



**Financial Education & Capability Commission
Meeting Minutes
May 22, 2018**

Present: Delegate Dana Stein (Co-chair), Senator Ronald Young, Robin McKinney (CASH Campaign of Maryland), Allen Cox (MCFL), Susanne Brogan (Treasurer's Office), Stuart Campbell (DHCD), Nora Corasaniti (DLLR), Meredith Mishaga (DLLR), Karen Straughn (OAG), Michele Johnson (Central Scholarship), Bruce Lubich (MD Association of CPAs), Tony Salazar (Commissioner of Financial Regulation, DLLR), Julia Graham (MSRP), Sally Guy (DLS), Ken Venick, Marquita Friday (MSDE), Lynne Gilli (MSDE), Donna Thomas (MHEC), Meg Woodside (Woodside Foundation), Sandy Comenetz (interested party). **Staff:** Sue Rogan & Holly Mirabella (CASH Campaign of Maryland)

Welcome and introductions

Review Minutes – Minutes from the November 2017 meeting were sent to the Commission via email. Susanne Brogan moved to approve, and the Commission approved the minutes unanimously.

Legislative Wrap-up

The Commission discussed the following bills from the 2018 Legislative Session:

- **Tuition Assistance for Community College:** Senator Young discussed the General Assembly's efforts to make Community College more affordable for low-income students. Senator Young explained that the new program will be first-come, first-serve, with priority based on income. Funding for the program will be \$15 million. Hope is to add money to it in future years. It also frees up about \$1 million for students at 4-year institutions to receive Senatorial Scholarships. Sen. Young would like to make college textbooks available free online.
 - **Outreach:** MHEC will be taking the lead on Community College Promise Scholarships. They will relay information through website, social media, text messaging. MHEC will share with Commission.
 - Question about what happens with existing programs (i.e. Garrett, Wicomico, and Baltimore City)? They will essentially save some money and be able to publicize more easily. This bill will allow award displacement, which is problematic and Central Scholarship would like to fix that (possible recommendation).
- **Debt letter:** The Commission acknowledged that Senator Klausmeier passed bill to expand the requirement of postsecondary schools to send a "debt letter" to students each year to include for-profit institutions.
- **For-profit college regulation:** Maryland's General Assembly passed new regulations of for-profit colleges including disclosure of refund policies, employment rates, costs and length of the program. These schools will also be required to pay into a guaranty fund, which is designed to support students if their for-profit college closes.
- **Debt Collection:** The Commission discussed two bills related to debt collection practices, which did not pass. One increases the amount of wages individuals can keep from being



garnished, and the other keeps individuals from being jailed over a civil debt. Both bills are expected to return next session.

- **For-profit College “Shopping Sheet”:** The Commission discussed a bill that would require for-profit colleges to provide prospective students with a shopping sheet that allows them to compare college costs. The bill did not pass.
- **Auto insurance:** The group discussed various bills related to auto insurance rate setting and acknowledged that the relevant legislation did not pass. The legislation is likely to come up again next year.
- **529 State Contribution Plan:** During session, the state match funding for Maryland 529’s Save4College Program was raised to \$500 for the two lowest income brackets. The student must be a Maryland resident, but the account holder does not need to be. CASH shared there will likely be a Baltimore City pilot program focused on improving access to the Save4College Program for low-income families. Below is an overview of the Save4College Program following changes from the 2018 Session:

Individual	Joint	*Minimum Contribution	State Contribution
\$49,999 or less	\$74,999 or less	\$25	\$500 (was previously \$250)
\$50,000 - \$87,499	\$75,000 - \$124,999	\$100	\$500 (was previously \$250)
\$87,500 - \$112,500	\$125,000 - \$175,000	\$250	\$250

- **Maryland Housing Counseling Fund:** DCHD noted that the General Assembly passed a bill to allow financial capability work to be including as a component in housing counseling.
- **Consumer Financial Protection Act:** The Act passed which creates a Student Loan Ombudsman and closed some loopholes around predatory lending. The Act also raises the amount for small dollar loan regulation up to \$25,000 and increases penalties for unscrupulous lending. Commissioner Salazar discussed the appointment and/or hiring of the Student Loan Ombudsman. The Commission also talked about a provision in the Act, along with a separate bill which sought to regulate student loan servicers, which did not pass.
- **Credit Reporting Agency Regulation:** Commissioner Salazar informed the group about HB848 which deals with the regulation of credit reporting agencies. He noted that Maryland has authority over credit reporting agencies, and the bill enhances penalties, increases agency reporting requirements, and includes a provision for bonding (first in the nation). The bill will increase access to freezes and thaws for vulnerable communities.



Financial Education & Capability Awards Summary

The Commission discussed this year's winners of the Financial Education & Capability Awards. Below is a full summary.

