

116TH CONGRESS  
2D SESSION

# H. R. 6012

To require the Director of the Bureau of Consumer Financial Protection to establish a grant program to facilitate financial literacy programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2020

Mr. DAVID SCOTT of Georgia (for himself, Mr. STIVERS, Mrs. BEATTY, Mr. HILL of Arkansas, Ms. DEAN, and Mr. LOUDERMILK) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the Director of the Bureau of Consumer Financial Protection to establish a grant program to facilitate financial literacy programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Financial  
5 Education and Empowerment Act”.

6 **SEC. 2. FINANCIAL LITERACY GRANT PROGRAM.**

7 (a) IN GENERAL.—Not later than 1 year after the  
8 date of the enactment of this Act, the Director of the Bu-  
9 reau of Consumer Financial Protection shall establish a

1 program to award grants on a competitive basis to eligible  
2 entities to facilitate financial literacy programs as de-  
3 scribed in subsection (d).

4 (b) APPLICATION REQUIREMENTS.—To be eligible to  
5 be awarded a grant under the program established under  
6 subsection (a), an eligible entity shall submit an applica-  
7 tion to the Director at such time, in such manner, and  
8 containing such information as the Director may require,  
9 including information on—

10 (1) the curriculum and design of the financial  
11 literacy program proposed by the eligible entity, in-  
12 cluding a description of how such program meets the  
13 requirements of subsection (d);

14 (2) expected participants in the proposed finan-  
15 cial literacy program;

16 (3) who is expected to be employed or otherwise  
17 involved with the proposed financial literacy pro-  
18 gram, including—

19 (A) administrators;

20 (B) consultants; and

21 (C) financial advisors; and

22 (4) a prospective budget for the proposed finan-  
23 cial literacy program.

24 (c) GRANTS.—

1           (1) AMOUNTS.—The Director shall determine  
2           the amount of each grant awarded under the pro-  
3           gram established under subsection (a).

4           (2) TERM.—A grant awarded under the pro-  
5           gram established under subsection (a) shall be for a  
6           term of 12 months.

7           (3) CONSIDERATIONS.—In awarding grants  
8           under the program established under subsection (a),  
9           the Director may consider whether the proposed fi-  
10          nancial literacy program of an applicant would ad-  
11          dress the types of abuse that result in a penalty  
12          being deposited into the Consumer Financial Civil  
13          Penalty Fund established under section 1017(d) of  
14          the Dodd-Frank Wall Street Reform and Consumer  
15          Protection Act (12 U.S.C. 5497(d)).

16          (4) RENEWAL.—An eligible entity may apply to  
17          renew a grant awarded under the program estab-  
18          lished under subsection (a) by submitting to the Di-  
19          rector a simplified renewal application that shall re-  
20          ceive expedited review.

21          (5) BUREAU OF CONSUMER FINANCIAL PROTEC-  
22          TION ANNUAL FINANCIAL LITERACY REPORT.—In  
23          awarding grants under this section, the Director  
24          shall consider information provided by the annual re-  
25          port that is required under section 1013(d)(4) of the

1 Dodd-Frank Wall Street Reform and Consumer Pro-  
2 tection Act (12 U.S.C. 5493(d)(4)).

3 (d) FINANCIAL LITERACY PROGRAM DESCRIBED.—

4 A financial literacy program described in this subsection  
5 is a program that provides the following:

6 (1) Instruction to participants, including indi-  
7 viduals who provide instruction with respect to fi-  
8 nancial literacy education, on one or more of the fol-  
9 lowing:

10 (A) Personal financial wellness.

11 (B) Credit and alternatives to credit.

12 (C) Management of student loan debt.

13 (D) Financial counseling for individuals  
14 who seek to attend a college, university, or vo-  
15 cational school.

16 (E) Preparation for homeownership.

17 (F) Basic investing.

18 (G) Financial saving, planning, and man-  
19 agement.

20 (H) Tax planning.

21 (I) Personal information security.

22 (J) Preparation for retirement.

