵⁵ See President's Advisory Council on Financial Capability for Young Americans, *Final Report* (June 2015), available at treasury.gov/pacfycy (last visited Sept. 15, 2015).

⁵⁶ See, e.g., Kelly D. Edmiston et al., *Weighing the Effects of Financial Education in the Workplace* (Federal Reserve Bank of Kan. City Oct. 2009), available at <http://www.kansascityfed.org/publicat/cap/carwp09-01.pdf>.

[wellness-at-work.pdf](#). Others are also placing a focus on this important channel for reaching consumers.⁵⁷

Office of Personnel Management

The Thrift Savings Plan Open Elections Act of 2004 (TSP Open Elections Act) requires the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for federal employees. The statute directs that the strategy “educate Federal employees on the need for retirement savings and investment; and . . . provide information related to how Federal employees can receive additional information on how to plan for retirement and calculate what their retirement investment should be in order to meet their retirement goals.”⁵⁸ OPM’s strategy calls for federal agencies to develop and submit to OPM a retirement financial education plan based on the educational model in the strategy, and an annual report describing their activities.⁵⁹ The Bureau submitted 2014 and 2015 financial education plans to OPM, and both plans received “exceptional” ratings, meaning they “can be used as a model for others to use and can be demonstrated as a best practice by an agency.”

Building a model financially fit workplace: *Foundations*

The Bureau has developed a workplace financial education program to address OPM guidance under the TSP Open Elections Act, discussed above, and increase employee access to retirement and federal benefits-related information. More broadly, the program seeks to address key life events and decision points in employees’ financial lives. The program, called *Foundations*, aligns with FLEC’s Starting Early for Financial Success strategic focus, which includes an Early Career and Retirement component. This component is aimed at helping people plan and act for long-term financial well-being early in their careers by promoting financial education and capability in the workplace. The Bureau’s program augments tools such as automatic enrollment

⁵⁷ See U.S. Government Accountability Office, GAO-15-639SP, *Highlights of a Forum: Financial Literacy: The Role of the Workplace* (July 2015) (summarizing highlights of a convening on workplace financial education that included experts from federal government agencies, nongovernmental organizations, and academic institutions).

⁵⁸ Pub. L. No. 108-469, § 2(c), 118 Stat. 3891, 3892 (2004) (codified at 5 U.S.C. § 8350 note).

⁵⁹ See Office of Personnel Management, Benefits Administration Letter 11-104, Agency Retirement Financial Education Plans (Mar. 25, 2011).

in retirement plans with training and information sessions for employees and free financial planning assistance.

Public service employers and student debt

In August 2013, the Bureau launched a workplace initiative focused on empowering public service organizations to help their employees tackle their student debt. This initiative is discussed in Section 3.2.5, below.

3.2.3 Community financial education

Community financial education project: Libraries

In July 2013, the Office of Financial Education initiated a community financial education project to promote consumers' access to reliable, unbiased financial education and resources through public libraries across the country. Research indicates that libraries are highly trusted as a source of information, and serve consumers effectively in times of economic stress.⁶⁰ These factors, along with library presence in local communities across the country, make them natural channels for financial education. The project was publicly launched in July 2014, and as of September 2015, the Bureau was working with library staff in more than 630 communities across 49 states, the District of Columbia, and Puerto Rico, representing more than 2,500 library branches.

The Bureau is working to help public libraries become community hubs for financial education.

The Bureau worked with five organizations to develop the project: the FINRA Investor Education Foundation, the American Library Association, the Institute of Museum and Library Services, the Federal Reserve Bank of Chicago, and the Department of Agriculture National Institute of Food and Agriculture. The Bureau identified nine libraries that could help us learn about library capabilities and constraints, as well as the types of programs that would be attractive and realistic for libraries to implement. With input from government agencies,

⁶⁰ See, e.g., Pew Research Center, *How Americans Value Public Libraries in Their Communities* (2013) at 18-19, 23, available at libraries.pewinternet.org/files/legacy-pdf/PIP_Libraries%20in%20communities.pdf.

foundations, and trade associations that work with libraries, the Bureau identified these initial libraries based on a combination of factors. These factors included the diversity of the areas and patrons they serve, experience in working with others in their communities, and expressed interest in participating. The Bureau selected some libraries that have been innovative in providing financial education programs, and some that had not yet offered financial education programs. The Bureau chose libraries that would represent a range of geographic locations and types of communities. The initial libraries were the Brooklyn Public Library, New York; Columbus Metropolitan Library, Ohio; Florence County Library System, South Carolina; Fresno County Public Library, California; Georgetown County Library, South Carolina; Menominee Tribal College, Wisconsin; Orange County Library System, Florida; Pelham Public Library, Alabama; and San Francisco Public Library, California.

Since commencement of the project, libraries have participated in the project in various ways – by receiving free financial education and program materials, participating in library staff training, sharing best practices, working with financial education partners in their communities, or learning more about how the project can help them enhance financial education in their communities. Participating libraries include public, academic, law, and school libraries, as well as libraries on military bases and Native American tribal lands. Monthly librarian trainings can be accessed at consumerfinance.gov/library-resources/librarian-training/.

The Bureau also is working with federal agencies and national organizations that have relationships with libraries and local communities and can make additional resources available to them. In addition to the founding organizations, these include the Federal Trade Commission, the FDIC, and the National Foundation for Credit Counseling. The Bureau continues to work with libraries individually and on a state-by-state basis to help them develop local partnerships and build on existing programs, resources, and infrastructure to reach consumers in their neighborhoods. Resources for libraries are available at consumerfinance.gov/library-resources/.

Financial education resources for faith-based communities

Faith-based organizations play a unique and trusted role in their communities. The Bureau held a series of webinars in 2013 with leaders of faith-based organizations to introduce participants to the CFPB's financial education tools and resources. In 2014 and 2015, the Bureau has continued this work through presentations and roundtables to share the Bureau's resources and learn from the organizations about the financial challenges and concerns of those they serve.

Tax refund informational inserts

Over the past three tax years, the Bureau, through the Department of the Treasury's Bureau of the Fiscal Service, has provided informational inserts with over 35 million tax refund checks sent to consumers, using a Treasury program available to federal agencies. For the 2014 tax year, the inserts highlighted the Bureau's *Tell your story* web page, which can be found at consumerfinance.gov/your-story/. Through this page, consumers can see other people tell their stories about money, link to *Ask CFPB* to find answers to money questions, link to a web page to submit a complaint, and share their own stories.

3.2.4 Servicemembers

Military installation and unit visits

The Office of Servicemember Affairs conducts activities designed to reach servicemembers at the places where they live and work to make them aware of CFPB resources, including the CFPB complaint system, and to hear about their challenges and concerns. Between June 1, 2014 and September 30, 2015, the Office delivered consumer financial educational information and materials to more than 21,000 servicemembers, veterans, military families, and other stakeholders through live events. This included interacting with more than 3,300 active-duty servicemembers and National Guard personnel through leadership roundtables and town hall-style listening sessions at 28 military installations. These sessions provided a forum for military personnel and their families to relay their financial challenges, and for the Bureau to provide educational information and materials to help them make better-informed financial decisions. The installations visited were representative of all five service branches of the armed forces and included regional commands, senior leadership development schools, wounded warrior care centers, military recruit training stations, and Unified Combatant Commands.

Training for service providers

The Office of Servicemember Affairs' educational efforts have included providing subject matter expertise and consumer resources to the military legal community. Bureau staff have provided instruction at military consumer legal protection briefings at Judge Advocate General (JAG) schools for the Army, Air Force, and Marine

The Bureau provides online training for service providers who assist servicemembers and their families worldwide with financial issues.

Corps. The Bureau also provides training to legal assistance attorneys on military installations. These efforts help extend the Bureau's educational reach by leveraging the extensive consumer law mission of the JAG Corps, and ensuring that JAG legal assistance attorneys have up-to-date information on federal laws and policies affecting servicemembers in the consumer marketplace.

In 2013, the Office of Servicemember Affairs began hosting an ongoing series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families worldwide. In January 2014, the Bureau began making the forums available as on-demand video trainings on the Bureau's website at consumerfinance.gov/servicemembers/on-demand-forums-and-tools/. The Bureau has continued to expand its catalog of online courses, which now includes issues in debt collection, credit reporting and the military, veteran consumer issues, and solutions for a troubled mortgage.

Work with veterans

The Office of Servicemember Affairs is working to reach veterans by building channels with veteran-support organizations that promote consumer protection. This channel-building effort has included providing briefings about CFPB resources and particular consumer financial protection issues to veterans service organizations; engaging with public policy groups to identify consumer issues for older veterans; and establishing relationships with groups looking for resources to address financial risk factors for veterans, including local veterans' courts, faith-based service providers, neighborhood organizations, and women's groups. It has included working with veterans' authorities to create distribution networks at the state and local levels for CFPB educational materials addressing veteran-specific issues as well as more general Bureau resources.

National awareness initiatives

The Office of Servicemember Affairs has joined other federal agencies and non-governmental organizations to support nationwide savings, financial literacy, and consumer protection initiatives geared to the military community. The Office supported Military Saves Week in February 2015 and Military Consumer Protection Day in July 2014 and July 2015 by conducting a series of activities that included giving financial readiness presentations to servicemembers at military installations, through social media, and at events.

3.2.5 Students

Financial Aid Shopping Sheet

Beginning in 2011, the Bureau worked with the Department of Education to develop a *Financial Aid Shopping Sheet* to help students and their parents make informed decisions about how to finance postsecondary educational expenses.⁶¹ Financial aid offers from colleges and universities often fail to make basic information clear, such as how much of a particular aid offer is made up of loans that need to be paid back and how much comes from grants that do not. The *Financial Aid Shopping Sheet* is a standardized, easy-to-read form of financial aid award letter that colleges and universities can send to prospective students. It is designed to allow college applicants to better understand the debt implications of their college financing choices and compare the costs and financial aid offers of the schools to which they apply.

The agencies released a prototype shopping sheet in October 2011. The Secretary of Education released the finalized *Financial Aid Shopping Sheet* in July 2012, and published an open letter to college and university presidents calling for schools to voluntarily adopt the shopping sheet.⁶² As of June 2015, 3,068 colleges and universities, with a combined enrollment of 12.6 million students, had agreed to adopt it.

Public service employers and student debt

In August 2013, the Bureau launched a workplace initiative focused on empowering public service organizations to help their employees tackle their student debt. As part of this initiative, the Bureau developed a toolkit that these organizations can use to help employees learn about their options and qualify for federal loan repayment benefits. The toolkit contains action guides, frequently asked questions, and information on best practices when implementing a workplace

⁶¹ The *Financial Aid Shopping Sheet* is available at collegecost.ed.gov/shopping_sheet.pdf (last visited Sept. 15, 2015).

⁶² In April 2012, the President of the United States issued an Executive Order requiring colleges that accept Department of Defense Tuition Assistance Program funds to provide military students with an offer letter based on the principles developed for the *Financial Aid Shopping Sheet*, in order to provide better information to recipients of military and veteran education benefits. The Executive Order also encouraged colleges that accept Post-9/11 G.I. Bill benefits to do the same. See Exec. Order No. 13607, *Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members*, 77 Fed. Reg. 25,861 (May 2, 2012).

initiative on student debt. The toolkit is available at consumerfinance.gov/f/201308_cfpb_public-service-toolkit.pdf. The Bureau provides training to human resources professionals at public service organizations and offers technical support to organizations seeking to stand up this initiative.

Federal loan repayment benefits include a loan forgiveness program for employees of public service organizations.⁶³ The Bureau estimates that up to 25 percent of the U.S. workforce is employed in public service, as defined by Congress, and may be eligible for student loan forgiveness programs.⁶⁴ These employees include teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers. The Bureau's report analyzing many of the loan repayment benefits available for employees of public service organizations is available at consumerfinance.gov/reports/public-service-and-student-debt/.

The Bureau has invited public service employers to take a pledge to inform their employees of their options, and many have done so. In September 2014, the Bureau joined senior leaders from the Department of Education, the Corporation for National and Community Service, AmeriCorps, and the U.S. Peace Corps to announce that these service programs have taken the Bureau's pledge. The Bureau released new resources for teachers, national service program participants, and Peace Corps volunteers.⁶⁵ Information about the pledge is available at consumerfinance.gov/pledge/.

Outreach for students

The Office for Students engages with younger consumers and stakeholders throughout the higher education community and works with a range of organizations to disseminate information to help younger consumers make informed choices in the marketplace. This has included hosting webinars and in-person presentations to demonstrate the features of the

⁶³ See College Cost Reduction and Access Act, Pub. L. No. 110-84, Tit. IV, 121 Stat. 800 (2007) (codified at 20 U.S.C. § 1087e(m)).

⁶⁴ See CFPB, *Public Service & Student Debt: Analysis of Existing Benefits and Options for Public Service Organizations* (Aug. 2013) at 2, available at consumerfinance.gov/reports/public-service-and-student-debt/.

⁶⁵ See CFPB, *Don't let your student debt stop you from serving your country* (Sept. 23, 2014), consumerfinance.gov/blog/dont-let-your-student-debt-stop-you-from-serving-your-country.

Bureau's *Paying for College* set of tools, providing technical assistance, and participating in other training sessions for professionals seeking to assist student loan borrowers in distress. These events are attended by a range of audiences including students, student advocates, financial aid advisers, and college counselors.

TRAINING AND OUTREACH AROUND STUDENT LOAN COMPLAINTS

To help ensure consumers learn about the CFPB complaint process, the Office for Students sent letters about the process to more than 7,000 college and university officials across the country and notified state banking regulators in all 50 states about the process. In 2013, the Office for Students led a series of conference calls with student groups, college and university officials, consumer groups, and customer advocates at major financial institutions. These conference calls highlighted the Bureau's consumer response function and provided updated information about themes and trends identified in the Bureau's reporting on student loan complaints.

This year, the Office for Students published a series of consumer advisories warning consumers about problems identified through the complaint process, including advice for borrowers seeking to spot student loan "debt relief" scams.⁶⁶ The Office for Students developed a series of instructions and sample letters that student loan borrowers can use to communicate effectively with their student loan servicers about selected issues when repaying a private student loan. These include instructions on how to request a lower monthly payment when experiencing financial distress.⁶⁷ These instructions and sample letters supplement existing offerings for students related to how servicers handle prepayments and how to request a co-signer be released from a loan.⁶⁸ The Bureau worked to distribute these advisories and instructions by

⁶⁶ See CFPB, *Consumer advisory: Student loan debt relief companies may cost you thousands of dollars and drive you further into debt* (Dec. 11, 2014), consumerfinance.gov/blog/consumer-advisory-student-loan-debt-relief-companies-may-cost-you-thousands-of-dollars-and-drive-you-further-into-debt/.