The CASH Campaign of Maryland, the Maryland Council on Economic Education and the Maryland State Department of Education coordinated the third annual Financial Education and Capability Awards. A number of nominations were received and the winners selected from 5 counties from across the state.

An awards reception was held on March 13, 2018 in the House of Delegates, where award winners received a certificate and cash award of \$1,000. Ten legislators attended the event, including five who presented proclamations to the award winners. The winners were also recognized during the floor session of the House of Delegates and Senate, where they also received resolutions and standing ovations in both chambers.

This Year's Winners:

- Elementary School Teacher or Program:
 - **Tracey Gay**, North Harford Elementary School (Harford County)
- Middle School Teacher or Program:
 - **Emily Shank**, Pittsville Middle School and Bennett Middle School (Wicomico County)
- High School Teacher or Program:
 - **Tim Rodman**, Walter Johnson High School (Montgomery County)
- Community Champion Award (Individual Educator):
 - **Karen Gibbs**, Community Champion (Baltimore County)
- Outstanding Organization Award:
 - **CASA** (Baltimore City)

Number of Nominations: 36

- Elementary School Teacher or Program: 3
- Middle School Teacher or Program: 2
- High School Teacher or Program: 22
- Community Champion Award (Individual Educator): 4
- Outstanding Organization Award: 5

Number attendees at the reception:

- General: 39
- Legislators: 8
- [Event photos](#) (photo credit Rick Lippenholz Photography)
- [Event video](#) (thanks to MSDE!)

Press:

- 4/27/18 [Three social studies teachers recognized for their work](#), AEGIS, Bel Air, MD & The Record, Havre De Grace, MD
- 4/6/2018 [Karen Gibbs' Financial Perspective and Advice for Women of Color](#) BALTIMORE TIMES, Baltimore, MD
- 4/6/2018 [State Recognizes Financial Education Award Winners](#), DAILY RECORD Baltimore, MD

Creating Assets, Savings and Hope



- 4/13/2018 [Teachers Financial Literacy Efforts Honored](#), DISPATCH, Salisbury, MD
- 3/29/2018 Rodman is Financial Literacy Teacher of '18, BRUNSWICK, Frederick, MD
- 3/26/2018 Pittsville and Bennett middle school teacher wins award, DAILY TIMES, Ocean City, MD

Financial Capability Survey

Every two years the Commission is required to review the state of financial capability work across Maryland. CASH discussed preliminary results of this year's survey including a call for help with outreach to ensure we are capturing all relevant organizations and agencies.

The respondents were mostly nonprofits; we need to capture government agencies. There is good coverage across the state, but would like to increase numbers in Baltimore City, Prince George's and Montgomery Counties.

The survey asked for the needs of current programs. The top items were attendance, program uptake, and help improving program quality. Credentialing and standardization are possible solutions per respondents.

The respondents highlighted the highest needs for their clients as jobs, affordable housing, access to financial services, and credit.

The Commission decided to re-open to capture more organizations.

- **Action item:** help needed to distribute the survey now through July 1 to CDFI organizations, those working with older adults and veterans, community action agencies, housing counselors, banks, credit unions, and relevant state agencies. Link: <https://www.surveymonkey.com/r/MDFINCAPFIELDSTUDY>

Potential Topics for 2018 Commission Meetings

- **Higher Education**
 - Recommendation: Award Displacement for Promise Scholarships
 - Student Loan Servicing
- **Sectors**
 - Government
 - CFPB Status – Accepting comments on Financial Education Work
 - Get report from Commission
 - Private sector – What are corporations, businesses doing in terms of financial capability work.
 - FinTech – might wait until 2019 when CFR is drafting report
- **Consumer Protection**
 - Monitored last year:
 - Auto – Insurance, predatory auto loans, auto supply issues
 - Debt Exemption (wage garnishments haven't been updated in 30 years, goal is to allow family to live just above the federal poverty limit), repairs



- Debtor's Prisons
- **Financial Education**
 - Elder Financial Education & Abuse, middle-aged individuals POAs, need help with education. Reverse mortgages, pension scams
 - Reentry
- **State Debt**

The Commission decided to focus on aging communities, reentry, and auto insurance.

- Reentry – Courts, Advocates, DLLR
- Auto- MVA, MIA
- Elder Abuse – Department of Aging, DLLR on reverse mortgages

Business

- Ethics form reminder
- Appointments update: we are still experiencing difficulty with the appointment process.

