



Financial Education & Capability Commission
May 22, 2019
Meeting Agenda

Members Present: Senator Klausmeier, Senator Young, Robin McKinney, Allen Cox (MCFL), Stuart Campbell, Lynne Durbin (MSRP), Jennifer Griffin (MSDE), Meg Woodside (Woodside Foundation), Jan Wagner (Central Scholarship), Frank McNeil (PNC Bank), Lisa Norrington (MSEA), Meredith Mishaga (DLLR), Sean McVoy (DLLR), Bruce Lubich (MD Assn. of CPAs), Ken Venick (Equity Mortgage Lending)

Interested Parties: Helene Raynaud (CCCSMD), Genevieve Waterman (NCOA), Michelle Waxman-Johnson (Central Scholarship)

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

Welcome and introductions – Senator Klausmeier welcomed the group and facilitated introductions.

Review minutes – The group reviewed the November 2018 minutes, which were unanimously approved.

Legislative Session Debrief – The Commission reviewed its 2019 legislative wrap-up. The following items were discussed:

- Auto Insurance – There were a number of bills to eliminate the use of non-driving related factors in setting auto insurance rates. The bill that came closest to passing was the education and occupation bill ([HB329/SB233](#)), which passed the House, but died in the Senate Finance Committee.
- Financial Abuse of Older Adults – The Commission discussed [HB485/SB475](#), which would require OAG to create a unit specifically dedicated to addressing financial abuse of older adults. It did not pass, and there was some question on the Senate side whether it was assigned to the right committee. There might be discussion from bill sponsors this year about having it jointly-assigned.
- The CASH Campaign announced that it was successful in passing budget language and a bill to provide the organization with a \$200,000 grant for the first time.

Transportation Policy (Henry Bogdan, Maryland Nonprofits)

- Henry discussed [HB923/SB642](#), which calls on the State to create a task force to study transportation access to health care, jobs, and other basic necessities for low-income residents. He indicated that many of Maryland Nonprofits' members have been struggling with transportation barriers to accessing medical care, case management, and other nonprofit services.
- This bill came out of the Commission's 2018 annual report and recommendations.
- During Session, MDOT indicated that the original version of the bill would cost \$700,000 for them to implement. After some negotiations, MDOT agreed to a version of the bill



that requires to Task Force to only look at existing transportation reports/studies. The amended bill passed.

Discuss Topics for 2019

- In general: The Commission has 4 meetings per year (May, June, September, October), with an annual report due December 1st.
- Content meetings will be June and September, where we ask our presenters to discuss emerging trends in their respective fields, and provide sample legislative recommendations. The goal is to not host a “content” meeting in October so there can be robust discussion of recommendations for the annual report.
- *Proposed* items to discuss this year:
 - **June**
 - Access to banking/financial services
 - CASH and the Bank On initiative-What are banks, credit unions doing to expand their services, including access to their products.
 - MD Bankers
 - MD/DC Credit Unions
 - Del. Washington check casher bill
 - CFR – Oversight of industry. 40% of companies, mostly who are in the food/beverage industry, who are providing check cashing services do not fall with the existing regulations. Currently DLLR cannot investigate these companies without a consumer complaint.
 - Financial abuse of older adults
 - OAG
 - Baltimore Jewish Council
 - **September**
 - Central Scholarship – really interested in free college and what free really means. Oregon passed free college program and found that the enrollment at public universities dropped. There was some increase in community college enrollment but the messaging for the targeted audience, low to moderate income individuals has become very confusing. Need to focus on messaging, and make sure low-income and first generation college students are actually targeted properly by free college.
 - Any formerly homeless youth or foster youth can get free college in the state or apprenticeship.
 - Integration in state agencies/systems (Should we do in September or push to October?) One agency at each meeting.
 - Department of Disabilities/DLLR
 - MOED
 - Higher education
 - Save4College

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- The intended audience is not enrolling as anticipated. Parents and Caregivers need one on one help to enroll in this program. CASH can present on its Save4College navigator program. Might need some policy changes to make 529s more accessible, and make sure the funding for the Save4College is properly targeted for postsecondary ed, and actually benefits children living in low-income households.
- Tisa Silver-Canady SPIN – Comprehensive study on what higher education institutions in MD are doing around financial education. What is being done in post-secondary to teach financial skills? Include career training schools too.
- Anything left on for-profit schools or student loans?
- **October**
 - What is the public sector, government agencies doing in financial capability work? Overview of consumer protection laws? Are there holes and needs for other legislation?
 - Recommendations and Final votes