⁶⁷ See CFPB, *Struggling private student loan borrowers are still searching for help* (Oct. 16, 2014), consumerfinance.gov/blog/struggling-private-student-loan-borrowers-still-searching-for-help/.

⁶⁸ See CFPB, *Consumer advisory: Stop getting sidetracked by your student loan servicer* (Oct. 16, 2013), consumerfinance.gov/blog/consumer-advisory-stop-getting-sidetracked-by-your-student-loan-servicer/; CFPB, *Consumer advisory: Co-signers can cause surprise defaults on your private student loans* (Apr. 22, 2014), consumerfinance.gov/blog/consumer-advisory-co-signers-can-cause-surprise-defaults-on-your-private-student-loans/.

engaging directly with student loan borrowers in repayment and working with organizations that address issues facing young adult consumers.

3.2.6 Older consumers

Financial security work with the Social Security Administration

In 2015, the Bureau continued and expanded its collaboration with the Social Security Administration (SSA). In addition to its work with SSA in ongoing interagency working groups, including FLEC and the Elder Justice Coordinating Council, the Bureau is working with SSA on financial security initiatives for older consumers. The Bureau is informing the public about the benefits of opening a *my Social Security* account with SSA through consumerfinance.gov and other channels. These accounts help consumers plan for their future by providing them with online access to their personal Social Security information, including their earnings records and estimated benefits.

Interagency guidance on privacy laws and reporting financial abuse of older adults

In 2012, financial institution officials raised concerns about whether the privacy provisions of the Gramm-Leach-Bliley Act (GLBA) precluded financial institutions from reporting suspected elder financial exploitation. The Office for Older Americans, working with the Bureau's Office for Supervision Policy, developed interagency guidance for financial institutions to clarify the applicability of privacy provisions of GLBA to their reporting of suspected financial exploitation of older adults. Eight federal regulatory agencies with authority to enforce the privacy provisions of GLBA released the guidance on September 24, 2013.⁶⁹ The goal of the guidance is to provide financial institutions more certainty about the legality of reporting suspected abuse, thereby facilitating financial institutions' timely reporting of suspected abuse so that law enforcement and Adult Protective Services officials can take appropriate protective action.

⁶⁹ See *Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older Adults* (Sept. 24, 2013), available at consumerfinance.gov/f/201309_cfpb_elder-abuse-guidance.pdf. The eight agencies are the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the CFPB, the FDIC, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission.

The Bureau has worked to raise awareness about the guidance and about the importance of reporting suspected elder financial exploitation to appropriate local, state, and federal agencies. This outreach has included calls with industry, Congressional staff, state agencies and regulators, community groups, and aging advocates; speeches to national organizations; webinars; and presentations to federal interagency groups such as working groups of FLEC and the Elder Justice Coordinating Council.

It appears that the interagency guidance is succeeding in raising awareness of the problem of elder financial exploitation and has influenced activity by financial institutions. For example, following the release of the guidance, the Senior\$afe training program for financial institutions in Maine was launched through a collaborative effort between financial institutions and organizations, including the Maine Department of Professional and Financial Regulation and the state's Office of Aging and Disability Services—Adult Protective Services.⁷⁰ In addition, state bank regulators in Minnesota and New York have issued similar guidance for their state-supervised financial institutions.⁷¹

Elder financial exploitation prevention and response networks

Elder financial exploitation prevention and response networks of state and local governments, elder justice advocates, law enforcement agencies, financial service providers, and other key stakeholders have been working to increase prevention of, and improve community response to, elder financial exploitation. The Office for Older Americans is developing a toolkit to support stakeholders in creating or expanding local networks, and is working with the Federal Research Division of the Library of Congress to study the activities undertaken by these networks, their outcomes, and best practices. The toolkit, along with the results of the study, are slated for release in 2016.

⁷⁰ See Maine Bankers Association, *Senior\$afe brochure*, available at mainebankers.com/images/stories/MECB/2014/Senior_Safe_Brochure_final_photos.pdf.

⁷¹ Minnesota Department of Commerce, *Guidance on Privacy Laws and the Reporting of Financial Abuse of Older Adults*, mn.gov/commerce/banking-and-finance/financial-institutions/tools-resources/bulletins-updates/reporting-financial-abuse.jsp (last visited Sept. 15, 2015); New York State Department of Financial Institutions, *Guidance for Financial Institutions on Preventing Elder Financial Exploitation* (Feb. 26, 2015), available at dfs.ny.gov/about/press2015/pr150226-ltr.pdf.

Money Smart for Older Adults

The Bureau continues a strong partnership with the FDIC on *Money Smart for Older Adults* (MSOA). MSOA is an instructor-led training module within the FDIC's *Money Smart* program.⁷² It provides older consumers and their caregivers with information on preventing and responding to elder financial exploitation. The Office for Older Americans and the FDIC have developed train-the-trainer materials and offer in-person and webinar training sessions. MSOA is being delivered to consumers through a broad range of intermediaries, including state and local governments as well as nonprofit and financial service organizations in 49 states. The materials include a *Participant/Resource Guide* that can be used by people who do not attend a local training. The *Participant/Resource Guide* presents information about different types of fraud, scams, and exploitation that target older people and provides tips and warning signs on how to prevent losses and report cases. The *Participant/Resource Guide* is available for download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf or for order at promotions.usa.gov/cfpbpubs.html. Instructor materials are available from the FDIC at fdic.gov/consumers/consumer/moneysmart/olderadult.html. To increase the reach of this program, the Bureau and FDIC have updated the MSOA content and made the module available in Spanish.

Federal and intergovernmental forums

The Bureau is working with and in a variety of federal and intergovernmental forums on preventing elder abuse. The Bureau serves as a member agency of the Elder Justice Coordinating Council (Council). The Council was established by the Elder Justice Act of 2009 to coordinate activities related to elder abuse, neglect, and exploitation across relevant federal, state, local, and private agencies and entities.⁷³ The Council is chaired by the Secretary of Health and Human Services (HHS). The Bureau is one of 11 member agencies, in addition to HHS, that HHS has identified for membership based on administering programs related to abuse, neglect, or financial exploitation of older consumers. In May 2014 the Council approved eight

⁷² *Money Smart* is a financial education curriculum designed to help low- and moderate-income individuals enhance their financial skills. See Federal Deposit Insurance Corporation, *Money Smart – A Financial Education Program*, fdic.gov/consumers/consumer/moneysmart/index.html (last visited Sept. 15, 2015).

⁷³ See Pub. L. No. 111-148, § 6703, 124 Stat. 786 (2009) (codified at 42 U.S.C. § 1397k).

recommendations for increased federal involvement in addressing elder abuse, neglect and exploitation.⁷⁴ Several of the Office for Older Americans' projects support the Council's recommendations, including the *Managing Someone Else's Money* guides and MSOA. Throughout the year, the Office for Older Americans participated in events and meetings in preparation for the 2015 White House Conference on Aging held in July 2015.

Outreach for older consumers

The Office for Older Americans continues to engage in extensive outreach with older consumers and other stakeholders. The Office for Older Americans provides information and guidance to organizations that help older consumers protect themselves against unfair, deceptive, and abusive practices and work to strengthen their financial capability with current and future financial choices; and hears from organizations serving older adults about issues in the field. This outreach ranges from in-person presentations to webinars to virtual encounters via email blasts and other social media. These engagements range from providing information about the Bureau's resources, to training instructors in the MSOA curriculum, to providing information about elder financial exploitation. The webinars have reached approximately 2,300 participants representing organizations such as the Administration for Community Living's Senior Medicare Patrol, the National Consumer Voice for Quality Long Term Care, the Family Caregiver Alliance, the National Center for Victims of Crime, Legal Services of Northern Virginia, the American Foundation for the Blind, Meals on Wheels America, Louisiana Bankers Association, and the FDIC's *Money Smart* Alliance Network.

Publications: Issues affecting older consumers

REVERSE MORTGAGES

Reverse mortgages can be a useful tool for seniors bridging financial gaps in retirement. But reverse mortgages are complex financial instruments that, when used without careful planning, can jeopardize older homeowners' financial security. The Bureau offers a plain language guide to

⁷⁴ Elder Justice Coordinating Council, *Eight (8) Recommendations for Increased Federal Involvement in Addressing Elder Abuse, Neglect and Exploitation*, available at aoa.acl.gov/AoA_Programs/Elder_Rights/EJCC/docs/Eight_Recommendations_for_Increased_Federal_Involvement.pdf; see generally Department of Health and Human Services, Administration on Aging, *Elder Justice Coordinating Council*, aoa.acl.gov/AoA_Programs/Elder_Rights/EJCC/index.aspx (last visited Sept. 15, 2015).

reverse mortgages for consumers on the CFPB website at consumerfinance.gov/f/201206_cfpb_Reverse_Mortgage_Guidance.pdf. The guide is also offered through other federal agencies, nonprofit organizations, and housing counselors throughout the country. The guide highlights key decision points to help potential reverse mortgage borrowers assess the financial ramifications of securing a reverse mortgage. The guide is available in Spanish at consumerfinance.gov/f/201411_cfpb_guideConsidering-reverse-mortgage-guide_spanish.pdf.⁷⁵

MANAGING SOMEONE ELSE'S MONEY GUIDES

The Office for Older Americans produced four *Managing Someone Else's Money* guides to assist people who are managing money or property for a family member or friend who is unable to pay bills or make financial decisions. The *Managing Someone Else's Money* guides are aimed at lay people who are responsible for managing someone else's money. This includes agents under powers of attorney, court-appointed guardians and conservators, trustees, and government benefit fiduciaries (Social Security representative payees and Veterans Administration fiduciaries). The guides explain the duties and responsibilities of people acting in each of these fiduciary roles, how to watch out for scams and financial exploitation and what to do if a family member or friend is a victim, and where to go for help. The guides are available in English and Spanish and can be ordered individually or in bulk at no charge at promotions.usa.gov/cfpbpubs.html. They also can be accessed from the Bureau's website at consumerfinance.gov/blog/managing-someone-elses-money/ (English) and consumerfinance.gov/blog/resources-in-spanish-that-could-help-thousands-of-older-hispanics-spot-financial-exploitation-and-scams/ (Spanish).

A second phase of the *Managing Someone Else's Money* initiative includes the release of state-specific guides for six states (Arizona, Florida, Georgia, Illinois, Oregon, and Virginia). The Bureau released the Virginia guides in August 2015 and the Florida guides are slated for release in fall 2015. Rollout of the other guides is planned for later in 2015 and 2016. The Bureau is also developing a replication manual that will enable experts in the remaining states to create similar

⁷⁵ The Bureau also issued two consumer advisories on reverse mortgages this year: CFPB, *Consumer advisory: Three steps you should take if you have a reverse mortgage*, consumerfinance.gov/blog/consumer-advisory-three-steps-you-should-take-if-you-have-a-reverse-mortgage/, and CFPB, *Consumer advisory: Don't be misled by reverse mortgage advertising*, consumerfinance.gov/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/.

sets of state-specific guides.⁷⁶ During the period from June 2014 through September 2015, the Bureau distributed more than 650,000 *Managing Someone Else's Money* guides.

In 2014 and 2015, the syndicated column “Dear Abby” featured a financial information kit that included the CFPB’s *Managing Someone Else’s Money* guides, the *Money Smart for Older Adults Participant/Resource Guide*, and other general financial education topics. The kits were offered to Dear Abby readers through the Federal Citizens Information Center of the General Services Administration (GSA). Through this special initiative, GSA distributed more than one million publications to more than 177,000 consumers.

PROTECTING RESIDENTS FROM FINANCIAL EXPLOITATION: A MANUAL FOR ASSISTED LIVING AND NURSING FACILITIES

The Office for Older Americans produced a guide to help operators of nursing facilities and assisted-living residences protect the people in their care from financial exploitation through prevention and early intervention. The publication provides facility personnel with information to help them identify warning signs of financial exploitation and a model protocol for intervening to prevent significant losses to victims. The guide is available at consumerfinance.gov/f/201406_cfpb_guide_protecting-residents-from-financial-exploitation.pdf. From October 2014 through September 2015, the Bureau distributed more than 28,000 hard copies of this manual.

3.2.7 Low-income and economically vulnerable consumers

The Office of Financial Empowerment is working to integrate financial empowerment strategies into existing public-sector and nonprofit programs that assist low-income and economically vulnerable people who are among the traditionally underserved.

⁷⁶ A number of other federal agencies, including the Social Security Administration, Department of Veterans Affairs, Department of Health and Human Services, Federal Trade Commission, and the U.S. Postal Inspection Service, as well as AARP’s Caregiving Resource Center, have posted or discussed the guides or provided links to the guides on their websites, written blog posts, or included information in e-newsletters. See, e.g., Social Security Administration, *Reporting Financial Exploitation*, socialsecurity.gov/payee/financial.htm (last visited Sept. 15, 2015); Federal Trade Commission, *Managing Someone Else’s Money* (Feb. 14, 2014), consumer.ftc.gov/blog/managing-someone-elses-money; U.S. Postal Inspection Service, *Publications*, postalinspectors.uspis.gov/pressroom/pubs.aspx (last visited July 28, 2015); AARP, *Managing a Loved One’s Money* (Apr. 28, 2014), aarp.org/home-family/caregiving/info-2014/caregiving-managing-loved-ones-money.html (last visited Sept. 15, 2015).

Financial empowerment toolkit and training

Over the last three years, the Office of Financial Empowerment developed, field-tested, and released *Your Money, Your Goals*. The toolkit provides information and tools that social services staff can use to incorporate financial capability into their work with clients and to make referrals to specialized providers in their local communities. The toolkit includes information that staff can share with clients on topics such as emergency savings; understanding, correcting, and building credit history; managing debt; cash flow budgeting; and identifying financial products consumers can use to pursue various financial and life goals. The toolkit includes worksheets and other tools people can use to strengthen their personal money management skills. For example, the toolkit includes tools for requesting a credit report and for understanding and managing debt.

Staff in social services organizations can use *Your Money, Your Goals* to help the people they serve grow their skills in personal money management.

The Bureau field-tested the toolkit in fall 2013 by conducting train-the-trainer webinars for 26 social services organizations across the country. These organizations in turn provided training to 1,400 frontline social services staff from their own and other organizations on how to use the toolkit in their work. The Bureau then gathered feedback that included the extent to which the staff had used the toolkit with their clients and whether the training increased the confidence of the staff in their knowledge of the topics and their ability to help their clients manage their finances. After receiving input from field-test users, the Bureau released the toolkit nationally in July 2014.

Ten national and local entities are participating in the rollout of this initiative by training their frontline staff to use the toolkit with the people they serve. These entities include nonprofits, federal and state government agencies, and a tribal entity:

- Catholic Charities USA has been integrating *Your Money, Your Goals* into the broad array of social services offered by its network of affiliates over the last three years. Catholic Charities affiliates participated in the 2013 field test of *Your Money, Your Goals*, and two dozen of its affiliates participated in train-the-trainer events in 2014. This year, Catholic Charities is extending implementation of *Your Money, Your Goals* throughout its network.

