

March 4, 2024

Bill: HB815 Maryland Financial Empowerment Center Network Pilot Program

Introduction

The [Cities for Financial Empowerment Fund](#) (CFE Fund) writes to provide its insight on HB815, which would establish a Maryland Financial Empowerment Center Network pilot program. While we are supportive of the bill's goal to expand access to one-on-one financial counseling services across the State of Maryland, and appreciate the embrace of the CFE Fund's high-quality national program, we encourage the State that the final bill and its implementing regulations ensure direct alignment with the [Financial Empowerment Center](#) (FEC) model and our dozens of city and county government partners across the United States, including both the City of Baltimore and the City of Gaithersburg. By ensuring that the implementing agency coordinates explicitly with the national FEC program platform, Maryland counseling providers will directly benefit from being integrated into program resources and learning communities.

The CFE Fund

The CFE Fund is a national nonprofit organization that has worked with over 100 cities and counties to help them implement large-scale, systemic financial empowerment initiatives for their residents, including access to safe and affordable banking accounts, one-on-one financial counseling as a public service, asset building, and consumer financial protection. The CFE Fund supports municipal efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting-edge experience with large scale programs, research, and policy in cities of all sizes, the CFE Fund assists mayors and other local leaders in over 110 cities and counties to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. The CFE Fund has disbursed over \$66 million in grant support to municipal partners.

The CFE Fund's Financial Empowerment Center (FEC) National Platform

First launched in New York City in 2008 under then-Mayor Michael R. Bloomberg, and then replicated throughout the country under the CFE Fund's FEC Public platform, the FEC model of professional, one-on-one financial counseling as a free public service is now active in 31 cities and counties across the country, with dozens more working towards local launches. FECs have worked with more than 150,000 clients, helping them reduce debt by more than \$225 million, and build their savings by \$45 million. Professionally-trained FEC counselors help clients with low to moderate incomes manage their finances, pay down debt, increase savings, establish and build credit, and access safe and affordable mainstream banking products.

The core tenets of the FEC model are:

- Financial counseling is provided as a **no-cost public service**, with counseling delivered **one-on-one** to empower clients to address complex financial challenges.

- Counselors are **professionally trained** according to the CFE Fund's rigorous [FEC Counselor Training Standards](#) and a Code of Ethics. Counselors also participate in a vibrant national learning community.
- Counseling services are managed through **rigorous data**; the CFE Fund's central national FEC database collects over 200 client data points, and impact is measured against specific financial behavior change outcomes.
- Because financial instability impacts the need for, and success of, other social services, **strategic FEC partnerships** with other services such as housing and foreclosure prevention, workforce development, prisoner reentry, and benefits access are critical.
- Financial counseling serves a critical public need, and **government oversight**, as opposed to dollars disbursed directly to community providers. provides for credibility, accountability, scale, public service integrations, and program **sustainability**.

The CFE Fund has developed [FEC Academy](#), a streamlined program entry point that supports local governments around the key building blocks of launching and implementing the FEC model, and includes significant CFE Fund technical assistance, access to planning resources and information, a robust learning community, and planning grant funds. It also is the entry point to our implementation grant funding array. The CFE Fund welcomes the opportunity to connect with Maryland localities and onboard their FEC's through the FEC Academy.

We appreciate the opportunity to provide feedback on this bill. We have seen the impact that one-on-one financial counseling services can have, and we encourage you to ensure that this bill more deliberately reflects this rigorous platform opportunity for residents across the State.

Sincerely,



Jonathan Mintz
President and Chief Executive Officer
Cities for Financial Empowerment Fund