



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Provides Guidance to National Banks on Financial Literacy Programs

WASHINGTON -- The Office of the Comptroller of the Currency issued guidance providing national banks with information on the types of financial literacy programs that have been undertaken by banks and aspects of those programs that have been most important to their success.

“Financial literacy programs help consumers develop the skills to accumulate wealth, secure access to credit, lower transaction costs and avoid becoming victims of fraudulent and deceptive business practices,” said Comptroller John D. Hawke, Jr. “From the perspective of bank participants in these programs, they also help develop new bank customers while enhancing the bank’s visibility in the communities they serve.”

The OCC provided national banks with information on different types of financial literacy activities. The advisory letter issued today describes several broad categories of these activities, the factors that have been most important to their success and pitfalls to avoid in structuring financial literacy programs. Banks may be involved in these programs either through their own efforts or through joint initiatives with not-for-profit and government organizations:

- *Basic banking and asset building programs* which include elementary, high school and adult education programs, provide a working knowledge of the U.S. banking system and encourage consumers to reach long-term goals;
- *Credit management and repair programs* enable consumers to correct and learn from previous financial mistakes;
- *Homeownership counseling* prepares consumers for what is often the largest single investment in a lifetime;
- Education aimed at recognizing and avoiding *abusive lending practices* can protect consumers at risk of obtaining inappropriate loan products;
- *Small business and microenterprise technical assistance* provide entrepreneurs with practical business knowledge.

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“While most consumers enjoy the benefits of the longest period of sustained economic growth, too many households remain on the fringes of the banking system,” said Deputy Comptroller for Community Affairs Anna Alvarez Boyd. “Financial literacy programs open the doors to more options for consumers and enable them to make better informed choices in the financial marketplace.”

The OCC also announced that a proposal has been sent to the *Federal Register* to amend 12 CFR part 7 to clarify the conditions under which a school where a national bank participates in a financial literacy program will not be considered a branch under the McFadden Act. The proposal will reduce regulatory burden on national banks that participate in financial literacy programs principally intended to teach students the principles of personal economics or the benefits of saving for the future.

Bank participation in financial literacy programs that target low- and moderate-income individuals can be structured to receive positive consideration under the lending, investment and service tests of the Community Reinvestment Act.

The various types of financial literacy initiatives and examples of financial literacy and counseling programs are available on the [Financial Literacy Resource Guide](#) on the Community Affairs page of the OCC website www.occ.treas.gov/cdd/commfoc.htm.

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The OCC charters, regulates and examines approximately 2,200 national banks and 56 federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation’s banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.