Other topics discussed

- **Scams**
 - June 10th-PROTECT WEEK. It's a public awareness campaign targeting older adults and their families/communities.
 - OAG – does lots of education, might need more money to pursue
 - How do we define scams?
 - OAG can come speak about what already exists in the law
 - Third party v. family and friends
 - Education v. enforcement
- Maryland nonprofits are responsible for paying 21% corporate tax rate on transit benefits for employees. Federal tax on nonprofits on transportation benefits. Can Commission address this?
- How do we formulate a recommendation? Take a look at our recommendations over the past few years. Should the Commission review its past recommendations whether the ones that made it into the report or the original ones?
- Bring into all the areas--those who have been incarcerated.

Business

- **Appointments update**
 - Frank McNeil – PNC, Affordable housing, community revitalization
 - Lisa Norrington – MSEA, Teacher in Baltimore County
 - Credit union position is pending (application is in)
 - Vacant position - Nonprofit

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Meeting dates for 2019:

- **June 13th, 2019 from 1:00pm to 3:00pm (MD/DC Credit Union Association)**
- **September 10th, 2019 from 1:00pm to 3:00pm (MD/DC Credit Union Association)**
- **October 8th, 2019 from 1:00pm to 3:00pm (MD/DC Credit Union Association)**

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Financial Education & Capability Commission
June 13th, 2019
Meeting Agenda

Present: Del. Stein (Commission Co-Chair), Evan Richards (Senator Klausmeier’s Chief of Staff), Senator Young, Sean McEvoy (DLLR, Office of the Commissioner of Financial Regulation) Tony Salazar (DLLR, Commissioner of Financial Regulation), Nancy Kopp (State Treasurer), Bill Gruhn (Office of Attorney General), Lynne Durbin (MSRP), Lisa Norrington (MSEA) , Erin Layton (Maryland 529), Ken Venick (Equity Mortgage Lending)

Interested Parties & Speakers: Brian Vittek, Carol Szaroleta (Destinations Credit Union), Helene Raynaud (CCCSMD), Neil Goldstein (Association of Financial Service Centers), Mindy Lehman (MD Bankers Association), Rory Murray (MD/DC Credit Union Association), John Bratsakis (MD/DC Credit Union Association)

Staff: Marisa Quin, Holly Mirabella (CASH Campaign of Maryland)

Review Minutes - Minutes approved.

Access to Financial Services

- **Neil Goldstein**, Executive Director, MD. Association of Financial Service Centers (MAFSC)
 - Represents check cashers across the state.
 - Overview of check cashers in Maryland.
 - Check cashers are subject to both state and federal oversight. Any business that cashes a check that results in a payment has to register with FinCEN (Treasury Department). There is a designated compliance office, anti-money laundering and terrorist financing procedures, training for employees, periodic review of compliance. They have to comply with Dodd-Frank and consumer protections on the federal side. The IRS can also audit check cashers.
 - At the state level - check cashing industry is partially regulated. Law requires them to be licensed and regulated by the Office of Financial Regulation within DLLR. For businesses that are licensed, they must adhere to fee restrictions, and post their fees at each location. They must also adhere to ID requirements and maintain a detailed records of transactions. Those who are licensed are also subject to site visits from regulators.
 - There is an exemption to this law if cashing checks is “incidental” to retail sale of goods and services and charge no more than 1.5% of the amount of the check. Problem is that there is no formal definition of the word incidental. Some argue that “incidental” might mean different things to different sized companies. This can make it hard to find bad actors in the check cashing space.
 - Consumer protection issue because consumers can’t necessarily tell who is and is not regulated.