The following positions are open or pending:

- MSRP – candidates have applied
- Credit unions – candidates have applied
- Maryland 529
- Banker
- Nonprofit
- Credit Union
- Teacher

Remaining meeting dates for 2018:

- **July 31, 2018 from 10:00 AM-12:00 PM**
- **Sept 26, 2018 from 10:00 AM-12:00 PM**
- **Oct 22, 2018 from 10:00 AM-12:00 PM**

**All meetings will take place at Maryland Department of Transportation Headquarters
(7201 Corporate Center Dr., Hanover, MD 21076)**



Financial Education & Capability Commission
July 31st, 2018
Meeting Minutes

Members & Representatives Present: Evan Richards (on behalf of Co-chair Senator Klausmeier), Delegate Stein (Co-chair), Robin McKinney (CASH Campaign of Maryland), Julia Graham (MSRP), Jan Wagner (Central Scholarship), Meg Woodside (Woodside Foundation), Allen Cox (MCFL), Ken Venick (Equity Mortgage Lending), Erin Layton (Maryland 529), Bruce Lubich (MD Association of CPAs), Marquita Friday (MSDE), Angela Fraser (DHCD), Tony Salazar (DLLR), Nora Corasaniti (DLLR), Sean McEvoy (DLLR), Susanne Brogan (Treasurer's Office), Elizabeth Stern (OAG), Bill Gruhn (OAG)

Staff: Holly Mirabella & Sue Rogan (CASH Campaign of Maryland)

Interested Parties: Ellie Simmons & Jeff Tosi (MDOT), Michele Johnson (Central Scholarship), Princess Agna (Central Scholarship), Chris DiPietro (MFSA), Jen Diamond (MCRC), Sandy Comenetz (Interested Party)

Guest Speakers: Christine Nizer (MVA), Martin Schwartz (Vehicles for Change), Marceline White (MCRC)

1. Welcome and introductions – Delegate Stein welcomed the group, and individuals around the room introduced themselves and their organization.

2. Review minutes - Delegate Stein asked for feedback on the Commission's May minutes. Two minor changes were requested and the Commission voted unanimously to approve the updated minutes.

3. Financial Capability & Auto Ownership - At the May meeting, the group decided to explore auto lending and ownership costs and how they impact financial capability. The following speakers presented on various issues related to auto ownership and financial stability.

Christine Nizer, Administrator, MVA

- **Customer Service**

- Customer service is a priority under the current administration.
- Working hard to increase accessibility and streamline services. Most people know of branch locations, but MVA also manages VEIP stations (some open 24 hours), kiosks, send and receive 11 million pieces of mail each year, offer one-stop offices and online services. E-Z Pass and CharmCard can now be acquired online.
- MVA has also automated driver's license expungement process. Previously, individuals were confused about how to pursue driving record expungement, many did not know they were eligible, and the MVA saw a lot of rejections. To fix the problem, MVA now issues automatic expungement of eligible driving records.



- **Business Licensing**
 - Tag and title vendors – 407
 - Dealerships – 1,500 plus 5,000 salespersons
 - Driving schools – 264 (driver's ed is required for minor and adult drivers)
 - Driving instructors – 700
- **Consumer Protection Policies and Programs**
 - Insurance Debt Reduction Program ([SB888/HB912](#), 2016) – The purpose of the program is to reduce the number of uninsured vehicles in the State by incentivizing and enabling vehicle owners with delinquent uninsured vehicle penalties to become insured.
 - Under the program, MVA must:
 - (1) waive 80% of a vehicle owner's delinquent uninsured vehicle penalties that became delinquent before January 1, 2014, and
 - (2) require those vehicle owners to purchase and maintain the required security for their vehicles.
 - Intended for old debt (pre 2014), have to pay 20% in full or payment plan, register and insure a new vehicle or one registered in state 60 days, insurance monitoring for 6m-1y
 - MVA needed significant system modifications in order to implement the program, which they completed. MVA also worked with League for People with Disabilities to make sure they had updated addresses and emails
 - 6,451 enrolled, 2,909 did not fill requirements, default rate 45%
 - Lessons learned: The requirement to register a vehicle within 90 days was challenging for low-income participants. Many could not afford a car, which created a barrier to participation in the program. Additionally, only going back to debts prior to 2014 was too narrow and did not allow people with newer debts to participate.
 - [SB856](#) (2018) - This bill repeals the Uninsured Motorist Education and Enforcement Fund (UMEEF) within the Motor Vehicle Administration (MVA) and establishes UMEEF in the Maryland Automobile Insurance Fund (MAIF). Essentially, this bill transfers ownership of the program from MVA to MAIF.
 - Spot Delivery – Spot delivery occurs when a dealer allows a customer to leave with car on spot before final financing settled. Later, the terms can change and consumer has to either return car or accept higher payment/cost.
 - Prior 2015 - no time limit for retracting financing terms
 - 2015 – spot delivery legislation passed ([SB298/HB313](#)), requires written notice if financing is not approved within 4 days. If dealers fail to provide notice, they are held to the original terms and sale is final. The dealer does have the option to renegotiate, but if customer doesn't accept, then dealer must return trade-in.