- The Community Action Partnership (CAP) is a national, nonprofit organization that works to strengthen, promote, represent, and serve its network of member Community Action Agencies (CAAs) to effectively address poverty issues. More than 1,500 case managers at CAAs nationwide have been trained in *Your Money, Your Goals* through CAP's participation in the national rollout.
- The Los Angeles County Department of Consumer Affairs (DCA) has trained more than 500 county and area nonprofit case managers on *Your Money, Your Goals*, so that financial empowerment can be integrated into a range of DCA programs.
- The National Association of Community Health Centers Community HealthCorps has trained more than 500 of the AmeriCorps members that it places in community health centers across the country.
- The Department of Agriculture Cooperative Extension, which is located in counties throughout the country and has had a long-standing role as a leader in financial empowerment, is providing toolkit training to social services agency staff in their communities.
- The Department of Health and Human Services' Administration for Children and Families' (ACF) Office of Regional Operations has provided toolkit training to program agencies through its regional offices. The trainings support ACF special initiatives focused on issues such as early childhood development, anti-human trafficking, family strengthening, healthy marriage and responsible fatherhood programs, and the Assets for Independence program.
- The Minnesota Financial Literacy Interagency Work Group, which is led by the Minnesota Department of Commerce Commissioner, is delivering toolkit training through its ten state agency partners, the University of Minnesota Extension, and the state credit union network. The effort is already resulting in large-scale engagement of clients. As of May 2015, Minnesota credit unions had engaged more than 2,000 clients on financial topics using the toolkit.
- The District of Columbia's Department of Human Services, with the support of the District's Bank On DC program, has trained both public and private social services staff who work with families in need to help them achieve self-sufficiency.
- The Sault Saint Marie Tribe of the Chippewa Indians, located in northern Michigan, is training tribal and local social services teams to use the toolkit and will seek

opportunities to share their new knowledge with other state, regional, and national tribal entities.

- United Way Worldwide has trained nearly 700 case managers working for United Way local affiliates to support the financial empowerment of clients through *Your Money, Your Goals*.

The Bureau has released adaptations of the toolkit to address particular groups of users. These currently include legal aid organizations, community volunteers, and workers. Periodic webinar trainings continue to be available for sign-up through the CFPB website. More information is available at consumerfinance.gov/your-money-your-goals/.⁷⁷

Credit reports for youth in foster care

The Preventing Sex Trafficking and Strengthening Families Act of 2014 requires that each child age 14 and older in foster care receive annually a free copy of any consumer credit report pertaining to the child until the child is discharged from foster care, and receive assistance in interpreting and resolving any inaccuracies in the report.⁷⁸ State and county child welfare agencies are currently working with the national credit reporting companies to implement these requirements.

The Bureau is working with stakeholders at the HHS Children’s Bureau, the Federal Trade Commission, and youth advocacy organizations to help streamline the procedures for child welfare agencies to pull credit reports. The Bureau is assisting them to develop capacity to help foster youth detect identity theft, fraud, and errors, and understand how to resolve inaccuracies in the reports. In 2014 the Bureau developed tools including sample letters for disputing credit report errors on behalf of youth in foster care. The tools also include a tip sheet to provide guidance to caseworkers who are responsible for pulling and cleaning up credit reports for youth

⁷⁷ More information is also available at CFPB, *More momentum for promoting tools for social service programs* (Jan. 29, 2015), consumerfinance.gov/blog/more-momentum-for-promoting-tools-for-social-services-programs/; CFPB, *More financial empowerment tools for communities* (Apr. 22, 2015), consumerfinance.gov/blog/more-financial-empowerment-tools-for-communities/.

⁷⁸ See Pub. L. No. 113-183, § 113(b)(2)(B) (Sept. 29, 2014) (codified at 42 U.S.C. § 675(5)(I)). Effective September 29, 2015, this law replaced a provision in The Child and Family Services Improvement and Innovation Act, enacted in 2011, that applied identical requirements to youth 16 and older in foster care.

in foster care. These tools are available at consumerfinance.gov/newsroom/cfpb-releases-tools-to-protect-foster-care-children-from-credit-reporting-errors/.

Reentry programs

The Office of Financial Empowerment represents the Bureau on the Federal Interagency Reentry Council, a forum for collaboration and information exchange among more than 20 federal agencies. The Reentry Council is premised on the recognition that many federal agencies have a stake in reentry for individuals transitioning out of prison or jail. Approximately 700,000 inmates are released from federal and state custody each year, according to the Bureau of Justice Statistics, and by some estimates up to 60 percent of former inmates are unemployed one year after release. Many of the barriers to success for the reentry population relate to their financial challenges. The Office of Financial Empowerment is developing a reentry guide to *Your Money, Your Goals* that will help intermediaries address the financial challenges that are unique to those transitioning out of custody.

People with disabilities

Americans with disabilities comprise an estimated 19 percent of the U.S. population and face substantial economic challenges, such as lower rates of participation in the labor force and lower income compared to those living without disabilities.⁷⁹ As of July 2015, the unemployment rate for adults with disabilities (ages 16+) was over ten percent.⁸⁰ More than 80 percent of people with disabilities have no emergency fund.⁸¹ Many individuals with disabilities are among the most economically vulnerable consumers, and yet are often the hardest to reach with financial education or counseling. This can be due to limited or lack of transportation options, inaccessibility of buildings where services are provided, inaccessibility of financial education

⁷⁹ See U.S. Census Bureau, *Americans with Disabilities: 2010* (July 2012) at 5, available at census.gov/prod/2012pubs/p70-131.pdf.

⁸⁰ Department of Labor, Bureau of Labor Statistics, Economic News Release Table A-6, Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted (June 2015), bls.gov/news.release/empsit.t06.htm (last visited Sept. 15, 2015).

⁸¹ National Disability Institute, *Financial Capability of Adults with Disabilities* (July 2014) at 25-26, available at realeconomicimpact.org/data/files/reports/NDI_financial_capability_report_july_2014.pdf.

materials, need for accommodations, or need for financial educators with specialized knowledge of disability benefits.

ROADS TO FINANCIAL INDEPENDENCE FOR PEOPLE WITH DISABILITIES

Reach Outcomes. Achieve Dreams. Succeed. (ROADS). The *ROADS to Financial Independence* initiative aims to ensure that more Americans with disabilities have the tools, resources, and support to build their financial capability, improve their financial lives, and build a brighter economic future. This initiative integrates financial education counseling with employment, independent living, and other supportive services provided to individuals with disabilities. Participants have the opportunity to work toward improving their financial security through improved credit, reduced debt, increased savings, and the opportunity to make more informed financial decisions and set financial goals. *ROADS* is being piloted through 19 organizations in six communities in 2015: Austin, Texas; Birmingham, Alabama; Seattle, Washington; Finger Lakes, New York; the state of Delaware; and the greater D.C. metropolitan area.

Tax-time savings: work with Volunteer Income Tax Assistance sites

For the third year, the Bureau, in consultation with the Internal Revenue Service, worked to encourage Earned Income Tax Credit (EITC) eligible recipients to save part of their tax refund as a seed to grow savings. The EITC is a refundable tax credit, and for many low-to-moderate income families represents the largest lump sum of money they will receive all year. The initiative uses the free tax preparation services offered to low- and moderate-income taxpayers through Volunteer Income Tax Assistance (VITA) sites to reach EITC-eligible individuals and families.

In 2013 the Bureau worked with three VITA sites to pilot the CFPB's *Ready? Set. Save!* initiative. This initiative was aimed at encouraging EITC-eligible taxpayers to precommit to saving a portion of their refunds at the time their taxes were being prepared and they first learned the amounts of their EITC credits and expected tax refunds. Listening sessions with VITA site coordinators and tax preparers from the 2013 pilot revealed common barriers they encountered to discussing savings with clients, which informed the development of 2014 program materials.

In 2014 the Bureau piloted an expanded *Ready? Set. Save!* campaign in 13 communities around the country, which included approximately 100 VITA sites. The Bureau provided training and materials to approximately 2,000 volunteer tax preparers who served approximately 75,000 low- and moderate-income taxpayers. Each VITA site received worksheets, checklists, and

posters to encourage taxpayers to consider saving. The training was designed to better equip volunteers to have a conversation about saving with taxpayers at the time they learn the amounts of their refunds and to inform them about saving options, including direct deposit and savings bonds. Results from the 2014 pilot indicated that 3.1 percent of tax filers at sites using CFPB saving materials split their refunds and put a portion into savings, and 1.9 percent bought U.S. Series I savings bonds. Both of these statistics are approximately twice the national average based on information provided by the Internal Revenue Service for the 2012 tax season.

Using many of the informational materials developed and learning from the previous year pilot, the Bureau made materials and webinar training broadly available to the VITA field in 2015. The Bureau engaged in a four-city pilot, in conjunction with the Corporation for National and Community Service, in which saving specialist training was provided to National Civilian Community Corps teams that were then deployed to VITA campaigns around the country. This strategy was based on one of the lessons learned from the 2014 pilot, that the most effective VITA sites had additional staff or volunteer capacity to dedicate to saving promotion. The Bureau makes tax-time savings materials broadly available via download to all organizations offering tax preparation services, to encourage consumers to save a portion of their refunds.⁸²

3.2.8 Financial services marketplace

Bureau rules implementation

One way the Bureau works to empower consumers to take more control over their economic lives is by helping to make the marketplace more transparent. The Bureau does this, in part, by educating consumers about the protections that are available to them. Accordingly, the Bureau has undertaken consumer education in connection

The Bureau works to make the marketplace more transparent by educating consumers about the protections available to them.

⁸² See CFPB, *Getting a grip on income tax season* (Feb. 10, 2014), consumerfinance.gov/blog/getting-a-grip-on-income-tax-season/. This initiative fulfills a statutory mandate for the Bureau, to provide consumers with wealth-building strategies and access to financial services during the preparation process to claim the EITC. See 12 U.S.C. § 5493(d)(2)(F).

with certain new rules affecting the ways that consumers interact with the financial marketplace, such as rules on remittance transfers and mortgages.

EDUCATION ABOUT CONSUMER PROTECTIONS FOR REMITTANCES

Researchers estimate that consumers transfer tens of billions of dollars from the United States to recipients in foreign countries each year. The Dodd-Frank Act expanded the scope of the Electronic Fund Transfer Act to provide protections for senders of remittance transfers.⁸³ The CFPB's remittance transfer rule implementing these new protections went into effect in October 2013.⁸⁴ The Bureau developed a multimedia education campaign to inform and educate consumers who send money internationally. The campaign focused in particular on the new consumer protections, including disclosure requirements, error resolution, and cancellation rights under the rule.

The Bureau developed a variety of components for the initiative based on what the Bureau learned from stakeholders and existing research. The print materials included fact sheets and brochures for consumers in five languages determined to be used by many consumers who send money overseas from the United States, based on trends in remittance destinations and U.S. Census information—English, Spanish, French Creole, Chinese, and Tagalog. The print materials also included posters, fact sheets, and instructions for organizations that serve consumers. These materials explain how to discuss the rule and its protections with consumers, and were provided to community groups, government agencies, trade associations, remittance providers, and others. They are available for free for order or download at promotions.usa.gov/cfpbpubs.html. The Bureau developed several new questions and answers about remittance transfers and the new protections for *Ask CFPB* at consumerfinance.gov/askcfpb/ and its Spanish language website, consumerfinance.gov/es/.

Due to the success of the initial efforts, the Bureau ran parts of the campaign again in May 2014 to coincide with increased remittance traffic around Mother's Day, and again in September 2014 during the back-to-school season.

⁸³ 12 U.S.C. § 5601.

⁸⁴ Information about the rule can be found at consumerfinance.gov/remittances-transfer-rule-amendment-to-regulation-e/.

EDUCATION ABOUT MORTGAGE RULES

As various Bureau rules went into effect over the past two years that provide new rights and protections to homeowners and to consumers shopping for home mortgages, the Bureau developed educational resources to help mortgage consumers, and those who interact with consumers on their home loans, understand the new rules and protections.

Training for housing counselors

The Bureau developed a detailed guide for housing counselors who help borrowers who are having trouble paying their mortgage. The guide, *Help for struggling borrowers*, is a step-by-step guide through the mortgage servicing rules. It is available at consumerfinance.gov/f/201402_cfpb_mortgages_help-for-struggling-borrowers.pdf. The Bureau conducted webinars and in-person trainings for housing counselors and others who work with consumers through October 2014. During that time, the Bureau reached more than 7,000 housing counselors and others who work with consumers—and through them, the many homeowners they serve. The housing counselor guide and training sessions cover the loss mitigation application process, foreclosure timing requirements, permissible charges and fees, the process for resolving servicer errors, the process for requesting information from a servicer, and requests for payoff statements.

Consumer information publications

The Bureau assumed responsibility for three informational publications that lenders are required to deliver to consumers when they apply for a mortgage loan or home equity line of credit. These publications are *Shopping for your home loan: settlement cost booklet* (Settlement Cost); *Consumer handbook on adjustable-rate mortgages* (CHARM); and *What you should know about home equity lines of credit* (HELOC). The Bureau published the booklets with initial technical and conforming updates in January 2014.⁸⁵ In connection with the Bureau's issuance of new mortgage loan disclosure forms that became effective for use as of October 3, 2015, the Settlement Cost booklet was updated and retitled *Your home loan toolkit: A step-by-step guide*. The booklets and *Toolkit* are available at consumerfinance.gov/learnmore/. The *Toolkit* is discussed further under the subheading for *Know Before You Owe* initiatives, below.

⁸⁵ See 79 Fed. Reg. 1836 (Jan. 10, 2014) (notice of availability of certain revised consumer information publications).

Find a housing counselor tool

The Dodd-Frank Act amended the Real Estate Settlement Procedures Act (RESPA) to require that lenders provide a list of homeownership counseling organizations to consumers who are applying for mortgage loans. Under the Bureau’s rules implementing this requirement, lenders are required to give mortgage applicants a written list of homeownership counseling organizations in the applicant’s geographic area, within three business days of receiving the consumer’s application. Housing counselors can offer independent advice about preparing for and choosing a mortgage, and about whether a particular set of mortgage loan terms is a good fit based on the consumer’s objectives. Counselors also can provide consumers financial education in the form of one-on-one counseling about borrowing to finance a home or handling a problem paying on a home loan.

The Bureau developed a tool that both lenders and consumers can use to generate a list of ten housing counseling agencies in the consumer’s geographic area that are approved by the Department of Housing and Urban Development (HUD). The tool can be found at consumerfinance.gov/find-a-housing-counselor/. To comply with the rule, lenders can use either the Bureau’s tool or data made available by the Bureau or HUD to generate a list of counselors. The Bureau published open source code so lenders, as well as their vendors and developers, can design applications that incorporate HUD’s housing counselor data.