- [HB1216](#) (2019) sought to remove this exemption. Bill is likely to be reintroduced in 2020 legislative session, but only with the requirement that all check cashers be licensed.
- **Mindy Lehman**, Senior Vice President of Government Relations and Communications, Maryland Bankers Association
 - Represents FDIC insured banks across Maryland
 - Scams and elder abuse
 - Banks previously operated under a voluntary reporting system, but reporting is now a mandatory requirement. Family members are often responsible for financial abuse.
 - Actively participating with a public-private partnership (Project SAFE). Project helps find ways to promote information on preventing scams, created two brochures on account ownership.
 - Promoting senior fraud awareness month.
 - Security and Privacy Center--promoting free financial security education
 - 2012 law-reporting goes to social services with OAG and policy department.
 - Access to banking
 - FDIC tracks how the banking industry serves the unbanked and underbanked. Underbanked individuals are folks who have accounts, but are also utilizing alternative financial services like payday lending and check cashers. The most common in Maryland, 2.5% are unbanked (lowest number in the history of the FDIC report) and 20% are underbanked.
 - Banks often offer no-fee or low-fee accounts, and work with customers who have a history of overdraft/owe banks money by offering "second chance" accounts.
 - Mobile banking is helping break down transportation barriers. However, not everyone has a smartphone, so mobile access is often restricted by income. Government programs in place to get people access to smartphones to offset this.
 - Financial education is critical part of banking access.
 - Policy recommendation: graduation requirement for financial education for Maryland secondary education.
- **John Bratsakis**, President/CEO, MD/DC Credit Union Association
 - Represents Credit Unions across Maryland and DC.
 - Credit unions are unique in that they have capped interest rates and fees. They also provide an education component for the communities and/or employers they serve. Credit unions also go into schools to provide financial education.
 - Operation HOPE - counseling center to help educate members on services they provide. They also help with credit building.
 - EVERFI - financial education provider, outside DC. Certification program for credit unions employees 25% of all staff are certified in elder exploitation.



- Policy recommendation: graduation requirement for financial education for Maryland secondary education. Improve consumer access to education on financial exploitation.
- **Kylie Delgado**, Program Manager, Bank On Maryland
 - Bank On is a nationwide program. Maryland has been given the opportunity to implement a statewide program. Kylie will be overseeing that program.
 - Forming a coalition with workforce development, banks, and credit unions. The
 - Goal is to make sure everyone has access to affordable and safe products without duplicating existing efforts.
 - Project has 3 parts:
 - Certified account process. Bank On certification process that there are certain national standards that banks should have.
 - Connecting communities of unbanked and underbanked to certified accounts.
 - Incorporating accounts into existing systems (i.e. workforce development).

Discussion of Possible Recommendations

1. **Support the regulation of all check cashing businesses** (HB1216 - Del. Washington's bill from 2019, as amended for 2020). Require registration of all check cashing business, close the loophole for mixed businesses, with the goal of making it revenue neutral.
 - Lisa Norrington motioned the recommendation and Lynn Durbin seconded the motion, but the recommendation did not come to a vote because Commission members asked to see the bill language first.
 - Holly to send the bill language from last year and the Commission will revisit in September.
2. **Elder financial abuse**: Del. Stein sponsored a bill to create the elder financial abuse unit within the Office of the Attorney General.
 - Franklin McNeil moved to support this recommendation and Lynne Durbin seconded the motion. The Commission voted to make this recommendation.
3. **Creating the financial education graduation requirement**. Sen. Young informed the Commission about the barriers to passing a graduation requirement.
 - Table this for next meeting to revisit when MSDE is at the meeting.

Business

- Appointments update - None.

Meeting dates for 2019:

- **September 10th, 2019 at 1:00 pm to 3:00 pm (MD/DC Credit Union Association)**
- **October 8th, 2019 from 1:00pm to 3:00pm (MD/DC Credit Union Association)**



Financial Education & Capability Commission
September 10th, 2019
Meeting Notes

Present: Del. Stein (Commission Co-Chair), Evan Richards (Senator Klausmeier's Chief of Staff), Tony Salazar (DLLR, Commissioner of Financial Regulation), Bill Gruhn (Office of Attorney General), Marquita Friday (MSDE), Lisa Norrington (MSEA), Erin Layton (Maryland 529), Ken Venick (Equity Mortgage Lending), Michele Johnson (MD Central Scholarship), Franklin McNeil Jr. (PNC Bank), Holly Mirabella (DHCD), Mary Hewitt (MCFL), Megan Schutz (Treasurer's Office)

Interested Parties & Speakers: Franz Schneiderman (Consumer Auto), Dariya Brown (Maryland Consumer Rights Coalition), Kim Fabian (Junior Achievement), Tisa Silver Canady, Tommy Tompsett (Harris Jones & Malone), Mary Clapsaddle (John Hopkins), Sarah Peters (MCDC CUA), Robin McKinney (CASH Campaign of Maryland)

Staff: Sue Rogan (CASH Campaign of Maryland), Lonia Muckle (CASH Campaign of Maryland)

Review Minutes - Minutes approved.