- MVA completes audits – check to see if notice was provided, return occurred, and if inappropriate fees were charged. MVA also takes complaints. Information on the complaint process can be found [here](http://www.mva.maryland.gov/about-mva/info/12100/12100-51T.htm) (<http://www.mva.maryland.gov/about-mva/info/12100/12100-51T.htm>).
- **Q&A Notes**
 - MVA serves as a mediator when it comes to auto title loans and works with DLLR Commissioner on Financial Regulation. There are often issues with people having multiple loans against the same title and they have to trace which lender came first.
 - Driver education – MVA requires schools to work with low-income students to negotiate an affordable price. Each school must have policy for low-income students in place. Some schools loan vehicles and bring people to tests when they cannot access their own car.
 - In order to become a car salesperson you must pass a background check, complete an application, and must be affiliated with a dealer. There is no uniform test and training falls on dealership.
 - Information on standard fees are all listed on website, and will be sent to the Commission as a follow-up.
 - MVA reported that one of the biggest gaps they see is in education, and in need to address problematic advertising practices (created guidelines)
 - The Commission would like to see a list of non-driving related items that can suspend a driver's license or registration.
 - The MVA can send speakers to discuss various MVA programs and policies. They can be arranged through external affairs department.
- **Recommendations**
 - Promote and support strong consumer education.
 - Establish and grow partnerships with nonprofits and other agencies in order to provide consumer education and increase accessibility to services.

Marty Schwartz, Vehicles for Change

- Vehicles for Change Inc. (VFC) empowers families with financial challenges to achieve economic and personal independence through car ownership and technical training.
- Car ownership is a nationwide issue and job access is not just about public transportation.
- The two largest barriers to employment are childcare and access to reliable transportation.
- Right now, 60,000 low-income individuals in Baltimore region are without a car and often without ability to get to work through public transportation
- Public transit doesn't resolve the access barrier due to the "last mile issue". Individuals often need to walk an additional mile on average once they get off public transportation.

Creating Assets, Savings and Hope



- Car ownership is not just a social issue, economic issue. Unfortunately, cost precludes many from owning.
- VFC has provided 6,000 cars since 1999, but the demand significantly outweighs the supply.
 - Most recipients are single mothers with small children.
- VFC provides a loan of \$900 with warranty to purchase the car, which helps families build credit.
- 75% of VFC participants get or obtain a job with average of \$7,000 salary increase.
- 90% use their vehicles to access after school and recreational activities for their children.
- Parents spend an average of 60 minutes more at home with children.
- Car ownership also improves nutrition to access healthy food.
- **Q&A Notes**
 - The VFC program has an 8% default rate and 75% get better jobs.
 - VFC has worked with Bikemore to create a high school apprenticeship program to teach youth how to repair bikes.
 - VFC is building a partnership with Lyft, in hopes that individuals can use a VFC car, and require them to give a certain number of rides for low-income families. One issue is that the state has a law that requires Lyft and other rideshare programs to have a newer car. Most VFC cars are at least 10 years old.
 - VFC could access a significantly higher number of vehicles to help meet the demand if the state agreed to sell used cars.
 - Unfortunately, some are unable to be placed because of cost of insurance.
 - Auto auction houses unfortunately charge too much for VFC to benefit.
 - Rental car agencies often sell vehicles, but vehicles are typically newer, and lower in mileage than VFC can afford. Used rental cars can be sold for \$15-\$20,000.
 - VFC receives 3,000 donated vehicles, but only 350 will be good enough to provide to participants. They receive funding to award 450 cars (funding comes from Casey, Abell, State).
 - VFC can award 1000, but need donations (only 1/6 is in good enough shape)
 - Looking for 10-13 year-old card with (typically) 100-135,000 miles and less than \$1000 in parts needed. VFC has an auto repair business that targets those coming through the criminal justice system.
- **Recommendations**
 - Comprehensive transportation program (piloted in Baltimore)
 - Information on options – transportation expert in neighborhood
 - Van pool – enterprise, VFC would do repairs
 - Ride share database
 - Bike program
 - Car awards



- Car Repair Program
 - Providing discounted repairs and loans to qualified families