23 (K) Entrepreneurship assistance or assist-  
24 ance in starting a business.

1 (L) Other topics as determined by the Di-  
2 rector.

3 (2) An in-person instruction component that—

4 (A) may be provided as a webinar, an in-  
5 classroom experience, or one-on-one financial  
6 coaching;

7 (B) includes—

8 (i) live, real-time instruction; and

9 (ii) an opportunity for students to en-  
10 gage with an instructor; and

11 (C) is not primarily comprised of self-  
12 taught instruction.

13 (e) FUNDING.—

14 (1) IN GENERAL.—The Director shall, in ac-  
15 cordance with section 1017(d) of the Dodd-Frank  
16 Wall Street Reform and Consumer Protection Act  
17 (12 U.S.C. 5497(d)), use amounts in the Consumer  
18 Financial Civil Penalty Fund to carry out this Act.

19 (2) AMOUNTS.—To carry out this Act, the Di-  
20 rector shall use until expended not less than—

21 (A) in fiscal year 2021, \$50,000,000; and

22 (B) in each allocation period starting after  
23 fiscal year 2021, the lessor of—

24 (i) \$25,000,000; or

1                   (ii) after allocation to victims has  
2                   been determined for the prior allocation  
3                   period, 50 percent of the remaining  
4                   amounts collected during the prior alloca-  
5                   tion period.

6                   (3) CONFORMING AMENDMENT.—Section  
7                   1017(d)(2) of the Dodd-Frank Wall Street Reform  
8                   and Consumer Protection Act (12 U.S.C.  
9                   5497(d)(2)) is amended—

10                   (A) by striking “, the Bureau may use”  
11                   and inserting “, the Bureau—

12                   “(A) may use”;

13                   (B) by striking “programs.” and inserting  
14                   “programs; and”; and

15                   (C) by adding at the end the following:

16                   “(B) shall use such funds for the grant  
17                   program established by the Consumer Financial  
18                   Education and Empowerment Act.”.

19                   (f) FINANCIAL LITERACY AND EDUCATION COMMIS-  
20                   SION REPORT.—Not later than 2 years after the Director  
21                   establishes the program under subsection (a), and every  
22                   5 years thereafter, the Financial Literacy and Education  
23                   Commission shall submit to Congress and the Director a  
24                   report that provides recommendations on how to improve  
25                   such program.

1 (g) DEFINITIONS.—In this section:

2 (1) ALLOCATION PERIOD.—The term “alloca-  
3 tion period” means the biannual allocation period of  
4 funds to a class of victims that occurs according to  
5 the schedule established pursuant to section  
6 1075.105(b) of title 12, Code of Federal Regulations  
7 (or any successor regulation).

8 (2) COMMISSION.—The term “Commission”  
9 means the Financial Literacy and Education Com-  
10 mission, established under title V of the Fair and  
11 Accurate Credit Transactions Act of 2003 (20  
12 U.S.C. 9701 et seq.).

13 (3) DIRECTOR.—The term “Director” means  
14 the Director of the Bureau of Consumer Financial  
15 Protection.

16 (4) ELIGIBLE ENTITY.—The term “eligible enti-  
17 ty” means—

18 (A) a State government, local government,  
19 or agency of a State or local government; or

20 (B) a nonprofit organization that—

21 (i) has knowledge of personal financial  
22 management;

23 (ii) has experience providing financial  
24 education; and

1                   (iii) has a history of achieving goals  
2                   and objectives of financial literacy pro-  
3                   grams.

4                   (5) NONPROFIT ORGANIZATION.—The term  
5                   “nonprofit organization” means an organization that  
6                   is described in section 501(c)(3) of the Internal Rev-  
7                   enue Code of 1986 (26 U.S.C. 501(c)(3)) and is ex-  
8                   empt from taxation under section 501(a) of such  
9                   Code.

10                  (6) STATE.—The term “State” means each  
11                  State of the United States, the District of Columbia,  
12                  each territory or possession of the United States,  
13                  and each federally recognized Indian Tribe.

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