Survey of Postsecondary Institutions (SPIN)

- **Tisa Silver**, Higher Education & Finance Strategist
 - Review and study of financial education that college students have the ability to access.
 - Overview of Maryland's students
 - There are 360,000 postsecondary students in Maryland, and 174,000 of them use financial aid. Marylanders have a high rate of student loan debt, and 10% of people in Maryland have student loan payments that are delinquent or in default. There are many affordability initiatives that can help like the Student Loan Debt Relief Tax Credit, SmartStart, and many others.
 - SPIN Background and Findings
 - There was a scan of post secondary schools in the U.S. that offer financial capability programs as well as a statewide review of Maryland's higher education institutions. This review was completed by administering a survey and phone interviews. For the state of Maryland, SPIN surveyed 38 individuals from 29 institutions.
 - SPIN found that there were some financial education opportunities; however, the participation in these opportunities was most likely voluntary.



Most financial education programs are under the financial aid umbrella. This is concerning, because it excludes students who do not use financial aid. Many schools have more partnerships with banking institutions versus nonprofit organizations. There are not many full time positions dedicated to financial education. The issue many institutions face is that there is limited budget, staff, and resources.

- **Marquita Friday**, Director of Career Programs Career and Technology Education, MSDE
 - Financial literacy at the secondary level
 - Background
 - In the state of Maryland, all 24 school systems have to offer financial education to meet the state standards. 17 school systems integrate financial education into a high school course, while the other 7 school systems have a graduation requirements. Financial education in the school systems is monitored and reported by an annual survey of high school seniors and local school systems. There are numerous online resources for teachers, students, and parents that are vetted vendors to provide support. There are also many ways that school systems are addressing college costs. Students can earn college credit in high school, and they have the opportunity to participate in apprenticeship programs.
 - Challenges
 - There is a need for more teachers, and they need to be provided with more options in relation to professional development. Teachers also need support in their own financial security. It is difficult to create a requirements for certification, because there is not a generalized set of requirements.

Discussion of Possible Recommendations

1. **Establish a network of financial education professionals working in post-secondary institutions:**
 - Possible stakeholders: MHEC, USM, MICUA, Maryland Association of Community College
2. **Institutions provide outcomes from financial education program for K-12 as well as post-secondary**
 - MSDE requires every local school system to report on how they are assessing outcomes
 - Many post-secondary institutions don't track outcomes. There is a need to come up with a common set of outcomes and tracking.



3. Possible budget appropriation for campus financial education in USM

- House Appropriations Chair could discuss

4. Regulation of all check cashing businesses

- This would recommend that businesses who were not covered under the legislation passed last year will be included in the licensing requirement. The commission voted to make this a recommendation.

Business

- Appointments update - None.



Financial Education & Capability Commission
October 8th, 2019
Meeting Notes

Present: Senator Klausmeier (Commission Co-Chair), Senator Young (MD Senate), Lynne Durbin (Board of Trustees, MSRP), Jan Wagner (MD Central Scholarship), Erin Layton (Maryland 529), Jennifer Griffin (MSDE), Stuart Campbell (DHCD), Tony Salazar (DLLR, Commissioner of Financial Regulation), Bill Gruhn (Office of Attorney General), Marquita Friday (MSDE), Lisa Norrington (MSEA), Erin Layton (Maryland 529), Ken Venick (Equity Mortgage Lending), Michele Johnson (MD Central Scholarship), Franklin McNeil Jr. (PNC Bank), Mary Ann Hewitt (MCFL), Megan Schutz (Treasurer's Office), Robin McKinney (CASH Campaign of Maryland)

Interested Parties & Speakers: Franz Schneiderman (Consumer Auto), Tisa Silver Canady, Tommy Tompsett (Harris Jones & Malone), Mindy Lehman (MBA), Julie Weaver (Maryland Council on Economic Education), Lydia Williams (Maryland Office on Aging)

Staff: Sue Rogan (CASH Campaign of Maryland), Lonia Muckle (CASH Campaign of Maryland)

Review Minutes - Minutes approved.