Marceline White, Maryland Consumer Rights Coalition

- Poverty has increased in MD since 1990.
- MD has one of the highest auto insurance rates. Average insurance is \$1,600 a year.
- VFC customers are spending 10-12% of their income on auto insurance.
- There is a lot of work on requiring insurance and the fines and fees associated with it, but not as much of an effort to make insurance affordable.
- People usually become uninsured after buying insurance, but then facing a financial emergency, rendering them unable to afford insurance.
- 330,000 MD consumers live where insurance is unaffordable, many in Baltimore City.
- Insurance is based on driving record, but also “who is more likely to file a claim”.
 - Credit scores are used in calculating insurance rates
 - Gender is used to determine rates; single woman pays more than a single man
 - Maryland’s limited liability costs are high and were recently raised by legislation
- MCRC attempted to pass legislation to limit the factors considered -gender, use of education and occupation, and use or credit. None of the bills passed.
 - New York banned the use of education in factors when their insurance commission looked into the research and found no basis for this factor. Other legislation was for a pilot program for affordable insurance. This program would make the insurance cost for the targeted low-income population the same that PA uses for all of its limited liability program participants. This legislation did not pass even though it is tax neutral and does not cost the state any money.
- Commission member suggestion: create a tax credit for insurance, but others noted that many consumers do not know about these tax credits to use them and unless it is refundable, it may not be as helpful.
 - Feedback – opt out is better for low-income communities – avoid putting burden on them to seek out assistance.
- **Low-cost Insurance Pilot Program**
 - MCRC also supported legislation to create a means-tested program for auto insurance.
 - Program would offer a new product for people (own lease or rent Baltimore City or County for 1 year, household not 250% of federal poverty line, must be previously licensed, and healthy driving record). The program would also cut the minimum liability requirements from 30/60 to 15/30. For context, 15/30 are the liability levels for the entire state of Pennsylvania.
 - Would drive down cost overall for uninsured



- Could be market-base or MAIF run (would need separate entity within MAIF)
- Passed out of subcommittee of Baltimore County, but did not move to full committee – Baltimore City and County
- Revenue neutral – wouldn't cost insurance companies, not profitable, but would cover itself
- Opposition:
 - Biggest opposition is from trial lawyers, open to other options.
 - MAIF is also concerned about capacity, funding, and risk.
- **Recommendations**
 - Limiting non-driving related factors
 - Low-cost insurance program
 - Idea – 1-5% charge on insurance to go into awareness fund for low-income program (idea could be applied to other fields)

4. Commission Discussion on Recommendations:

- Explore the state providing retired fleet vehicles to nonprofit car ownership program.
 - Retired state vehicles – would need legislation or regulation? Commission would like to see the return on state giving car v. auctioning the car.
- Exemption for workforce program on rideshare policy
 - Public service commission – “transportation network companies” – insurance and inspection requirements
 - Will bring more information back on that issue
- Broad, comprehensive transportation program – potential task force at state level
 - State subsidies for rideshare – some employers get tax break for providing some transportation to employees
 - Request for more information (possibly from Baltimore Workforce Development Corps)
- Auto insurance
 - Senator Young will be introducing his education and occupation & credit
 - Low-income pilot – MCRC calls for support (MAIF does not support)
 - MAIF rebuttable– they have a new payment incentive program option, which helps drop the cost of auto insurance in Baltimore City.
 - The Commission plans to revisit this issue by end of year
- Lack of funding and coordination on education – better coordination between public and private groups (explore at next meeting)

5. Financial Education & Capability Survey Results Summary – Robin McKinney noted to the group that we have approximately 20 fewer respondents than in 2015. CASH Campaign will be reaching out to members and other partners to make sure we capture as much of the financial capability field as possible.



6. Business

- Appointments update – At least two members will be appointed by the next meeting, but CASH is working hard with the Appointments Office to make sure the Commission is fully seated.

Meeting dates for 2017:

- September 26th 10:00am-12:00pm, MDOT Headquarters
- October 22nd 10:00am-12:00pm, MDOT Headquarters



Financial Education & Capability Commission
September 26th, 2018
Meeting Agenda

Members & Representatives Present: Evan Richards (on behalf of Co-chair Senator Klausmeier), Senator Ron Young, Jan Wagner (Central Scholarship), Allen Cox (MCFL), Meg Woodside (Woodside Foundation), Allen Cox (MCFL), Ken Venick (Equity Mortgage Lending), Bruce Lubich (MD Association of CPAs), Marquita Friday (MSDE), Stuart Campbell (DHCD), Nora Corasaniti (DLLR), Sean McEvoy (DLLR), Bill Gruhn (OAG)

Staff: Holly Mirabella & Sue Rogan (CASH Campaign of Maryland)

Interested Parties: Matt Power (Interested Party), Sandy Dodson (Interested Party), Franz Schneiderman (Consumer Auto), Genevieve Waterman (NCOA), Nick Beser (Guidewell), Margaret Henn (Pro Bono Research Center), Cody Reed (Pro Bono Research Center), Francine Hymn (MCRC), Lydia Williams (MD Dept. of Aging), Sandy Comenetz (Interested Party)

Guest Speakers: Lydia Williams (MD Dept. of Aging), Genevieve Waterman (National Council on Aging)

1. Welcome and introductions – Delegate Stein facilitated introductions and asked for approval of July minutes.

2. Review minutes – The Commission unanimously approved the July minutes.

3. Financial Capability for Older Adults

Genevieve Waterman, National Council on Aging

Not only are the number of older adults increasing, but so is their life span.

