

**U.S. DEPARTMENT OF EDUCATION,
FEDERAL DEPOSIT INSURANCE CORPORATION, AND
NATIONAL CREDIT UNION ADMINISTRATION
FINANCIAL ACCESS AND FINANCIAL EDUCATION COLLABORATION
AGREEMENT**

I. Purpose and Basis for Agreement

This Collaboration Agreement establishes a partnership among the U.S. Department of Education (Education), Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA). Education, FDIC and NCUA agree on the importance of increasing access to safe, affordable, and convenient bank and share accounts among students and their families, with particular emphasis on low- and moderate-income¹ students and families, to promote savings and limit fees paid by these students and families for basic financial products and services (financial access). The three agencies also agree on the importance of providing effective financial education to students and their families, with particular emphasis on low- and moderate-income students and families, to help them increase their financial literacy and develop positive financial behaviors, such as saving for college, avoiding excessive debt, and budgeting (financial education).

Under the terms of this Collaboration Agreement, Education, FDIC, and NCUA will work together to enhance opportunities for financial access and financial education by helping schools and local organizations provide low- and moderate-income students and families with the tools, knowledge, and skills to make wise financial decisions and build strong financial futures. Education, FDIC, and NCUA hereby commit to identifying ways in which each agency, as well as the three agencies together, can provide technical assistance and information on best practices, and otherwise promote and enhance financial access and literacy for low- to moderate-income students and families.

II. Background Information

The U.S. Department of Education is the agency of the Federal government that establishes policy for, administers, and coordinates most Federal assistance to education. Education's mission is to serve America's students—to *promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring*

¹ The agencies are in agreement that there will be particular emphasis on “low- and moderate-income students and families.” Consistent with 12 C.F.R. §§ 345.12(m)(1-2) and 701.34(a)(2), for the purposes of this agreement, this term is defined to mean individual students and families with an income that is less than 80 percent of the area median income or median family income that is less than 80 percent in the case of a census tract delineated by the Census Bureau.

equal access. Education's elementary and secondary programs annually serve more than 14,000 school districts and approximately 56 million students attending some 97,000 schools. Education's programs also provide grant, loan, and work-study assistance to about 11 million postsecondary students, as well as funding for adult learners to develop basic skills and prepare for postsecondary education.

Two Education efforts – Financial Education for College Access and Success and Excellence in Economic Education – focus explicitly on financial literacy, while others may include financial and economic literacy, financial access, or asset-building within their funded activities. These include Promise Neighborhoods, TRIO Upward Bound, TRIO Talent Search, GEAR UP, and College Access Challenge Grants. In addition, the office of Federal Student Aid places substantial emphasis on educating students and families about the value of investing in higher education and the Federal programs that can help make college affordable.

The Federal Deposit Insurance Corporation is an independent Federal agency created by Congress in 1933 to insure bank deposits and maintain stability and public confidence in the nation's banking system. The FDIC is managed by a five-member Board of Directors appointed by the President and confirmed by the Senate. The FDIC receives no congressional appropriations to carry out its mission as deposit insurer and bank regulator. The money for these purposes comes from the deposit insurance premiums paid by banks and savings associations and from earnings on investments in U.S. Treasury securities. In addition to its primary role as a bank regulator, the FDIC is committed to ensuring that consumers have access to financial products and services that are well-structured, easy to understand, and competitively priced, and believes financial education may be most effective when consumers have opportunities to practice concepts soon after instruction by using their own savings or transaction accounts.

In 2009, the FDIC released the findings of its FDIC National Survey of Unbanked and Underbanked Households, breaking new ground in gaining understanding of which Americans remain outside the banking system. The FDIC maintains several initiatives to help consumers gain access to affordable, appropriate products at FDIC-insured financial institutions, and help consumers learn how to manage their finances and banking products effectively. For example, the FDIC's small-dollar loan pilot has illustrated how banks can profitably offer affordable small-dollar loans as an alternative to high-cost credit products, and resulted in a template of essential product design and delivery elements for safe, affordable and feasible small-dollar loans. On August 10, 2010, the FDIC's Board of Directors approved implementation of a pilot to evaluate the feasibility of insured institutions offering safe, low-cost transactional and savings accounts. In addition, the Alliance for Economic Inclusion (AEI) is the FDIC's national initiative to establish broad-based coalitions of financial institutions, community-based organizations, and other partners in several markets across the country to bring all underserved populations into the financial mainstream.