Know Before You Owe initiatives

The Bureau seeks to make the costs, risks, and benefits of financial products and services easier for consumers to understand through a series of initiatives collectively known as *Know Before You Owe*. The goal of these projects is to help consumers make better informed choices about these products and services for themselves and their families.

MORTGAGE DISCLOSURES AND TOOLKIT

The Dodd-Frank Act directed the Bureau to issue rules and model disclosures that would integrate the disclosures that consumers receive in connection with applying for and closing on a mortgage loan under federal law.⁸⁶ The Bureau’s *Know Before You Owe* mortgages project implemented this directive, combining the four key federal mortgage disclosures – the initial Truth in Lending Act (TILA) disclosure, the Good Faith Estimate, the final TILA disclosure, and the HUD-1 Settlement Statement – into two easier-to-use forms, one for the application stage and one for the closing stage. The two mortgage disclosure forms developed under this process – the Loan Estimate and Closing Disclosure – became effective for use as of October 3, 2015.⁸⁷

In connection with these new forms, the Bureau developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide*, to help consumers use the new forms to guide them through the process of shopping for a mortgage and buying a home.⁸⁸ The booklet contains interactive worksheets, checklists, research tips, terms, and conversation starters to help home buyers shop with confidence for the home loan that suits their needs. It includes a sample Closing Disclosure to help home buyers become comfortable with the document. The electronic version meets federal accessibility standards.

Using the *Toolkit* will allow lenders to satisfy the requirement under RESPA that lenders provide a special information booklet to each person from whom they receive an application for a mortgage loan, within three business days of receiving an application, and will help consumers better understand the nature and costs of real estate settlement services.⁸⁹ Because it is delivered to millions of consumers each year, the *Toolkit* provides an opportunity to spread educational messages at a time when consumers are entering into a major financial

⁸⁶ See 12 U.S.C. § 5532(f).

⁸⁷ More information about the *Know Before You Owe* mortgages project and the new disclosures, including links to tools and resources for consumers and resources for mortgage professionals, real estate professionals, housing counselors, and media, is available at consumerfinance.gov/know-before-you-owe/.

⁸⁸ See CFPB, *CFPB Announces New “Know Before You Owe” Mortgage Shopping Toolkit* (Mar. 31, 2015), consumerfinance.gov/newsroom/cfpb-announces-new-know-before-you-owe-mortgage-shopping-toolkit/.

⁸⁹ See 12 U.S.C. § 2604(a); 12 C.F.R. § 1024.6. The *Toolkit* replaces the *Shopping for Your Home Loan: Settlement Cost Booklet*, initially developed by the Department of Housing and Urban Development, that was previously provided to consumers when they applied for a mortgage loan. See 80 Fed. Reg. 17414 (Apr. 1, 2015) (notice of availability of revised consumer information publication).

transaction.⁹⁰ The *Toolkit* is available in print-ready and web-ready versions, in English and Spanish, at consumerfinance.gov/learnmore/#respa/ and for order through the U.S. Government Printing Office bookstore at bookstore.gpo.gov/agency/224/.

MORTGAGE CLOSING PROCESS

The Bureau conducted a four-month pilot project to better understand how technology and education might influence consumer understanding of the mortgage closing process and enhance process efficiency. The pilot comprised seven industry participants, including creditors and technology providers, and involved electronic delivery of documents earlier in the mortgage process, together with information from the Bureau's *Owning a Home* online tools and resources. Information collected in the pilot included process data, consumer surveys, and consumer and industry participant interviews. Though the pilot involved only a limited sample of borrowers, the Bureau found that eClosing borrowers in the pilot on average scored higher on the pilot measures of empowerment, understanding, and efficiency in the closing process, when compared to borrowers not using these elements of technology to close on their mortgages.

More information about the results of the pilot, including a report, can be found at consumerfinance.gov/blog/3-things-to-do-before-closing-what-we-learned-from-studying-eclosing/.⁹¹

Credit score initiative

To reach their financial goals, consumers need a baseline understanding of their current financial position, including how financial services companies may assess their present credit standing. In 2012, the Bureau estimated that less than 20 percent of people in America checked their credit reports in any given year.⁹² Without a regular review of their credit reports,

⁹⁰ According to Home Mortgage Disclosure Act data, 15.3 million loan applications were made in 2012. See Federal Financial Institutions Examination Council, *Federal Financial Institutions Examination Council Announces Availability of 2012 Data on Mortgage Lending* (Sept. 18, 2013), ffiec.gov/press/pro91813.htm.

⁹¹ See CFPB, *Leveraging technology to empower mortgage consumers at closing* (Aug. 2015), available at consumerfinance.gov/reports/leveraging-technology-to-empower-mortgage-consumers-at-closing/.

⁹² See CFPB, *Key Dimensions and Processes in the U.S. Credit Reporting System* (Dec. 2012) at 27, available at consumerfinance.gov/f/201212_cfpb_credit-reporting-white-paper.pdf; U.S. Census Bureau, State and County QuickFacts, quickfacts.census.gov/qfd/states/ooooo.html (last visited Sept. 15, 2015).

consumers may not discover errors in the data affecting their credit scores, which may increase the price or limit the availability of credit to them. They may not even discover identity theft until it interferes with their ability to get credit. The Bureau believes that efforts to bring credit reports and scores to the attention of consumers can benefit both providers and consumers by making people more aware of information that affects the price they pay for credit and more capable of protecting themselves.

In fall 2013, several credit card companies began making credit scores and related educational information available to their customers at no charge on their monthly statements or through online access. The Bureau identified this as an industry best practice and has encouraged other credit card companies to follow suit.⁹³ One credit score provider reports that as of September 2015, more than 50 lenders – including a significant share of the largest credit card issuers – were doing so.⁹⁴ As a result, holders of more than 100 million consumer accounts have the opportunity to see their credit scores, and the numbers continue to grow.⁹⁵

The Bureau also has taken steps to make it easier for the millions of consumers who work with nonprofit financial, housing, and credit counselors to receive the credit scores and credit reports that these organizations purchase on their behalf for consumer education purposes. These counselors typically order reports and scores for the consumers they serve to help the counselors engage in constructive conversations with their clients about steps the clients can take to improve their financial situation.

⁹³ See CFPB, *CFPB Calls on Top Credit Card Companies to Make Credit Scores Available to Consumers* (Feb. 27, 2014), consumerfinance.gov/newsroom/cfpb-calls-on-top-credit-card-companies-to-make-credit-scores-available-to-consumers/. Specifically, the Bureau has encouraged companies to make available to their customers the same credit scores the companies rely on in managing their customers' credit portfolios, along with educational information to help the consumers who receive these scores to better understand them. Pursuant to the Dodd-Frank Act, the Bureau has examined the credit scores consumers purchase and those creditors normally use to make credit decisions. On the basis of that examination, the Bureau determined that credit scores available for purchase by consumers may vary from the scores used by a lender, and identified ways these differences can disadvantage consumers. See CFPB, *Analysis of Differences between Consumer- and Creditor-Purchased Credit Scores* (Sept. 2012), available at consumerfinance.gov/f/201209_Analysis_Differences_Consumer_Credit.pdf; Consumer Financial Protection Act of 2010, Pub. L. No. 111-203, § 1078, 124 Stat. 1955, 2076.

⁹⁴ This number was obtained from FICO based on lenders sharing FICO® Scores through the FICO® Score Open Access program.

⁹⁵ See *id.* VantageScore further reports that up to 20 million consumers may have free access to its scores through certain partners.

The increased visibility of credit scores can raise awareness of credit issues and prompt consumers to review their credit standing. If scores are lower than expected or if they change over time, more consumers may take the initiative to request their credit report at annualcreditreport.com. This may encourage more consumers to address concerns, dispute errors or fraud-related entries, and improve negative aspects of their credit usage. This also may create a new dynamic that incentivizes the credit reporting industry to be more accessible and responsive to consumers.

The Bureau offers a number of educational supports to consumers to help them understand, and act on, their credit reports and scores, including many frequently asked questions on *Ask CFPB*, publications that include *Check your credit report* and *Understand your credit score*, and an annual list of consumer reporting companies.⁹⁶ In 2015, the Bureau also released the results of qualitative research into consumer attitudes and motivations about their credit histories and scores.⁹⁷ This research identified common misunderstandings and confusion consumers have about their credit data. These findings can help the Bureau and other educators better assist consumers who wish to proactively manage their credit profiles.

3.2.9 Consumer Financial Civil Penalty Fund

The Dodd-Frank Act authorizes the Bureau to use civil penalty funds collected by the Bureau that remain after eligible victims have been compensated, for consumer education and financial literacy programs. Specifically, the Act requires the Bureau to deposit any civil penalty it obtains in actions under the federal consumer financial laws into a Consumer Financial Civil Penalty Fund (Civil Penalty Fund).⁹⁸ Under the statute, the Bureau may use these funds to make payments to victims in cases for which civil penalties were imposed. To the extent the Bureau cannot locate the victims or it is otherwise not feasible to make such payments, the Bureau may

⁹⁶ See CFPB, *List of consumer reporting agencies* (2015), available at consumerfinance.gov/f/201501_cfpb_list-consumer-reporting-agencies.pdf.

⁹⁷ See CFPB, *Consumer voices on credit reports and scores* (Feb. 2015), available at consumerfinance.gov/reports/consumer-voices-on-credit-reports-and-scores/.

⁹⁸ 12 U.S.C. § 5497(d)(1).

use the funds for consumer education and financial literacy programs.⁹⁹ So far, the Bureau has allocated tens of millions of dollars to compensate victims. As the Bureau distributes those funds, it provides information about accessing its educational tools and resources as well.

The Bureau issued a rule to govern the administration of the Civil Penalty Fund in May 2013.¹⁰⁰ The rule includes procedures for allocating funds for payments to victims and for consumer education and financial literacy programs. The Bureau has adopted a set of criteria for selecting programs that serve consumers and improve consumer education and financial literacy in the event that Civil Penalty Fund money is allocated to consumer education and financial literacy programs.¹⁰¹ The federal procurement process is used to deploy such programs.¹⁰²

Financial coaching

The Bureau has launched its first consumer education and financial literacy program funded with Civil Penalty Fund money. The program integrates financial coaching into existing service delivery programs at 60 sites serving transitioning veterans and nonmilitary low-income and economically vulnerable consumers across the country. This program brings financial capability services to locations where people already come to receive other services. For the veteran population served, the financial coaching is provided primarily at Department of Labor American Job Centers and is designed to help veterans with the financial challenges of the

⁹⁹ 12 U.S.C. § 5497(d)(2). Additional information about the Civil Penalty Fund can be found on the Bureau's website at consumerfinance.gov/budget/civil-penalty-fund/.

¹⁰⁰ *Consumer Financial Civil Penalty Fund*, 78 Fed. Reg. 26489 (May 7, 2013) (codified at 12 C.F.R. part 1075). At the same time that it promulgated the final rule, the Bureau also published a notice of proposed rulemaking (NPRM) seeking public input on the rule and possible changes to it. See 78 Fed. Reg. 26545 (May 7, 2013). The NPRM provided 60 days for public comment. The Bureau continues to consider the comments and may issue a revised rule.

¹⁰¹ See CFPB, *Criteria for Use of Civil Penalty Fund Monies for Consumer Education and Financial Literacy Programs*, available at consumerfinance.gov/f/201207_cfpb_civil_penalty_fund_criteria.pdf. The criteria require, among other things, that programs further the Bureau's mission and strategic goals; promote or enhance consumers' financial capability and economic security; and include outcome targets to ensure the programs' effectiveness.

¹⁰² The rule and other information about the Civil Penalty Fund are posted on the Bureau's website at consumerfinance.gov/budget/civil-penalty-fund/ and consumerfinance.gov/budget/.

transition from military to civilian life. For the non-military economically vulnerable consumers served, the financial coaching is provided at selected nonprofit organizations.¹⁰³ Sixty coaches were hired, trained, and deployed to their host sites in spring 2015.¹⁰⁴

¹⁰³ A complete list of the service delivery locations can be found at consumerfinance.gov/blog/the-launch-of-the-cfpb-financial-coaching-initiative/.

¹⁰⁴ See CFPB, *The launch of the CFPB financial coaching initiative* (May 20, 2015), consumerfinance.gov/blog/the-launch-of-the-cfpb-financial-coaching-initiative/.

4. Research initiatives: building effective financial education practices

The Bureau is charged with developing and implementing initiatives to educate and empower consumers to make better-informed financial decisions. To do this, the Bureau is looking at what approaches are effective in improving financial decision-making and financial well-being. The Bureau is working to define and determine how to measure financial well-being, the end goal of financial education, in order to ultimately increase the effectiveness of financial education.

There has been a growing call among many stakeholders in the financial education field for more evidence to indicate which financial education strategies are most effective under which circumstances.¹⁰⁵ The Bureau has taken up this challenge. The portion of the Bureau's research that relates to financial education is focused on determining how to define and measure financial well-being; identifying the knowledge, skills, and habits associated with financially capable consumers; and identifying effective approaches to improving financial capability and well-

The Bureau's research seeks to expand the base of knowledge about effective financial education.

¹⁰⁵ According to a 2011 GAO report on financial literacy, “[r]elatively few evidence-based evaluations of financial literacy programs have been conducted, limiting what is known about which specific methods and strategies are most effective.” U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011) at Highlights, available at gao.gov/assets/330/320203.pdf.

being. This research seeks to expand the base of knowledge about effective financial education, for increased benefit to people who receive it.

The Bureau's financial education research strategy serves a number of statutory mandates. For example, the Dodd-Frank Act directs the Office of Financial Education, together with the Office of Research, to "conduct research related to consumer financial education and counseling."¹⁰⁶ The statute also charges the Office for Older Americans with conducting research to identify "best practices and effective methods, tools, technologies and strategies to educate and counsel seniors about personal finance management."¹⁰⁷ The Bureau's financial education research is also consistent with one of the core goals of FLEC's National Strategy, to identify and facilitate implementation of evidence-based programs and practices, in support of the National Strategy vision of "sustained financial well-being for all individuals and families in the United States."¹⁰⁸

The Bureau's financial education research projects generally fall into one of two categories: understanding consumers and the financial marketplace, and understanding effective financial education practices. These projects are listed below and are described in more detail in Sections 4.1 and 4.2, respectively.

- **Understanding consumers and the financial marketplace.** This consumer-centered research focuses on understanding the current state of consumer financial knowledge and decision-making, and the challenges consumers face in the marketplace for financial products and services. The Bureau is working to:
 - Develop a consumer-derived definition and empirically-derived measures of financial well-being for working age and older consumers, and determine what types of knowledge, skills, and habits are associated with financially capable consumers.