Of those who are 65+, 45 million are poor or near poor (2013)

- Half of 65 and older population have incomes of 25k or less.
- Typically, they are long-term unemployed and more likely to face foreclosures.
- Debt ratio has been increasing speed since 1998.
 - Medical debt is largest
 - The Recession led to increased credit card use, reverse mortgages, penalties for taking out retirement funds early.

Recommendations

1. Use the elder index on County, State, Fed level
 - For example, a Maryland couple with a mortgage needs \$46,692 annually to survive (\$42,000 nationally).
2. Benefits Education
 - Each year, people miss out on a total of \$20 billion in benefits

Creating Assets, Savings and Hope



- Benefits enrollment centers help close the education gap
 - Maryland has 3, service 4,090 from January to August this year.
 - Benefits Data Trust (Call center)
 - Arc of Prince George's County
 - Washington County
 - Centers are funded by the NCOA, and the State/city matches
- 3. Develop coordinated community systems
 - It is challenging for older adults to visit multiple agencies. Helpful to have "one stop shops".
- 4. Transportation- discounted vehicle repairs
- 5. In-home supports
- 6. Affordable housing

Additional notes:

- Many people are unaware that there is a penalty for not enrolling in Medicare on time.

Lydia Williams, Maryland Department of Aging

Guardianship: When a person is unable to take care of their personal or financial needs because of age, disease, or disability, the court may appoint a guardian.

- Maryland has 811 protected persons (also known as "wards"), but 23,000 inquirers about guardianship.
- Goal is to build up family and support networks to avoid guardianship.

2017 Top Financial Scams for Older Adults (Maryland)

1. Identity Theft
2. Imposter Scams (i.e. "this is the IRS calling", or those claiming a family member is in trouble)
3. Debt Collectors
4. MD Utility Scams

Who is affected?

- Educated, middle class, white males—"romance" and investment scams
 - Family is calling in because they are ashamed

\$29 Billion lost due to scams/abuse of older adults—60% by family

- Physical and mental health implications

Risk Factors for Financial Abuse

1. Lonely and isolated
2. Fear retaliation/ashamed
3. No knowledge
4. Cognitive impairment
5. Dependent of family or guardian

Remote notarization allowed but no protocols

- Currently a work group



- DLLR CFR –brought brochure

Project Safe

- Public Campaign to compete with scams
Number to call to report is NIS (DHS)

Recommendations

1. Bring stakeholders together
 - a. Faith-based funding and networks would be effective.
2. Screening of home healthcare providers
3. OAG—As of 2016 and January 2017—sole duty to pursue cases of financial abuse of those over 68 other vulnerable adults
 - a. Problem is often that the money is already spent
4. Conversation Project (website)-families need to have difficult conversations
5. Mortgage scams-referred to Title 3B attorneys
6. Advanced care planning—trainings through OAG and MDOA
7. Talbot Village Partnership (which has a \$200 membership)
 - Help community members age in place
 - Lawn
 - Pet Care
 - Rides
 - Growing movement—screening occurs

4. Discuss Recommendations

- Create an office or “elder abuse unit” within OAG specifically dedicated to working with aging population and financial abuse.
 - Right now, only one attorney to work on these issues.
 - Effort to create position or unit must be coupled with funding.
 - Goal of office would be to increase education, communication, and enforcement around financial abuse of elders.
 - Create a single place for information. Expand range on community outreach.
 - Unanimous Vote (11)
- Explore Methods to interrupt the sale of prepaid cards and other vehicles for fraud.
 - Check into what other states doing to prevent this.

5. Survey Results

- The CASH Campaign will follow up with anyone who has not filled out the survey to ensure a comprehensive overview of providers.

6. Business

- Appointments update:
 - Lynne Durbin has been appointed to replace Wilson Parran (Member of Board of Trustees of MD Teachers and State Employees Supplemental Retirement Plans).
 - Ken Venick has been reappointed (Mortgage Broker).



- Robin McKinney (CASH Campaign) and Meg Woodside (Woodside Foundation) have submitted applications for reappointment. Both should be reappointed by the end of Sept.
- Erin Layton will be appointed by the end of Sept. to replace Lauren Shipley (Maryland 529).
- MSEA will approve someone at their next board.
- Finally, we have spoken with MD Banker's Association and they have helped generate multiple applications to fill the bank position.