The FDIC's *Money Smart for Young Adults* is one example of instructional materials that help educators teach youth between ages 12 and 20 the basics of handling their money

and finances, including how to create positive relationships with financial institutions. It can be supplemented with the MP3 or online self-paced versions of the FDIC's instructional materials.

The National Credit Union Administration is the independent Federal agency that charters and supervises Federal credit unions. NCUA, backed by the full faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund (NCUSIF), insuring the savings of 80 million account holders in all Federal credit unions and many state-chartered credit unions. NCUA is managed by a three-member Board appointed by the President and confirmed by the Senate. NCUA carries out its mission as credit union supervisor and insurer, using operating fees and share insurance assessments paid by credit unions and earnings on investments in the U.S. Treasury. NCUA also manages the Community Development Revolving Loan Fund, an appropriated fund established to support the efforts of qualifying credit unions through loans and technical assistance. In 2010, NCUA established a new consumer protection unit that enhances the focus on financial education as a key mission of the agency.

III. Duties and Responsibilities of Each Party

Education will:

- A. Notify grantees in its relevant programs – such as GEAR UP, TRIO Talent Search, TRIO Upward Bound, Promise Neighborhoods, College Access Challenge Grants, the Financial Education for College Access and Success initiative, and Excellence in Economic Education – of the opportunity to receive technical assistance from FDIC and NCUA on developing, implementing, or enhancing their financial access and financial education programs, and encourage these grantees to invite FDIC and NCUA staff to speak to them on these topics through webinars or conference calls or at conferences.
- B. Notify FDIC and NCUA of Education conferences and similar types of events that will benefit the purposes of the partnership.
- C. Collaborate with FDIC on identifying strategies and opportunities to enhance the capacity of educators to effectively deliver financial education in the classroom.
- D. Continue its current collaboration with FDIC on ensuring the *Money Smart* and *Money Smart for Young Adults* instructional materials provide timely and accurate information on options to pay for a college education, including Federal student financial aid.
- E. Add to its free.ed.gov Internet Web site a link to the *Money Smart* and *Money Smart for Young Adults* Web pages to provide students, teachers, and families access to important financial education and financial access information free of charge.
- F. Share with its grantees and with teachers participating in the National Financial Capability Challenge, a Treasury Department initiative, information about the opportunity to participate in the FDIC's longitudinal evaluation of the *Money Smart for Young Adults* instructional materials. (The decision of whether an interested party

may participate will be made by the FDIC and the entity expressing interest in participating, not by Education.)

- G. Examine opportunities to track outputs and outcomes from Education-funded activities related to the goals and purposes of this partnership, such as the number of students educated, teachers trained, and Federal student financial aid applications submitted. Education will share relevant data with FDIC and NCUA, if available and consistent with the provisions of the Privacy Act and the Family Educational Rights and Privacy Act.
- H. Notify relevant Federal and non-Federal stakeholders of this collaboration with FDIC and NCUA for the purpose of identifying further opportunities for collaboration and support, through broad dissemination methods, such as press releases and by providing information on the Education Web site.

FDIC will:

- A. Provide technical assistance at no cost to Education grantees on developing, implementing, or enhancing financial access programs, such as by connecting grantees with nearby Alliances for Economic Inclusion or financial institutions participating in the Safe Accounts Pilot Program, as requested by Education or its grantees, subject to staff availability, for the purpose of increasing the number of low- and moderate-income students and families who have access to a safe, affordable, and convenient bank account and for promoting savings. Where possible, FDIC will encourage financial institutions and other stakeholders to accompany accounts with financial or other incentives for these students and families to save.
- B. Provide technical assistance at no cost to Education grantees on developing, implementing, or enhancing financial education programs, such as by providing *Money Smart for Young Adults* Train-the-Trainer workshops or webinars, at no cost, as requested by Education or those grantees, subject to staff availability, for the purpose of increasing the financial literacy of low- and moderate-income students and families and for promoting the development of positive financial behaviors. Training sessions conducted by FDIC staff generally require a minimum of 15 participants. An online Train-the-Trainer video may be substituted for classroom Train-the-Trainer sessions.
- C. Consider requests made by Education to speak on financial education and economic inclusion during grantee conference calls or webinars convened by Education. For example, FDIC will consider requests from Education to conduct *Money Smart* Train-the-Trainer sessions at regional conferences for educators convened by Education.
- D. Share with Education results from the FDIC's longitudinal evaluation of the *Money Smart for Young Adults* instructional materials upon completion of the survey project. Results are anticipated to be available by 2013.
- E. Collaborate with Education on identifying strategies and opportunities to enhance the capacity of educators to effectively deliver financial education in the classroom.