¹⁰⁶ 12 U.S.C. § 5493(d)(3)(B).

¹⁰⁷ 12 U.S.C. § 5493(g)(3)(D).

¹⁰⁸ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 7, 11 (Goal 4), available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](http://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf). As noted above, one of the four core goals of the National Strategy is to "identify, enhance and share effective practices" through supporting "research and evaluation to identify effective programs and practices" and encouraging "implementation and reproduction of evidence-based programs and practices." *Id.*

- Identify the youth precursors to financial well-being in adulthood, and identify promising, developmentally appropriate avenues for financial capability efforts at different stages of development.
 - Increase understanding of what consumers know and how they think about certain key financial topics, through consumer focus groups.
 - Support better consumer understanding about reverse mortgages by analyzing reverse mortgage advertisements and conducting focus group interviews with homeowners eligible for a reverse mortgage to identify areas of confusion that can be addressed with educational approaches.
 - Identify problem areas commonly faced by particular segments of consumers by reviewing and analyzing consumer complaints received by the Bureau, particularly from servicemembers, students, and older consumers.
- **Understanding effective financial education practices.** This research focuses on identifying effective financial education practices for developing consumers' financial capability to make informed financial decisions and support financial well-being. This includes evaluating the effectiveness of existing approaches to improving financial decision-making and outcomes, and developing and evaluating new approaches. The Bureau is working to:
 - Evaluate the effectiveness of selected financial coaching programs and identify for whom and in what ways they are effective.
 - Pilot and evaluate approaches to enhance the financial capability of low-income and economically vulnerable consumers by integrating financial capability-enhancing products or services with other types of financial products and services that consumers want or use.
 - Evaluate innovative approaches to address common consumer financial decision-making challenges.
 - Evaluate the effectiveness of rules of thumb for improving financial outcomes for consumers.
 - Work with financial services providers to improve the Bureau's understanding of innovations in the marketplace that can support consumer financial well-being.

4.1 Understanding consumers and the financial marketplace

4.1.1 Defining and measuring financial well-being

A foundational step to providing stronger evidence of what works in financial education is a well-grounded way to define and measure success. A consensus is emerging that the ultimate measure of success for financial literacy efforts should be improved individual financial well-being, and not merely knowledge of financial facts learned in a classroom. For example, as mentioned above, FLEC identified the guiding vision for its National Strategy as “[s]ustained financial well-being for all individuals and families in the United States.”¹⁰⁹ This vision is consistent with that of the Organization for Economic Cooperation and Development’s (OECD’s) International Network on Financial Education (INFE), in which the CFPB participates, which describes the ultimate goal of financial literacy as “individual financial well-being.”¹¹⁰ However, this concept has not been explicitly defined in this context, nor does a standard way to measure it exist in the financial literacy field.

Accordingly, the Bureau has undertaken a rigorous set of consumer-centered research activities to understand and formally define financial well-being in ways that allow it to be measured and that allow meaningful comparisons among approaches to achieving it. Additionally, the Bureau

A consensus is emerging that the ultimate measure of success for financial literacy efforts should be improved individual financial well-being.

¹⁰⁹ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy* (2011) at 7, available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](http://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf).

¹¹⁰ See Organization for Economic Co-operation & Development, International Network on Financial Education, *Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy* (2011) at 3, available at oecd.org/finance/financial-education/49319977.pdf. The OECD is a unique forum where the governments of 34 democracies with market economies work with each other, as well as with more than 70 non-member economies, to promote economic growth, prosperity, and sustainable development. To learn more, see Organization for Economic Cooperation & Development, *What is the OECD?*, usoecd.usmission.gov/mission/overview.html (last visited Sept. 15, 2015).

has sought to identify the specific types of knowledge, behavior, and personal traits that help people achieve greater financial well-being. In January 2015, the Bureau released the findings from this research in a report entitled *Financial well-being: The goal of financial education*, which is available at consumerfinance.gov/reports/financial-well-being/.

The report provides a conceptual framework for defining and measuring success in financial education by delivering a proposed definition of financial well-being and insight into the factors that contribute to it. This framework is grounded in the existing literature, expert opinion, and the experiences and voice of the consumer garnered through in-depth, one-on-one interviews with working-age and older consumers.

As described in the report, the Bureau's research suggests financial well-being can be defined as a state of being wherein a person:

- Has control over day-to-day, month-to-month finances;
- Has the capacity to absorb a financial shock;
- Is on track to meet his or her financial goals; and
- Has the financial freedom to make the choices that allow him or her to enjoy life.

While specific individual goals and vision of the good life vary widely, these four elements reflect two common and consistent themes: security and freedom of choice, now and for the future. This research underscores that the meaning of these elements to any individual can be quite subjective. Along with individual financial goals, the meaning of financial freedom varies widely from person to person – from having the choice of whether or where to go out to eat, to where to live, to when to retire.

The research produced a model that identifies factors hypothesized to drive financial well-being. Broadly speaking, these factors fall into two categories: those that can be influenced by financial education efforts such as those undertaken by the Bureau and described in this report, and those that are outside the scope of educationally-focused interventions. These latter – socio-economic factors, available opportunities, and the types of choices, products, services, and protections available in the marketplace – clearly are important predictors of financial well-being, and ought to be taken into account when designing and delivering financial education. Even the best-designed financial education program cannot ensure that an individual achieves financial security and freedom if the person lacks economic opportunity. Nevertheless, people seem to have varying levels of self-reported financial well-being independent of their income. Moreover,

through learning and effort, and given reasonable opportunity and supports, it appears that people can move along the continuum to greater financial well-being.

This research indicates the specific types of knowledge, behavior, and personal traits that may help people achieve greater financial well-being, with a focus on those that may be influenced by financial education and other decision-making supports. For example, the Bureau identified four behaviors that may support financial well-being:

- Financial research and knowledge-seeking, which support purposeful, informed financial decision-making
- Financial planning and goal-setting, which give purpose and structure to individual financial decisions
- Following through on financial decisions, the final step between intentions and desired outcomes
- Effective routine money management, which encompasses often unconscious habits, intuitions, and decision-making shortcuts (heuristics)

Concurrent with release of the research report, the Bureau released a short digest with information on how financial educators and other professionals can use the research findings to help consumers improve their financial well-being, entitled *Financial well-being: What it is and how to help*, which is also available at consumerfinance.gov/reports/financial-well-being/. In particular, the digest focuses on how financial educators can help consumers learn and practice skills and habits in the four key areas identified above.

- **Ask:** Gather information and evaluate the results. Financial practitioners can help people learn to ask good questions, find facts, and apply them effectively. This includes helping people learn to identify situations when they need financial information; explore how to get trustworthy information; and decide what choice makes the most sense for them.
- **Plan:** Focus on the future. Financial practitioners can help people learn to connect their aspirations for the future to concrete plans. This includes helping people learn to identify specific, realistic goals; make step-by-step plans to reach those goals; and feel confident about their ability to make a difference in their own lives.
- **Act:** Set themselves up for success. Financial practitioners can help people learn to carry out their decisions consistently. This includes helping people learn to figure out

how to take the steps needed to put decisions into action; determine how to motivate themselves to take those actions; and take advantage of existing ways – from auto-pay to peer support – to simplify staying on track.

- **Balance:** Live within their means. Financial practitioners can help people develop sound habits and make conscious adjustments in day-to-day money management. This includes helping people learn to practice contentment and cut down mindless spending; stay out of debt and use credit responsibly when it is needed; and act like entrepreneurs in generating income and avoiding interruptions in paid work.

In the next two phases of this research, the Bureau will create survey items to measure consumer financial well-being and will then use the survey items to test these hypotheses about the determinants of financial well-being.

4.1.2 Research and effective practices for youth financial education

Youth precursors to adult financial well-being

The Bureau has undertaken new research to leverage the findings of its financial well-being measurement project to gain insights into the abilities, attitudes, and other characteristics in children and youth that support financial capability and financial well-being in adulthood. In March 2015, the *Journal of Consumer Affairs* published the first piece of the Bureau's work commissioned under this project, an article entitled *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*.¹¹¹ This article, written by an interdisciplinary team of experts in developmental psychology and consumer finance, takes a developmental approach to youth financial capability and explores when and how children and youth develop the knowledge, skills, and attitudes that are likely to support financial well-being in adulthood.

¹¹¹ See Anita I. Drever et al., *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success 13 (Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.12068/full.

Based on a synthesis of the literature in developmental psychology, consumer finance, and education, the researchers identify pathways for the development of three components of financial capability:

- Executive function skills: Executive function refers to cognitive abilities such as impulse control, the ability to hold and work with information in one's mind, and the ability to focus on long-term goals, which underlie tasks such as setting financial goals and developing and executing plans or household budgets in service of those goals. While executive function develops over the course of childhood, it develops particularly rapidly at around ages three to five.
- Financial habits and norms: Financial habits and norms includes a person's values, standards, and rules of thumb around financial matters, which support instinctive day-to-day financial decision-making. The process by which children develop these habits and norms through experiences and interactions with parents, caregivers, schools, media, peers, and others is called financial socialization. Attitudes around money, banking, saving, and consumerism are all heavily influenced through financial socialization, which becomes more important as children are exposed to a widening circle of school, community, and media, in ages six to 12.
- Financial knowledge and decision-making skills: As youth begin to take on their first financial responsibilities, typically in the span from ages 13 to 21, such as becoming employed, getting their first banking relationship, or taking on student loans, there are opportunities to develop the experience-based knowledge and skills that underlie conscious financial decision-making.¹¹²

This research illustrates how, as the relative emphasis of these pathways changes, so do the relevant sources of influence, from primarily parents and caregivers in early stages of development, to the addition of communities, schools, and experience in later stages. The ultimate goal of this research is to shed light on promising strategies and approaches to help children and youth develop these essential skills and characteristics.

¹¹² *Id.*

FLEC Starting Early for Financial Success research

In 2012, FLEC identified *Starting Early for Financial Success* as its strategic focus.¹¹³ To promote research on how to help young people prepare for their financial lives, FLEC – through its Research and Evaluation Committee – partnered with the *Journal of Consumer Affairs* to publish a special issue containing research on financial literacy and financial capability, with an emphasis on research that examines ways to “start early” to promote financial success. Ten new academic research papers were published and are publicly available in the Spring 2015 issue, including the CFPB-commissioned article discussed above.¹¹⁴

A FLEC research symposium, co-hosted by the CFPB, the Board of Governors of the Federal Reserve System, and the FDIC in September 2014, provided an opportunity for FLEC agency staff and other experts in the field to hear and reflect on presentations of the research reported in a number of the papers included in the special issue. Staff from eight FLEC agencies participated in the research symposium as panel moderators and discussants, and many more participated as audience members. Observations for financial literacy policymakers to consider based on both the research papers and the comments and reflections of FLEC agency staff at the research symposium are included in an editorial by the FLEC Research and Evaluation Committee in the special issue.¹¹⁵

4.1.3 Consumer decision-making project

To better help consumers make well-informed financial decisions and achieve their financial goals, the Bureau sought to increase understanding of what consumers know and how they think about key financial topics by conducting a series of consumer focus groups. These focus groups yielded rich detail about consumers’ experiences and what they know and think about financial

¹¹³ See Financial Literacy & Education Commission, Minutes of Public Meeting (Oct. 18, 2012), available at treasury.gov/resource-center/financial-education/Documents/Minutes%2010%2018%2012.pdf.

¹¹⁴ See 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success (Michal Grinstein-Weiss & Margaret S. Sherraden eds. Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.2015.49.issue-1/issuetoc.

¹¹⁵ Financial Literacy & Education Commission, Research and Evaluation Committee, *Starting Early for Financial Success: Capability into Action*, 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success 299 (Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.12063/full.

decisions. The findings of these focus groups are being shared publicly in a series of reports. The first, *Consumer voices on credit reports and scores*, was released at the CFPB Consumer Advisory Board meeting in February 2015. The report can be found at consumerfinance.gov/reports/consumer-voices-on-credit-reports-and-scores/. The Bureau expects that the findings of these focus groups will help financial educators develop more effective approaches, tools, and information that a broad set of consumers will find helpful.

4.1.4 Reverse mortgage advertising study and consumer advisory

Advertisements for reverse mortgages are found on television, on radio, in print, and on the Internet. Many of the ads feature trusted celebrity spokespeople discussing the benefits of reverse mortgages without mentioning risks. To assess the effect of the ads on consumer understanding of reverse mortgages, the Bureau undertook a study that examined reverse mortgage advertisements and consumer risks through analysis of the ads and focus group interviews.

The study found that reverse mortgage advertisements may leave older homeowners with the false impression that the loans are a risk-free solution to financial gaps in retirement. For example, after viewing reverse mortgage ads, many homeowners did not realize reverse mortgages are loans that need to be repaid. Instead, some thought they could access their equity interest-free, or that the federal government provided the money as a benefit to seniors. Additionally, homeowners reported that the most attractive messages in the ads were “you can live in your home as long as you want,” and that you “still own your home.” Many ads, however, do not mention that seniors can lose their homes if they do not satisfy the loan requirements, or that reverse mortgage borrowers can outlive their loan funds by borrowing without careful planning.

This research highlighted consumer confusion about the terms and possible risks of reverse mortgages, and that advertisements may not tell the whole story. The Bureau’s report and consumer advisory concerning reverse mortgage advertising are available at consumerfinance.gov/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/.

4.1.5 Complaint snapshots

Another way the Bureau learns about consumers and their experience in the consumer financial services marketplace is by analyzing data from the CFPB's database of consumer complaints or other research the Bureau has conducted. Complaint snapshots provide an overview and analysis of complaints received by the Bureau from particular segments of the consumer population or related to particular financial products or services.

The Bureau publishes snapshots on complaints received from students and from servicemembers, veterans, and their families on a periodic basis. Recent complaint snapshots have included: *A snapshot of complaints received from servicemembers, veterans, and their families 2011-2014* (April 2015), *Annual report of the CFPB student loan ombudsman* (October 2014), *A snapshot of debt collection complaints submitted by older consumers* (November 2014), *Snapshot of reverse mortgage complaints December 2011 – December 2014* (February 2015), and *Consumer Response annual report* (March 2015).¹¹⁶ These snapshots help to identify consumer challenges the Bureau can help to address through education or other efforts.