Meeting dates for 2018:

- October 22nd from 10:00am-12:00pm, MDOT Headquarters
- Next meeting – plan to invite JOTF, Department of Corrections – Correctional Education, CFPB



Financial Education & Capability Commission
October 22nd, 2018
Meeting Agenda

Members Present: Delegate Dana Stein (Co-chair), Robin McKinney (CASH Campaign of MD), Jan Wagner (MD Central Scholarship), Meg Woodside (Woodside Foundation), Allen Cox (MCFL), Ken Venick (Equity Mortgage Lending), Jennifer Griffin (MSDE), Stuart Campbell (DHCD), Tony Salazar (DLLR)

Interested Parties and Guest Speakers: Sandy Dodson (Maryland Automobile Insurance Fund), Angel Fraser (DHCD), Jen Diamond (MCRC), Erica Dubose (DLLR, Correctional Education), Mary Griffin (CFPB), Michele Waxman Johnson (MD Central Scholarship), Nora Corasaniti (DLLR), Sierra Boney (DLS), Sandy Comenetz (Interested Party).

Staff: Holly Mirabella (CASH Campaign of Maryland)

Welcome and introductions – Delegate Stein welcomed the Commission to the meeting and facilitated introductions.

Review minutes – Stuart Campbell moved to approve September minutes, Meg Woodside seconded, and Commission unanimously approved minutes.

Financial Capability for Returning Citizens

- **Erica DuBose, DLLR, Correctional Education**
 - Maryland prisons have full schools – academic, special education, ESOL, GED, postsecondary ed., vocational and life skills
 - State requirement to attend classes for 120 days per year
 - State offers diminution credits on sentences for attendance
 - Maryland has roughly 23,000 inmates
 - Average reading rate is between 5th and 8th grade
 - Literacy levels are tied to earning potential
 - Average wage of returning citizens is \$11.62/hour or \$22,000/year
 - Correctional Education offers financial education modules within other courses, but is not a stand-alone course due to limited funding.
 - Classes containing financial education module: Employment Readiness Workshop, Parenting, Success at Work, Workshop (inmates select what they want to learn about)
 - 6 week classes, 6 days on financial education
 - Educators work about 20 hours per week without benefits
 - Biggest issues facing incarcerated individuals and returning citizens
 - Child support
 - 65% of inmates in MD are parents (15,000)
 - Many incarcerated individuals are unaware that child support continues to accrue throughout their sentence.
 - Child support arrears can result in: Wages garnished, bank accounts frozen, alternative employment, not paying (under the table), tax returns take, driver's license suspended, recidivism

Creating Assets, Savings and Hope



- Inmates can ask for a modification, but must be aware this is an option
- Child care
 - Custodial parents often struggle to afford childcare which costs average at \$14,000/year or \$1227/month
 - Parent can ask for assistance from the state, but have to take the other parent to court for child support
 - This is a challenge with other parent is incarcerated.
- Lack of transportation and fees associated with suspended driver's licenses
 - Lack of transportation is particularly burdensome for rural returning citizens, where public transportation is limited
 - Required to visit parole office, which is challenging for those who lack transportation options
 - As of Oct. 1, if you're in an employment program, you can't get your driver's license suspended
 - One judge helps you do community service instead of paying ticket
 - Vehicles for Change hires mechanics through Correctional Education, and provides vehicles to families for free. Through the program with Vehicles for Change, 75% of those with car reported being able to increase income/access a job and 100% were able to take their children to afterschool activities.
- Affordable housing
 - Hard for sex offenders and anyone with drug distribution charge
- **Solutions**
 - Increase transitional housing options for returning citizens.
 - Allow credit counseling for incarcerated individuals, including increased access to credit reports in correctional institutions.
 - Expand down payment assistance programs for returning citizens to increase access to homeownership.
 - Successfully implement a 2012 bill (SB720) which requires the State to freeze child support collections when an individual will be incarcerated for 18 months or longer.
 - Provide counseling to explain legal rights and financial obligations prior to entering incarceration.
 - Require Department of Human Services to place representatives within correctional institutions to issue child support modifications.
 - Replicate or expand Baltimore City's Parking Amnesty Day, which eliminates penalties and fees associated with unpaid fines, when the fine is paid in full.
 - Expand Maryland's reentry navigator program.
 - Allow case managers to track former inmates to assist them in the reentry process.
- **Mary Griffin, Bureau of Consumer Financial Protection**
 - Regulates the offering of consumer financial protection products and help with consumer education and engagement
 - Office of Older Americans, Office of Service Member Engagement, Office for Students, Office of Community Affairs