- F. Collaborate with Education on ensuring that FDIC's *Money Smart* and *Money Smart for Young Adults* instructional materials provide timely information on options to pay for a college education.
- G. Examine opportunities to track outcomes from FDIC's activities related to achieving the goals and purposes of this partnership, such as the number of students and families opening new share and bank accounts and saving money. FDIC will share relevant data with Education and NCUA, if available and consistent with the provisions of the Privacy Act and the Family Educational Rights and Privacy Act.
- H. Provide at no cost to Education grantees, educators, or other interested parties, CD-ROMs of the *Money Smart* instructional materials. The instructional materials can be requested using the order form on the FDIC's Web site.
- I. Help Education promote the National Financial Capability Challenge by encouraging FDIC Community Affairs staff to make FDIC community-based partners aware of the Challenge and encourage them to consider participating, if eligible. In particular, FDIC will alert the more than 40,000 financial education stakeholders who subscribe to *Money Smart News* of the opportunity to participate and encourage financial institutions to consider working with educators who participate in the Challenge to deliver financial education and appropriate banking services.
- J. Collaborate with NCUA to explore opportunities to make insured credit unions aware of the *Money Smart* program and opportunities to use it as a foundation for their financial education initiatives. In particular, if NCUA chooses to update Letter to Federal Credit Unions 01-FCU-06 to alert credit unions to the availability of new versions of *Money Smart*, FDIC will provide technical assistance to NCUA on the content of the Letter as it pertains to the *Money Smart* program.
- K. Notify relevant Federal and non-Federal stakeholders of this partnership for the purpose of identifying further opportunities for collaboration and support.

NCUA will:

- A. Provide technical assistance at no cost to Education grantees on developing, implementing, or enhancing financial access programs, such as by connecting credit unions serving low- and moderate-income communities with nearby grantees, as requested by Education or its grantees, subject to staff availability, for the purpose of increasing the number of low- and moderate-income students and families who have access to a safe, affordable, and convenient bank and share account and for promoting savings. Where possible, NCUA will encourage financial institutions and other stakeholders to accompany bank and share accounts with financial or other incentives for these students and families to save.
- B. Provide technical assistance at no cost to Education grantees on developing, implementing, or enhancing financial education programs, as requested by Education or those grantees, such as by participating in educational conferences, workshops, or webinars, subject to staff availability, for the purpose of increasing the financial

literacy of low- and moderate-income students and families and for promoting the development of positive financial behaviors.

- C. Consider making loans and grants from its Community Development Revolving Loan Fund to qualifying credit unions that partner with public schools or Education grantees to provide low- and moderate-income students with access to safe, affordable, and convenient bank and share accounts and to increase the financial literacy of low- and moderate-income students and families.
- D. Examine opportunities to track outputs and outcomes from this partnership, such as the number of grantees trained, students educated, new bank and share accounts opened, and money saved. NCUA will share relevant data with FDIC and Education, if available and consistent with the provisions of the Privacy Act and the Family Educational Rights and Privacy Act.
- E. Help Education to inform the public about the National Financial Capability Challenge by encouraging insured institutions to reach out to local high schools encouraging them to participate in the Challenge and offering, where possible, participation incentives to high-achieving teachers and students.
- F. Consider opportunities to make insured credit unions aware of the *Money Smart* program and opportunities to use it as a foundation for their financial education initiatives. In particular, NCUA will consider updating Letter to Federal Credit Unions 01-FCU-06 to alert credit unions to the availability of new versions of *Money Smart*.
- G. Consider including “school partnerships” as a topic for the upcoming year of NCUA conferences with credit unions around the country and otherwise promoting partnerships between credit unions and Education grantees or schools, as it provides ongoing technical assistance to credit unions.
- H. Notify relevant Federal and non-Federal stakeholders of this partnership for the purpose of identifying further opportunities for collaboration and support.