4.2 Understanding effective financial education practices

4.2.1 Financial education evaluation project

The Bureau seeks to contribute to evidence of what works to improve financial decision-making and financial well-being. A January 2014 paper commissioned by the Bureau emphasized the

¹¹⁶ See CFPB, *A snapshot of complaints received from servicemembers, veterans, and their families 2011-2014* (Apr. 2015), available at consumerfinance.gov/reports/complaints-received-from-servicemembers-veterans-and-their-families-2011-2014/; CFPB, *Annual report of the CFPB student loan ombudsman* (Oct. 2014), available at consumerfinance.gov/reports/annual-report-of-the-cfpb-student-loan-ombudsman-2014/; CFPB, *A snapshot of debt collection complaints submitted by older consumers* (Nov. 2014), available at consumerfinance.gov/reports/a-snapshot-of-debt-collection-complaints-submitted-by-older-consumers/; CFPB, *Snapshot of reverse mortgage complaints December 2011 – December 2014* (Feb. 2015), available at consumerfinance.gov/reports/snapshot-of-reverse-mortgage-complaints-december-2011-2014/; CFPB, *Consumer Response annual report* (Mar. 2015), available at consumerfinance.gov/reports/2014-consumer-response-annual-report/.

need for rigorous, evidence-based evaluation of financial education strategies.¹¹⁷ To begin to address this need, the Bureau commissioned an empirical evaluation of two existing financial education programs involving financial coaching. Financial coaching generally involves one-on-one sessions to increase awareness of financial decisions and to provide support for reaching financial goals.¹¹⁸ The project seeks to promote and support effective quantitative evaluation of financial education programs more generally.

The Bureau selected two community-based financial coaching providers for the evaluation based on preliminary evidence of the programs' effectiveness, willingness to participate in a rigorous evaluation, program size, diversity of geography and client base, and other factors. The evaluation uses a randomized controlled trial methodology to determine the extent to which the selected sites' financial coaching strategies increase household non-retirement savings and reduce financial distress among program participants. The two evaluations have been underway since 2013. Final results are expected to be ready for publication in late 2015.

The project includes a peer-learning component, comprising eight financial education programs focused on improving financial decision-making and outcomes, and researchers engaged in rigorous evaluation of the programs. Peer learning meetings have facilitated the sharing of programmatic best practices and evaluation methodologies that promote effective financial education evaluation and discussion of ongoing projects. The CFPB published a report sharing the key insights about programmatic best practices and evaluation methodologies so that other program managers, researchers, and research funders who are considering evaluating initiatives aimed at improving financial decision-making and outcomes can benefit from the lessons learned by those who have already engaged in these types of studies.¹¹⁹ These insights include:

- Criteria for determining whether a randomized controlled trial is suitable for measuring the effectiveness of a particular financial capability program;
-

¹¹⁷ See CFPB, *Rigorous evaluation of financial capability strategies: Why, when and how; Perspectives from the field* (Jan. 2014), available at consumerfinance.gov/f/201401_cfpb_report_rigorous-evaluation-financial-capability.pdf.

¹¹⁸ See generally University of Wisconsin Cooperative Extension, *Financial Coaching Strategies*, fyi.uwex.edu/financialcoaching/what-is-coaching/ (last visited Sept. 15, 2015).

¹¹⁹ CFPB, *Rigorous evaluation of financial capability strategies: Why, when and how; Perspectives from the field* (Jan. 2014), available at consumerfinance.gov/f/201401_cfpb_report_rigorous-evaluation-financial-capability.pdf.

- Solutions to common challenges in designing and executing randomized controlled trial evaluations of financial capability programs; and
- Key steps that researchers, practitioners who run financial capability programs, policymakers, and funders can take to expand rigorous evaluation of financial capability programs.

4.2.2 Building financial capability through product design and program delivery

The Bureau is conducting a multi-phase project that will help determine whether the financial capability of low-income and economically vulnerable consumers can be enhanced through bundled financial products and services. Examples of such bundled products and services include a prepaid card that also has a savings function, and the integration of financial coaching and counseling into financial products.

The Bureau completed the initial research phase of the project in 2013. This phase included:

- A scan of the field to identify existing strategies, products, or programs that seek to help consumers build positive credit histories and savings;
- A literature review of existing research on savings and credit building strategies, products, or programs focused on economically vulnerable consumers; and
- A report documenting findings of discussions with academic and practitioner experts on types of barriers for consumers, program features that overcome those barriers, and recommendations for specific types of programs the Bureau should consider for evaluation.

The second phase of the project is a rigorous evaluation of a credit-builder loan with a savings component. A credit-builder loan is a combination loan and savings program that is designed to help the borrower establish a positive credit history. The study was launched in October 2014 with a data collection period through February 2015. The purpose of this second phase of the study is to understand whether and to what extent a credit-builder loan, with or without credit counseling, has a positive impact on the credit, savings, and financial capability of study participants.

4.2.3 Decision-making innovation project

To meet the goal of building effective financial education practices, the CFPB conducted a project to develop prototypes of innovative approaches to help consumers overcome common financial decision-making challenges, and then evaluate the effectiveness of the approaches. In the first phase of this project, the Bureau conducted research to identify and describe some of the most prevalent challenges consumers face in managing their financial lives.

The Bureau then selected three of these consumer challenges to focus on: organizing and managing finances, managing cash flow and bill payments, and managing finances at retirement.¹²⁰ The Bureau worked with financial innovators to test approaches for helping consumers overcome these financial decision-making challenges. The testing was completed in early 2015, and the Bureau plans to release a series of reports on the research findings later in 2015 and 2016.

To reach a wide audience of stakeholders, the Bureau developed short videos illustrating two of the consumer financial challenges that were identified. The two financial challenges explored in the videos are *Saving for financial shocks and emergencies* and *Organizing and managing finances*. The videos seek to bring the challenges to life in order to inspire educators and innovators to apply the research in their work. The videos are accompanied by short digests that provide background on the insights gained from the research, and identify avenues for additional research and innovation. The videos are available at consumerfinance.gov/adult-financial-education/ under “Videos” and the digests are available on the same web page under “Understanding consumers.” The Bureau expects to share further findings as they become available to increase knowledge of innovative approaches to improve financial capability, which can strengthen financial education content and strategy both within the Bureau and among others who serve consumers.

4.2.4 Rules of thumb project

“Rules of thumb” are a decision-making and education technique that uses practical, easily-implemented guidelines for making decisions. Existing research has found rules of thumb to be

¹²⁰ The other decision-making challenges the Bureau identified were saving for financial shocks and emergencies; employer retirement savings policies; and small business financial management.

a successful technique for improving decision-making in many areas, and more successful than comprehensive education in some instances.¹²¹ Thus, rules of thumb could be a cost-effective method to improve consumer decision-making. However, little research exists examining the effectiveness of rules of thumb for financial decision-making. Accordingly, in 2014 the Bureau began a research project to study the effectiveness of rules-of-thumb-based approaches.

The first phase of the project was to understand how to create financial rules of thumb, when they are most useful, and how they can be implemented to ensure maximum success. Based on this research, a second phase of the project is underway that uses a randomized controlled trial to study the effectiveness of rules-of-thumb-based approaches aimed at helping consumers decrease their revolving credit card debt. Rules-of-thumb-based education has been found to be most effective with decisions that are repetitive and frequent.¹²² Therefore this appeared to be a promising approach for improving consumer literacy about credit card use, as credit card decisions have these characteristics.

4.2.5 Marketplace innovation: Project Catalyst

Project Catalyst is a Bureau initiative to encourage consumer-friendly developments in markets for financial products and services. As part of this initiative, the Bureau is working with financial services providers to research innovations in the marketplace that can improve consumer financial well-being.

Tax-time savings research

Over the past three years, the Bureau has conducted a series of initiatives to encourage consumers to save during tax time, which are discussed in Section 3.2.7, above.¹²³ These efforts include providing informational materials and training to volunteer tax preparers assisting low-

¹²¹ See, e.g., William J. Baumol & Richard E. Quandt, *Rules of Thumb and Optimally Imperfect Decisions*, 54 The American Economic Review 23 (1964); Alejandro Drexler et al., *Keeping it Simple: Financial Literacy and Rules of Thumb* (Center for Economic Policy Research, Discussion Paper No. 7994, 2010).

¹²² See William J. Baumol & Richard E. Quandt, *Rules of Thumb and Optimally Imperfect Decisions*, 54 The American Economic Review 23, 24 (1964).

¹²³ These initiatives fulfill a statutory mandate for the Bureau to provide consumers with wealth-building strategies and access to financial services during the preparation process to claim the EITC. See 12 U.S.C. § 5493(d)(2)(F).

income and moderate-income consumers, as well as pilot projects to increase awareness among consumers of available saving options. However, the majority of consumers, including those eligible for the EITC, still pay to file their taxes with tax preparation companies. In 2014, the Bureau launched a multi-year research pilot with H&R Block, Inc., one of the nation's largest tax preparation companies, to identify best practices to encourage savings at tax time.

The strategies being tested include providing consumers with informational materials to encourage saving a portion of their tax refund, and having tax preparers introduce consumers to the idea of saving once they learn they will receive a refund. The Bureau's research associated with this pilot will explore two principal questions: whether certain strategies can encourage saving behavior; and in what ways saving behavior is associated with better outcomes for consumers. Within these broad questions, the research goals for this project are to identify best practices that promote saving during tax time and understand saving mechanisms that may improve long-term financial well-being.

Credit counseling research

Many consumers who are struggling with credit card debt do not seek help until they are in a state of crisis and their options are limited for avoiding default. Reaching consumers struggling with credit card debt early on might be a promising strategy for credit counselors and others who can help consumers create more practical budgets and more manageable debt repayment schedules. However, only limited research has been done on the effectiveness of such a strategy.

Barclaycard (Barclays Bank Delaware), a global credit card issuer, and Clarifi (Consumer Credit Counseling Service of Delaware Valley), a consumer credit counseling service provider based in Philadelphia, have agreed to share insights with the Bureau from a joint early-intervention credit card credit counseling pilot program aimed at assessing the potential impact of early intervention credit counseling. Specifically, Barclaycard customers who have been identified by Barclaycard to be at risk of default and who reside in Clarifi's service area will be given an opportunity to enroll in Clarifi's credit counseling services at no cost to the customers. This study will help the CFPB assess the impact of early intervention credit counseling and debt management plans for consumers enrolled in the services, and compare results related to certain financial outcomes of consumers who did not enroll.

Prepaid cards and savings habits research

Under the Dodd-Frank Act, the Bureau is charged with providing “opportunities for consumers to access . . . savings, borrowing, and other services found at mainstream financial institutions.”¹²⁴ Promoting consumer savings and regular saving behavior has been a focus for the Bureau. However, many consumers, especially those who have low and moderate incomes, often do not have access to or use a traditional savings account and instead rely on a checking or prepaid account as both their primary transactional account and savings vehicle. These consumers have to mentally separate their funds allocated to spending and saving, which may make saving more challenging.

The Bureau is working with American Express on a research study to find best practices for encouraging saving. The research is being done using the American Express “Serve” prepaid card that has a feature called Reserve, which allows Serve cardholders to create a subaccount within their main prepaid account dedicated to savings. Cardholders can save money in their Reserve subaccounts until they are ready to use the money, at which point they must manually transfer the funds to their main Serve accounts. American Express has also built in automatic transfer functions, which allow consumers to schedule regular fund transfers from their main Serve account to their Reserve subaccounts.

The Bureau’s research study associated with this pilot will explore two major research questions: whether certain strategies can encourage regular consumer saving behavior; and whether saving behavior is associated with better outcomes for consumers, particularly for low-income and underserved consumers. Within these broad questions, the research goals for this project are to gain insight into consumer saving behavior and identify practices that promote saving behavior over the short- and long-term among prepaid card users, and to evaluate the short-term and long-term impact of saving on consumer well-being among prepaid card users.

¹²⁴ 12 U.S.C. § 5493(d)(2)(C).

5. Conclusion

All Americans, regardless of income and level of educational attainment, need to be able to evaluate the choices available to them in the financial marketplace and understand the implications of their financial decisions in order to build secure financial futures. The Bureau's statutory function to educate and empower consumers to make better informed financial decisions has created an enormous opportunity to help consumers move closer to having their money choices consistently serve their own life goals. The Bureau has launched a broad range of initiatives to provide consumers with information, resources, and opportunities to develop the knowledge and skills to manage their financial resources effectively and plan for future life events. The Bureau is working side by side with other government agencies, the private and nonprofit sectors, schools, workplaces, and community organizations, and is developing opportunities to integrate financial capability into existing programs and services. Financially capable consumers are essential to harnessing the financial system's tremendous capacity to enhance economic stability and opportunity to help people in America reach their life goals.

APPENDIX A:

CFPB financial education resources

The Bureau has developed interactive tools, publications, and other resources that consumers and those who work with consumers can access for information and decision-making guidance about financial issues. The Bureau also has developed resources for financial educators and others interested in financial education, including reports related to financial capability and the consumer financial marketplace. A list of these resources is provided below, along with hyperlinks to where they can be found online.¹²⁵

Web-based tools and resources for consumers

- **Ask CFPB**

Ask CFPB is an interactive online tool that gives consumers answers to questions about financial products and services, including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection. The questions and answers include explanations of financial terms to help consumers better understand financial products and services they encounter in the marketplace, along with advice about shopping for financial services.

consumerfinance.gov/askcfpb/

- **CFPB en Español**

CFPB en Español provides Spanish-speaking consumers a central point of access to the Bureau's most-used consumer resources translated into Spanish.