Creating Assets, Savings and Hope



- Goal is to move country towards financial capability
- Created Financial Capability Scale, Offer Your Money Your Goals
- Reentry – 70-105 million Americans have criminal records
 - Financial challenges
 - Employment barriers (80-90% of employers do criminal background checks), can also ask any time during your employment
 - Consumer and criminal justice debt
 - Solutions
 - Provide incarcerated individuals with an opportunity to acquire their vital documents.
 - Create a tool showing the penalties of not paying consumer v. criminal debt.
 - Require and fund evidence-based financial education during incarceration.
 - Create an early intervention program to education individuals on their financial obligations and legal options prior to incarceration or in the earlier portion of their sentence.
- **Nikki Thompson, Job Opportunities Task Force**
 - JOTF advocates for better skills, wages and job opportunities for low-wage workers
 - Recently published report on the criminalization of poverty
 - Addresses policies and practices that unnecessarily penalize the poor without any benefit or restorative value for the individual
 - Maryland currently assesses fines and fees without ability to repay and assesses fines and fees in addition to sentence
 - Fines-charge is levied in order for an individual to meet the conditions of the punishment
 - Fees – administrative charges on the back end (i.e. parole-\$50 per day, drug testing, GPS monitoring fees) San Fran eliminated after an audit seeing that they aren't collected
 - Child support
 - In 2012 – bill passed to freeze child support if 18 month sentence or longer, but it is currently stalled due to implementation and computer system challenges
 -
 - Pretrial services
 - 50% of those incarcerated are pretrial and have not been convicted
 - This disrupts lives and enhances poverty when individuals cannot get to work
 - Pretrial services reform could allow these individuals to continue to work, access workforce training, affordable housing, drug treatment between arrest and court date
 - Less than 11% of the educational and training programs in our system are evidence-based
 - Civil debt collection reform
 - Body attachment
 - Driver's license suspension
 - Expungement
 - Oct 1 – 3 new laws, guilty and certain felonies to be expunged



- Difficult for practitioners and individuals to navigate
- Streamline
- Washington DC, PA, CT: Comprehensive expungement law (any misdemeanor after a certain period of time post-conviction)
 - MD it's after completion of sentence and not automatic
- Occupational licensing
 - Individuals often lose their occupational licenses due to a criminal record
 - Reform could allow individuals to retain or reacquire their licenses so long as a certain period of time passes since the charge(s) and if the crime is not related to the occupation
 - This can allow individuals with a criminal record to achieve or maintain financial stability, and can fill gaps in trade areas
- **Solutions**
 - Complete an audit of the amount of fines and fees it assesses within the criminal justice system, including the amount the State is able to collect.
 - Eliminate driver's license suspension as a penalty for owing civil debt.
 - Eliminate the use of body attachment as a means to obtain a record of a debtor's assets.
 - Fund statewide, evidence-based pretrial services.
 - Pass a comprehensive expungement law, which allows for automatic expungement of any misdemeanor after a certain period post-conviction.
 - Allow individuals with a criminal record to reacquire their occupational license after a certain period following their sentence, if the charge is not related to their occupation.

Discuss Recommendations

Finalized Recommendations:

- Eliminate award displacement for Maryland Community College Promise Scholarship recipients.
- Create and fund an office to address elder financial abuse within the Office of Attorney General.

Up for Discussion and Voting:

Auto Ownership

- Implement a low-cost auto insurance pilot program for Baltimore City or County.
 - Revenue neutral, for individuals with a clean driving record
 - 2-year pilot
 - Sandy from Maryland Auto – SB856 (2018), tasked MD Auto to study auto insurance costs. Concerns about drafting of low-cost pilot program legislation.
 - **Decision:** Commission will wait for the results of the study
- Eliminate non-driving related factors in auto insurance rate setting.
 - Education and Occupation – NY passed
 - Credit (Senator Young) –
 - Support both (Meg – seconded by Jan)
 - **Vote** – 9 in favor, 4 abstained
- Explore the state providing retired fleet vehicles to nonprofit car ownership programs.
 - **Decision:** Commission will continue to look into this topic.



- Explore the creation of an exemption for the age of vehicles in Maryland's rideshare policy for workforce development programs.
 - Decision: Commission will continue to explore.
- Create a state-level task force to study the development of a broad, comprehensive transportation program to ensure affordable transportation options for low-income individuals.
 - Delegate Lierman
 - CMTA
 - Eastern Shore and Western Maryland
 - Include financial education component
 - **Vote:** Stuart moved, Stein seconded 10 in favor, none opposed.
- Include rideshare programs in state and employer subsidy offerings.
 - Can be included in the transportation task force.
 - **Decision:** Explore.

Older Adults

- Explore methods to interrupt the sale of prepaid cards and other vehicles for fraud.
 - Payment transfers have messages to flag potential fraud
 - Difficult for retailers to train cashiers, or interrupt that sale
 - **Decision:** Office of Attorney General and Commissioner of Financial Regulation will set up a meeting with Retailers Association to discuss the issue.

Reentry issues to be discussed via **conference call**.

Business: Report due December 1, 2018