IV. Joint Responsibilities of the Parties

ED, FDIC, and NCUA will:

- A. Meet on a regular basis, on a schedule to be developed and agreed upon by the agency contact persons named in this Agreement, to discuss how best to achieve the goals and purposes of this Agreement and, in particular, how best to carry out the activities outlined in Article III.
- B. Jointly, periodically evaluate the agencies’ progress in carrying out the activities outlined in Article III of this Agreement.
- C. Collaborate on the development of additional short- and long-term goals toward achieving the purposes of this Agreement, which may be included in appropriate amendments to this Agreement, as agreed to by the parties.

- D. Collaborate on the evaluation of the overall effectiveness of the activities undertaken by the agencies under the terms of this Agreement.
- E. Collaborate on the development of plans for the dissemination of promising practices and lessons learned as a result of the activities carried out under the terms of this Agreement.

V. General Provisions

- A. Amendments/Modifications: This Collaboration Agreement may be amended and modified as agreed to in writing by all parties.
- B. Effective Date and Termination: This Collaboration Agreement shall take effect once it has been signed by the authorized officials of the respective parties, as designated below. It shall remain in effect until terminated by mutual written agreement or upon 30 days advance written notice by any party.
- C. No Endorsement of Products and Services: To avoid conflicting interests, or the appearance of conflicting interests, Education, FDIC, and NCUA are each prohibited from endorsing any product belonging to or services rendered by nongovernmental parties.

VI. Limitations

- A. This Collaboration Agreement is for the sole and exclusive benefit of the signatory parties and shall not be construed to bestow any legal right or benefit upon any other persons or entities. This Agreement documents the signatories' intention to cooperate to promote financial access and financial literacy according to the understandings set forth herein. Any provision of this Agreement that conflicts with Federal law is null and void.
- B. Each party shall be responsible for its costs and costs of its staff involved in implementing the provisions of this Agreement and shall be responsible for any liability arising from its own conduct and retain immunity and all defenses available to them pursuant to Federal and state law. No party agrees to insure, defend, or indemnify any other party.
- C. No party to this Agreement shall be liable for any injury to any other party's personnel or damage to any other party's property unless such injury or damage is compensable pursuant to the Federal Tort Claims Act (28 U.S.C. 1346 (b)).

This Agreement does not confer rights to any other party.

VII. Authorities

- A. Education enters into this Collaboration Agreement under authority of § 415 of the Department of Education Organization Act (DEOA) (20 U.S.C. 3475) and consistent with the purposes set forth in § 102(4), (5) and (6) of the DEOA (20 U.S.C. 3401(4), (5) and (6)).

- B. FDIC enters into this Collaboration Agreement under authority of § 9(a) Third of the Federal Deposit Insurance Act (12 U.S.C. 1819(a) Third).
- C. NCUA enters into this Collaboration Agreement under authority of § 120(f)(2)(A) of the Federal Credit Union Act. (12 U.S.C. § 1766(f)(2)(A)).

VIII. Points of Contact

Education:

Phil Martin
Confidential Assistant
Assistant for Financial Education and Student Aid
Office of the Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202
(202) 260-2831
Fax: (202) 205-0063
phil.martin@ed.gov

FDIC:

Luke W. Reynolds
Chief, Outreach and Program Development
Division of Supervision and Consumer Protection
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
(202) 898-6724
Fax: (202) 898-6566
lureynolds@fdic.gov

NCUA:

Moisette I. Green
Director, Consumer Compliance and Outreach
Office of Consumer Protection
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428
(703) 518-1140
Fax: (703) 518-6672
mgreen@NCUA.GOV

IX. Signatures

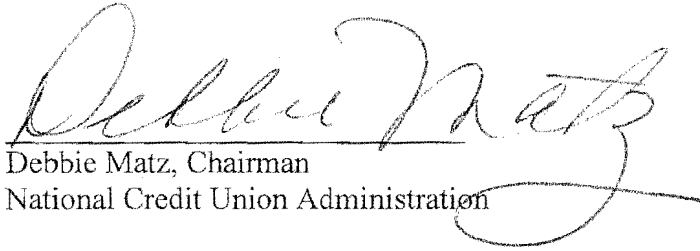
In Witness whereof, the undersigned, duly authorized officers have subscribed their names on behalf of the parties this 15th day of November 2010.



Arne Duncan, Secretary
U.S. Department of Education



Sheila C. Bair, Chairman
Federal Deposit Insurance Corporation



Debbie Matz, Chairman
National Credit Union Administration