¹²⁵ A listing of these resources designed specifically for financial educators is available at consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf.

consumerfinance.gov/es/

- **Tell your story**

The Bureau encourages consumers to tell about their experiences, good or bad, with consumer financial products and services. Through these stories, the Bureau gains insight into how it can work to protect consumers and help ensure safe and affordable access to financial products and services. No login is required.

help.consumerfinance.gov/app/tellyourstory/

- **Submit a complaint**

To submit a complaint about a consumer financial product or service, consumers can visit consumerfinance.gov/complaint/ or call toll-free at 855-411-CFPB (2372). The CFPB accepts complaints in more than 180 languages. The CFPB forwards the complaint to the company and works to get a response. When the company responds, the consumer can review the response and give the CFPB feedback on the company response. If another government agency would be better able to assist, the CFPB forwards the complaint to that agency and lets the consumer know.

consumerfinance.gov/complaint/

- **Paying for College**

Paying for College is a set of online tools for students and families evaluating their options for financing higher education: comparing college costs and financial aid, learning about college money and loan options, and assessing repayment options.

consumerfinance.gov/paying-for-college/

▫ Student financial guides

Student loans

consumerfinance.gov/paying-for-college/choose-a-student-loan/

▪ Student banking

consumerfinance.gov/paying-for-college/manage-your-college-money/

- Compare financial aid
consumerfinance.gov/paying-for-college/compare-financial-aid-and-college-cost/
- Repay student debt
consumerfinance.gov/paying-for-college/repay-student-debt/

- **Owning a Home**

Owning a Home is a set of online tools to help consumers find the mortgage product that best fits their needs and their budget. It helps consumers understand the basics of mortgages, orient themselves to the market and the steps of the home loan process, and consider various factors that may affect their own mortgage decision.

consumerfinance.gov/owning-a-home/

- Know the process
consumerfinance.gov/owning-a-home/
- Explore interest rates
consumerfinance.gov/owning-a-home/explore-rates/
- Understand loan options
consumerfinance.gov/owning-a-home/loan-options/
- Understand mortgage forms
 - Loan Estimate
consumerfinance.gov/mortgage-estimate/
 - Closing Disclosure
consumerfinance.gov/mortgage-closing/
 - Interactive sample disclosure forms
consumerfinance.gov/owning-a-home/loan-estimate/

consumerfinance.gov/owning-a-home/closing-disclosure/

- **Find a housing counselor**

Housing counselors can provide advice on buying or renting a home, foreclosures, and credit issues. They can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on the consumer's objectives and circumstances, often at little or no cost to the consumer. This tool allows consumers to search by zip code to find housing counseling agencies in their area that are approved by the Department of Housing and Urban Development.

consumerfinance.gov/find-a-housing-counselor/

- **Mortgages**

The Bureau's *Know Before You Owe* web page provides information about the Bureau's new mortgage disclosures, including links to tools and resources for consumers and resources for mortgage professionals, real estate professionals, housing counselors, and media.

consumerfinance.gov/know-before-you-owe/

The Bureau's mortgage help web page for consumers provides links to find a housing counselor and how to submit a complaint to the Bureau.

consumerfinance.gov/mortgagehelp/

- **Debt collection sample letters**

This web page offers five sample action letters consumers can consider using when replying to debt collectors. These letters can help consumers get the information they need about claims being made against them or protect themselves from inappropriate or unwanted collection activities.

consumerfinance.gov/blog/debtcollection/

- **Information for students and young adults**

consumerfinance.gov/students/

- **Information for older adults**

consumerfinance.gov/older-americans/

- **Information for servicemembers and veterans**

consumerfinance.gov/servicemembers/

- **Information for low-income and economically vulnerable consumers**

consumerfinance.gov/empowerment/

Web-based tools and resources for financial educators and others who work with consumers

- **Employer's guide to assisting employees with student loan repayment: A toolkit for school districts, non-profit organizations, and other public service employers**

This toolkit is designed to empower school districts and other public service organizations to help their employees qualify for existing student loan repayment benefits, including Public Service Loan Forgiveness. Up to 25 percent of the U.S. workforce is in public service and may be eligible for existing student loan debt forgiveness programs. This includes teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers.

consumerfinance.gov/f/201308_cfpb_public-service-toolkit.pdf

- **Your Money, Your Goals**

Your Money, Your Goals is a toolkit that organization staff and volunteers can use to incorporate financial capability information and tools into their discussions with the people they serve to help them strengthen their financial capability and personal money management skills. There are currently four versions of the toolkit, which are designed to address the different settings in which people or organizations work with consumers: social service organizations, organizations that engage volunteers, legal aid organizations, and worker organizations.

consumerfinance.gov/your-money-your-goals/

- **Military financial educator forums**

The Office of Servicemember Affairs hosts an ongoing series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families on military installations worldwide. The forums are available as on-demand video trainings on the Bureau's website. Current trainings include issues in debt collection, credit reporting and the military, veteran consumer issues, and solutions for servicemembers with troubled mortgages.

consumerfinance.gov/servicemembers/on-demand-forums-and-tools/

- **Resources for financial educators: CFPB Financial education exchange (CFPB FinEx)**

CFPB FinEx is an online and in-person information exchange designed to provide financial educators centralized access to CFPB tools, resources, and research on consumer financial behavior and effective practices, and facilitate sharing of information and best practices among financial educators and with the Bureau. Financial educators can access resources through consumerfinance.gov/adult-financial-education/. This web page also includes a printable inventory of Bureau tools and reports.

consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf

- **Resources for libraries: Community education project**

The Bureau is working with libraries to provide websites, worksheets, guides, and other resources to help with a consumer's money decisions. The Bureau's *Resources for libraries* web page provides links to a collection of free government financial education materials, marketing materials to promote financial education in the library, financial education training for librarians, and programming ideas that have proven successful for other libraries and financial education providers.

consumerfinance.gov/library-resources/

- **Resources for parents and caregivers**

The Bureau and the FDIC are working together to help better prepare young people to make financial decisions to achieve their own goals, throughout the stages of their lives. The resources web page for parents and caregivers provides links to age-appropriate

tools, games, and activities that parents and caregivers can use in building a child's financial skills and habits.

consumerfinance.gov/parents/

- **Tax-time savings: Ready? Set. Save!**

A tax refund may be the single biggest check some consumers receive all year. It presents a huge opportunity for individuals to set aside savings to help reach their financial goals. Saving money from a tax refund can be done easily and automatically while filing a tax return. Ready? Set. Save! offers resources to help service providers learn more about tax-time saving options to better help those they serve.

consumerfinance.gov/blog/taxtime2015/

Publications

The publications listed below are available in English and other languages as noted below. They include brochures, bookmarks, fact sheets, fliers, worksheets, and posters. They can be ordered or downloaded for free at promotions.usa.gov/cfpbpubs.html unless a separate link is provided.

CFPB BROCHURES

- **CFPB Bookmarks** (Also available in Spanish)

Two bookmarks: #1 highlights the CFPB's *Ask CFPB* tool; #2 encourages consumers to share their experiences with financial products through the CFPB's *Tell Your Story* tool.

- **Consumer Financial Protection Bureau** (Also available in Spanish)

This brochure describes the work of the CFPB, including the Division of Research, Markets, and Regulations; the Division of Consumer Education and Engagement; and the Division of Supervision, Enforcement, and Fair Lending and Equal Opportunity.

- **How to submit a complaint** (Also available in Spanish)

This brochure explains how to submit a complaint to the CFPB. Includes contact information, the consumer financial products and services about which the Bureau takes complaints, and what happens after a consumer submits a complaint.

ACCOUNTS

- **Do you know if you have opted in for debit and ATM overdraft coverage?**

(Also available in Spanish)

Explains debit card and ATM overdraft coverage and fees, and tips and options to reduce or avoid fees.

- **Keep a lid on checking account fees** (Also available in Spanish)

Six steps to help consumers reduce checking account fees.

- **Moving your checking account checklist** (Also available in Spanish)

A 10-step checklist to help consumers close their current checking account and open a new checking account.

CREDIT

- **Act fast if you can't pay your credit cards** (Also available in Spanish)

Three steps consumers can take when they do not have enough money to pay their credit card bill. How to avoid debt-relief scams.

- **Credit discrimination is illegal** (Also available in Spanish)

Eight warning signs of credit discrimination and what consumers can do if they believe they have been discriminated against.

- **How to find the best credit card for you** (Also available in Spanish)

Four steps to shopping for a credit card, and definitions of credit card terms.

- **How to stop mystery credit card fees** (Also available in Spanish)

Consumers may not be aware that credit card add-on services are optional or cost more. This consumer advisory warns consumers to watch out for these extra fees.

- **Check your credit report** (Also available in Spanish)

How consumers can check their credit reports from the three nationwide credit reporting companies for free in order to find and dispute mistakes, update their information, and guard against identity theft.

- **Pay attention to your credit report** (Also available in Spanish)

Steps consumers can take to get and keep a good credit score. Explains what helps and what hurts their credit score.

- **You have a right to see specialty credit reports** (Also available in Spanish)

Specialty credit reporting companies collect and report credit history information about consumers. This consumer advisory informs consumers about their right to get free reports from these companies every 12 months.

- **How to fix mistakes in your credit card bill** (Also available in Spanish)

Five steps to dispute incorrect charges or fees on a credit card bill.

- **Know your rights when a debt collector calls** (Also available in Spanish)

Steps consumers can take when a debt collector calls. Explains what to ask and how consumers can protect themselves.

- **Understand your credit score** (Also available in Spanish)

This brochure explains what factors determine credit score, what consumers can do to raise their score, and how to check credit reports and fix mistakes.

- **Watch accounts closely when card data is hacked** (Also available in Spanish)

How consumers can keep a close eye on account activity and report suspicious transactions quickly.

MONEY MANAGEMENT

- **My new money goal**

This worksheet helps consumers gain a clear view of where their money goes now so they can more easily decide where they want it to go in the future.

- **Save some & spend some** (Also available in Spanish)

This brochure explains free and easy ways consumers can split their tax refunds between checking and savings accounts and purchase U.S. savings bonds so they can spend some and save some of their money.

- **Your disaster checklist** (Also available in Spanish)

This is a checklist to help consumers gather the financial information they would need after an emergency. It contains spaces for account information and customer service numbers as well as checklists of important documents they should have in case of an emergency.

- **Choosing your student loan** (Also available in Spanish)

Three steps to help guide consumers toward the student loans that are best for them.

- **Manage your college money** (Also available in Spanish)

This brochure explains how to choose and manage an account for college money, so consumers can avoid unexpected fees and get financial aid disbursements quickly.

- **SAVED: Five steps for making financial decisions** (Also available in Spanish)

These steps help consumers find the best deal when buying a financial product or service.

REMITTANCES

- **Remittance transfer rule factsheet for stakeholders** (Also available in Spanish)

This fact sheet is designed to help stakeholders such as financial counselors, instructors, and others understand and explain the remittance transfer rule and its protections for consumers. It explains when the rule applies, who is subject to the rule, what information consumers should receive, and what consumers can do if errors occur.

- **Send money abroad with more confidence flier** (Also available in Spanish, Chinese, French-Creole, and Tagalog)

This 8.5x11-inch flier tells senders of remittance transfers that protections are available to them and provides the CFPB's phone number and web address for more information.

- **Send money abroad with more confidence poster** (Also available in Spanish, Chinese, French-Creole, and Tagalog)

This 24x36-inch poster tells senders of remittance transfers that consumer protections are available to them and provides the CFPB's phone number and website address for more information.

- **Send money abroad with more confidence brochure** (Also available in Spanish, Chinese, French-Creole, and Tagalog)

This 3.75x8.5-inch brochure outlines the consumer protections available to senders of remittance transfers. It tells consumers that not all companies that transmit money abroad are covered by the federal rule.

- **Send money abroad with more confidence fact sheet** (Also available in Spanish, Chinese, French-Creole and Tagalog)

This 8.5x11-inch fact sheet provides a more detailed explanation of the consumer protections that apply when consumers send remittance transfers covered by the Bureau's remittance transfer rule.

MORTGAGES

- **Shopping for a mortgage? What you can expect under federal rules** (Also available in Spanish, Chinese, French, Haitian Creole, Korean, and Tagalog)

This 18-page booklet explains the federal rules that protect consumers when they are shopping for a new mortgage.

- **Have a mortgage? What you can expect under federal rules** (Also available in Spanish, Chinese, French, Haitian Creole, Korean, Tagalog)

This 11-page booklet explains the federal rules that protect consumers as they manage their mortgage payments.

- **Considering a reverse mortgage** (Also available in Spanish)

Explains how a reverse mortgage works and outlines important questions consumers can ask when talking to a housing counselor or other adviser about their reverse mortgage options and alternatives.

- **Need help with your mortgage? Don't get scammed** (Also available in Spanish)

This brochure explains mortgage relief scams and offers tips on how to spot and avoid them and how to get help.

- **Ready to buy a home?** (Also available in Spanish)

This checklist of questions helps consumers understand whether they are financially prepared for the responsibility of homeownership.

- **Should I refinance?** (Also available in Spanish)

This brochure helps homeowners to consider warning signs about their current mortgage situation, review financial goals and potential outcomes, and determine whether refinancing their mortgage makes sense.

OLDER CONSUMERS

- **Know your financial adviser** (Also available in Spanish)

Provides questions older consumers can ask to determine if their financial adviser is really an expert in senior financial planning.

- **Managing someone else's money: Help for guardians of property and conservators** (Also available in Spanish)

This guide helps family members and others understand their role as a court-appointed guardian of property or conservator. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else's money: Help for agents under a power of attorney** (Also available in Spanish)

This guide helps family members and others understand their role as an agent under a power of attorney. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else's money: Help for representative payees and VA fiduciaries** (Also available in Spanish)

This guide helps family members and others understand their role when a government agency names them to manage someone else's benefit payment checks. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else's money: Help for trustees under a revocable living trust** (Also available in Spanish)

This guide helps family members and others understand their role as a trustee under a revocable living trust. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Money Smart for Older Adults: Prevent Financial Exploitation – Participant/Resource Guide** (Also available in Spanish)

This guide provides information on how older adults and their caregivers can guard against identity theft, investment fraud, scams, and other forms of elder financial exploitation, and how to prepare financially for unexpected life events. Community organizations that wish to offer the course in their communities can order the instructor materials from the FDIC.

fdic.gov/consumers/consumer/moneysmart/olderadult.html

- **Protecting residents from financial exploitation: A manual for assisted living and nursing facilities**

This manual helps staff of long-term care facilities prevent, recognize, and report elder financial exploitation. The guide features a detailed list of warning signs of financial abuse and a model protocol that facilities can use to protect older adults. Family caregivers and service providers can learn about preventing financial exploitation of vulnerable older facility residents.

- **Pension advance products**

This brochure warns consumers to be wary of loans based on pension or benefits payments that may charge exorbitant interest rates, and in the case of veterans, are often against the law.

SERVICEMEMBERS AND VETERANS

- **CFPB Office of Servicemember Affairs** (Also available in Spanish)

Describes the work of the Office of Servicemember Affairs within the CFPB to provide servicemembers, military families, and veterans with information and tools to make the financial decisions that will serve their goals and avoid unfair financial business practices.

- **Guide for servicemembers tackling student loan debt**

The Bureau offers tips to servicemembers for managing student loan debt.

consumerfinance.gov/f/201405_cfpb_servicemember-student-loan-guide.pdf

- **Choosing a financial professional**

This advisory encourages servicemembers and veterans to check a financial adviser's background before deciding where to get help in making important financial decisions. Not all titles or credentials for financial professionals are the same.

consumerfinance.gov/f/201401_cfpb_guide_choosing-financial-professional.pdf

- **Military money 1-2-3: How to pick a bank account**

These guidelines help servicemembers find a military-friendly bank account that meets their needs and offers good rates.

OTHER

- **Unwrapping gift cards: Know the terms and avoid surprises** (Also available in Spanish)

This brochure explains the types of gift cards and the protections consumers have. It explains what consumers can do when they give or get gift cards in order to understand the terms and conditions.

Reports and White Papers

The Bureau has issued many reports and white papers on financial capability and the consumer financial marketplace. A selection of key reports and white papers are listed here in reverse chronological order. To see all of the Bureau's public reports, visit consumerfinance.gov/reports/.