Maryland 529

- **Erin Layton**, Interim Executive Director
 - History and Background
 - Maryland 529 was formerly known as the College Savings Plans of Maryland. It is self-funded, and it is administered by a board which includes 11 members. There are 2 plans that will help people start saving for a child's future education. The Maryland Senator Edward J. Kasemeyer Prepaid College Trust is also known as the Maryland Prepaid College Trust. The Maryland Senator Edward J. Kasemeyer College Investment Plan is also known as the Maryland College Investment Plan.
 - Save4College State Contribution Program
 - This program is designed to help low to moderate income families in Maryland save for higher education. Maryland contributes to Maryland College Investment Plan Accounts that were open after 2016. Depending on the income level of the person opening the account, the state will contribute \$250-\$500 if the minimum amount is added by November 1st.

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You must apply to receive the state contribution every year. Priority would go to first time applicants if funds run out; however, since the program began, all eligible and completed applications have received funding. The program is growing every year. In 2017, there were 3,000 applications. That number grew in 2019 to 24,000. Also in 2019, 37% of applications came from Baltimore City, and Prince George's County had the biggest increase of people applying. The program is reaching the target population. Individuals that make less than \$49,000 and households that make less than \$75,000 were the highest number of applicants.

- One concern is that in 2017 federal tax reform changed so that contributions can be used for K-12 education cost. There is an increase participants investing into cash accounts. This means that state funds could be used for K-12 expenses instead of college affordability. Another concern is that currently, multiple accounts with the same beneficiary can receive a state contribution. This means that the state is giving to some students more than once. There is also concern around the application process. The application can be taxing on the applicant, and this could lead to people not completing the form.

Maryland Attorney General: Consumer Protection Division

- **Karen Straughn**, Assistant Attorney General and Director of the Mediation Unit
 - Background
 - The Consumer Protection Division provides mediation to consumers to help resolve complaints against businesses and health insurance carriers. They have different units that provide services like Health Education Advocacy Unit and General Mediation. For example, the Health Education Advocacy Unit can file an appeal on behalf of the consumer. They are obligated to direct people to the appropriate government agency to solve their complaints. The Division also provides information about complaints that have been filed. They collect data about top complaints so they can target those industries.
 - There are publications about consumer protections in different industries on the Attorney General's [website](#). These publications include topics like solar panels. It provides information about different aspects to consider before buying solar panels. Electronic contracts are concerning, because the signature is not on the contract. This means that it's difficult to review the contract in advance. This is compounded by a narrow cooling off



period in certain industries. There are also many concerns with contracts of different products like mattresses, electronics, and used cars. It is not possible in some cases to receive a refund if a mattress is defective. Many companies will replace the defective mattress. If that mattress is defective again, they will continue to replace it instead of refunding the money. When certain electronics are broken, they must go to specific repair places who control the rates. A used car is considered sold as-is if the car is 6 years old or has more than 60,000 miles on the car. This voids any warranties that are on the car. The lemon law is not applicable in this situation.

- There are around 10,000 complaints in a year. The Division successfully mediates 60% of complaints. The services the Consumer Protection Division provides are free to the public. The Consumer Hotline number is 410-528-8662 and the email is mediator@oag.state.md.us. The Health Advocacy Hotline number 410-528-1840.

Discussion of Possible Recommendations

- 1. One state contribution match per beneficiary annually**
 - Voted for unanimous
- 2. The State Contribution Program can be used for only eligible postsecondary expenses**
 - Voted for unanimous
- 3. Establish a network of financial education professionals working in post-secondary institutions:**
 - Possible stakeholders: MHEC, USM, MICUA, Maryland Association of Community College
 - No legislation needed for this

Recommendations from Past Meetings

- 4. Create an Elder Financial Abuse Unit within the Office of the Attorney General.**
- 5. Regulation of all check cashing businesses**
 - This would recommend that businesses who were not covered under the legislation passed last year will be included in the licensing requirement.

2020 Recommendations Topics

- Community College PROMISE program
 - Limited and difficult to access



- Covers tuition and fees only
- Re-entry issues
- Insurance issues
- Fees/Fines
- Issue of people who lived in a home for a long time but not on the deed
- State government clearances are a barrier for those who have had an incident with the criminal justice system
- Credit freezing for those who are in prison
- Transportation

Business

- Appointments update - None.