- **A closer look at reverse mortgage advertisements and consumer risks** (June 2015)

This report examines incomplete and inaccurate statements used to describe reverse mortgages in many advertisements. These ads may leave older homeowners with the false impression that reverse mortgage loans are a risk-free solution to financial gaps in retirement.

consumerfinance.gov/reports/a-closer-look-at-reverse-mortgage-advertisements-and-consumer-risks/

- **Advancing K-12 financial education: A guide for policymakers** (April 2015)

This resource guide is designed to help connect policymakers with tools, information, and insights to enhance K-12 financial education efforts.

consumerfinance.gov/reports/advancing-k-12-financial-education-a-guide-for-policymakers/

- **Consumer voices on credit reports and scores** (February 2015)

This report is based on focus groups with consumers about their experiences with and perceptions of credit reports and scores.

consumerfinance.gov/reports/consumer-voices-on-credit-reports-and-scores/

- **Financial well-being: The goal of financial education** (January 2015)

This report provides a conceptual framework for defining and measuring success in financial education by delivering a proposed definition of financial well-being and insight into the factors that contribute to it.

consumerfinance.gov/reports/financial-well-being/

- **Financial well-being: What it means and how to help** (January 2015)

This short digest summarizes the key findings of the report *Financial well-being: The goal of financial education* (January 2015), and is intended as a tool to help financial education practitioners use the findings in a meaningful way to assist consumers.

consumerfinance.gov/reports/financial-well-being/

- **Consumers' mortgage shopping experience** (January 2015)

This report uses data from the National Survey of Mortgage Borrowers to examine consumers' experience with the early stages of getting a mortgage, consumer knowledge of the process of getting a mortgage, and the sources of information consumers relied on.

consumerfinance.gov/reports/consumers-mortgage-shopping-experience/

- **Consumer credit reports: A study of medical and non-medical collections** (December 2014)

This paper describes characteristics of the medical and non-medical collections trade lines on consumers' credit reports, and the processes by which they appear and disappear.

consumerfinance.gov/reports/consumer-credit-reports-a-study-of-medical-and-non-medical-collections/

- **Annual report of the CFPB student loan ombudsman** (October 2014)

The Dodd-Frank Act established a student loan ombudsman within the CFPB. This annual report analyzes complaints submitted by consumers with student loans from October 1, 2013, through September 30, 2014. The largest subset of private student loan complaints the Bureau handled relates to the lack of repayment options and flexibility in times of distress.

consumerfinance.gov/reports/annual-report-of-the-cfpb-student-loan-ombudsman-2014/

- **Financial wellness at work** (August 2014)

This report provides case studies designed to educate employers about practices that can improve employees' financial health and increase productivity.

consumerfinance.gov/reports/financial-wellness-at-work/

- **Building financial capability in youth employment programs** (August 2014)

This report includes information on integrating financial education into youth employment programs, including establishing partnerships with employers and strategies for working with financial institutions.

consumerfinance.gov/reports/building-financial-capability-in-youth-employment-programs/

- **Rigorous evaluation of financial capability strategies: Why, when, and how – perspectives from the field** (January 2014)

Randomized controlled trials hold promise to produce the highest standard of quantitative evidence about the effectiveness of financial capability programs, but they can be difficult to implement successfully. As part of its research program, the Bureau convened a roundtable discussion with evaluators, funders, and program staff involved in ongoing or recent evaluations of financial capability programs. This report summarizes the insights shared by participants about successful strategies and pitfalls.

consumerfinance.gov/f/201401_cfpb_report_rigorous-evaluation-financial-capability.pdf

- **Navigating the market: A comparison of spending on financial education and financial marketing** (November 2013)

To understand the information sources consumers could be exposed to in making financial decisions, the Bureau commissioned a study of the size and scope of the financial information field. The report finds that for every dollar spent on financial education in the United States, \$25 is spent on consumer financial marketing. The results highlight the need for high-quality sources of unbiased financial information, and innovative, scalable methods for providing financial education to consumers.

consumerfinance.gov/f/201311_cfpb_navigating-the-market-final.pdf

- **Empowering low income and economically vulnerable consumers: Report on a national convening** (November 2013)

The low-income and economically vulnerable population includes as many as 100 million people, many of whom are un-banked, under-banked, or have thin or no credit files. The Office of Financial Empowerment hosted a forum to examine the unique consumer financial product and service needs of these consumers. This report captures the reflections and insights of attendees and describes some of the strategies the Bureau is pursuing to address the issues identified.

consumerfinance.gov/f/201311_cfpb_report_empowering-economically-vulnerable-consumers.pdf

- **Public service & student debt: Analysis of existing benefits and options for public service organizations** (August 2013)

This report analyzes existing student loan repayment programs and options for employees of public service organizations. The Bureau estimates that more than 25 percent of the U.S. labor force works in “public service” as that term is defined by Congress for purposes of special loan repayment and forgiveness programs that are available to assist student loan borrowers working in these organizations. This includes teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers.

consumerfinance.gov/f/201308_cfpb_public-service-and-student-debt.pdf

- **Feedback from the financial education field** (May 2013)

The Bureau conducted a series of listening sessions and issued a public request for information on effective financial education. The Bureau asked what consumers need to know to be successful in managing their finances and engaging with financial services providers, and what challenges consumers face in acquiring this knowledge and practical experience. This report summarizes the results of these outreach efforts and outlines how they are shaping the CFPB’s work to help consumers make sound financial decisions and navigate the financial services marketplace.

consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf

- **Transforming the financial lives of a generation of young Americans: Policy recommendations for advancing K-12 financial education** (April 2013)

The Dodd-Frank Act directs the Office of Financial Education within the CFPB to educate consumers and empower them to make better-informed financial decisions. To that end, the Bureau developed policy recommendations for supporting the financial education and capability of youth in America. This white paper articulates these policy recommendations, provides an overview of the financial decision-making context that consumers navigate, surveys some existing efforts in the K-12 financial education field, and outlines a comprehensive approach to youth financial education.

consumerfinance.gov/f/201304_cfpb_OFE-Policy-White-Paper-Final.pdf

- **Senior designations for financial advisers: Reducing consumer confusion and risks** (April 2013)

The Dodd-Frank Act directed the Bureau's Office for Older Americans to make recommendations to Congress and the Securities and Exchange Commission (SEC) on best practices for disseminating information regarding the legitimacy of certifications of financial advisers who advise seniors, and methods a senior can use to identify the financial adviser most appropriate for the senior's needs and to verify a financial adviser's credentials. The recommendations refer to other policymakers, particularly at the state level, who have primary authority over many senior designees and therefore can improve the marketplace for consumers in this area.

consumerfinance.gov/f/201304_CFPB_OlderAmericans_Report.pdf

Complaint snapshots

The Bureau's reports include periodic complaint snapshots that analyze consumer complaints received by the Bureau to see how consumers are faring in using financial products and services, and identify trends. The most recent snapshots covering particular types of complaints are listed here in reverse chronological order.

- **Overseas & underserved: Student loan servicing and the cost to our men and women in uniform** (July 2015)

This report outlines the challenges faced by servicemembers when they contact student loan servicers to invoke the military rights and protections earned through their service. The report relies primarily on the more than 1,300 complaints the Bureau has received from military borrowers related to the servicing or collection of student loans since the publication of the Bureau's last report on this topic in October 2012.

consumerfinance.gov/reports/overseas-underserved-student-loan-servicing-and-the-cost-to-our-men-and-women-in-uniform/

- **A snapshot of complaints received from servicemembers, veterans, and their families** (April 2015)

This is the Bureau's third report detailing the data and trends surrounding complaints from servicemembers, veterans, and their families. This report discusses the types and trends of military consumer complaints the CFPB has handled since opening its doors in

July 2011. The Bureau has received complaints from servicemembers, veterans, or family members in all 50 states and from all branches and ranks of the military.

consumerfinance.gov/f/201504_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf

- **Mid-year update on student loan complaints** (June 2015)

The Bureau received more than 3,100 private student loan complaints and more than 1,100 debt collection complaints related to student loans between October 2014 and March 2015. This mid-year update discusses specific co-signer issues reported by borrowers and also offers analysis and discussion to address other issues reported by consumers in the student loan marketplace.

consumerfinance.gov/reports/2015-mid-year-update-on-student-loan-complaints/

- **Consumer Response annual report** (March 2015)

This report provides an overview of how Consumer Response handles complaints and presents an analysis of complaints received from January 1, 2014 to December 31, 2014.

consumerfinance.gov/reports/2014-consumer-response-annual-report/

- **Snapshot of reverse mortgage complaints December 2011-December 2014** (February 2015)

This snapshot provides an overview of consumer complaints submitted to the CFPB involving reverse mortgages from December 2011 through December 2014.

consumerfinance.gov/reports/snapshot-of-reverse-mortgage-complaints-december-2011-2014/

- **A snapshot of debt collection complaints submitted by older consumers** (November 2014)

This snapshot provides an overview of debt collection complaints submitted to the CFPB by older consumers from July 2013 to September 2014.

consumerfinance.gov/reports/a-snapshot-of-debt-collection-complaints-submitted-by-older-consumers

- **Snapshot of older consumers and mortgage debt** (May 2014)

Older homeowners are carrying more mortgage debt than ever before. Today, compared to a decade ago, fewer older consumers own their home outright. In this snapshot, the Bureau analyzes data from the Census Bureau, the Federal Reserve, and the CFPB's own consumer complaints to describe the growing number of older consumers carrying mortgage debt, and the risks that this trend presents to their financial security.

consumerfinance.gov/f/201405_cfpb_snapshot_older-consumers-mortgage-debt.pdf

- **Credit reporting complaint snapshot** (February 2014)

This snapshot provides an overview of complaints about credit reporting companies submitted to the CFPB from October 22, 2012 to February 1, 2014.

consumerfinance.gov/reports/credit-reporting-complaint-snapshot/

Consumer advisories

The Bureau periodically issues consumer advisories that provide guidance to consumers on particular consumer challenges that come to the Bureau's attention through the complaint process, the news, or other means. The Bureau's consumer advisories can be found at consumerfinance.gov/blog/category/consumer-advisory/.

- **Consumer advisory: Four things older Americans can do about debt collection problems** (November 2014)

This advisory helps older consumers who are experiencing debt collection problems.

consumerfinance.gov/blog/four-things-older-americans-can-do-about-debt-collection-problems/

- **Consumer advisory: Your benefits are protected from garnishment** (May 2015)

Threats to garnish federal benefits cause older consumers and veterans significant distress, especially when they depend on this income to pay essential living costs. This advisory and sample letter can help consumers protect themselves against improper garnishment.

consumerfinance.gov/blog/consumer-advisory-your-benefits-are-protected-from-garnishment/

- **Consumer advisory and investor bulletin: Planning for diminished capacity and illness** (June 2015)

This joint CFPB and SEC advisory and bulletin helps consumers plan for the possibility of incapacity.

consumerfinance.gov/blog/planning-for-financial-decisions-as-you-age/

- **Consumer advisory: Three steps you should take if you have a reverse mortgage** (February 2015)

This advisory helps existing reverse mortgage borrowers and/or family members who may be experiencing a problem with their reverse mortgage loan.

consumerfinance.gov/blog/consumer-advisory-three-steps-you-should-take-if-you-have-a-reverse-mortgage/

- **Consumer advisory: Don't be misled by reverse mortgage advertising** (June 2015)

This advisory helps prospective reverse mortgage borrowers understand some key features of reverse mortgage loans that often are not mentioned in advertisements.

consumerfinance.gov/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/

- **Consumer advisory: Are unpaid debts a military career-killer?** (January 2015)

Military personnel who have trouble handling their personal finances can find their duty status, potential promotions, and even their military careers in jeopardy. Over time, the burden of debt also can add stress to their personal relationships and damage their credit profile. This advisory helps military consumers think about what to do when a financial problem arises.

consumerfinance.gov/blog/are-unpaid-debts-a-military-career-killer/

- **Consumer advisory: 3 pension advance traps to avoid** (March 2015)

Many retirees depend on a pension to cover day-to-day as well as occasional unexpected expenses. This advisory helps older consumers protect their pension when considering a pension advance.

consumerfinance.gov/blog/consumer-advisory-3-pension-advance-traps-to-avoid/

- **Consumer advisory: 7 ways to keep medical debt in check** (December 2014)

Medical collections make up 52 percent of collection accounts on credit reports, far outpacing all other types of debt. This advisory suggests ways consumers can minimize medical debt.

consumerfinance.gov/blog/consumer-advisory-7-ways-to-keep-medical-debt-in-check/

- **Consumer advisory: Virtual currencies and what you should know about them** (August 2014)

This advisory provides basic information about virtual currency.

consumerfinance.gov/blog/consumer-advisory-virtual-currencies-and-what-you-should-know-about-them/

- **Consumer advisory: Stop getting sidetracked by your student loan servicer** (October 2013)

Student loan servicers generally decide how to allocate payments in excess of the amount due. This advisory helps consumers maximize the effectiveness of their student loan payments that are in excess of the amount due.

consumerfinance.gov/blog/consumer-advisory-stop-getting-sidetracked-by-your-student-loan-servicer/

- **Consumer advisory: Accessing your scholarships and student loan funds** (August 2012)

This advisory helps consumers receive funds from scholarships, grants, and student loans.

consumerfinance.gov/blog/consumer-advisory-accessing-your-scholarships-and-student-loan-funds/

- **Consumer advisory: Don't fall for a foreclosure relief scam or bogus legal help** (July 2014)

This advisory helps consumers attempting to avoid foreclosure identify when a mortgage modification offer may be a scam.

consumerfinance.gov/blog/consumer-advisory-dont-fall-for-a-foreclosure-relief-scam-or-bogus-legal-help/

- **Good credit – I want that!** (April 2013)

This blog explains credit basics and ways consumers can improve their credit score.

consumerfinance.gov/blog/good-credit-i-want-that/

- **You could still end up paying interest on a zero percent interest credit card offer** (September 2014)

This blog post helps consumers understand common credit card promotions.

consumerfinance.gov/blog/you-could-still-end-up-paying-interest-on-a-zero-percent-interest-credit-card-offer/

- **Four steps you can take if you think your credit or debit card data was hacked** (January 2014)

This blog helps consumers minimize the effects of credit and debit card information theft.

consumerfinance.gov/blog/four-steps-you-can-take-if-you-think-your-credit-or-debit-card-data-was-hacked/

- **Prepare your finances for emergencies** (December 2012)

This blog post suggests ways consumers can organize and store their financial information to more quickly recover from an emergency.

consumerfinance.gov/blog/prepare-your-finances-for-emergencies/

- **Protecting and rebuilding your finances after a disaster** (November 2012)

Starting over after a disaster can be difficult. This blog post considers some of the complex choices, uncertainties, and expenses consumers may face after a disaster.

consumerfinance.gov/blog/protecting-and-rebuilding-your-finances-after-a-disaster/

- **So how many consumer reporting companies are there?** (July 2012)

This blog post provides information about consumer reporting companies.

consumerfinance.gov/blog/so-how-many-consumer-reporting-companies-are-there/