

*Vermont JumpStart Coalition* appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) regarding updating the Community Reinvestment Act (CRA). This NPR represents the most significant changes to the CRA regulation and exams in 27 years.

CRA will be more effective in bolstering bank reinvestment activity in underserved communities, especially rural communities, when certain aspects of the regulation are more inclusive.

Today we write to you regarding question # 27 of the proposed rulemaking:

*Should consideration of financial literacy activities expand to include activities that benefit individuals and families of all income levels, including low- and moderate income, or should consideration be limited to activities that have a primary purpose of benefiting low- or moderate income individuals or families?*

JumpStart Coalition for Personal Financial Literacy is a 501 (c) (3) organization which includes 51 independent, affiliated state coalitions, including one in Vermont, that share a commitment to advancing youth financial literacy. Consisting of a diverse group of financial education stakeholders, including many banks, each coalition works together to educate and prepare our nation's youth for life-long financial success. Together we envision a nation of financially capable youth.

In addition to the nation program's key initiatives that include creating and publishing national standards that delineate personal financial knowledge by grade for k-12, providing a national educators conference (the only one like it in the county) and creating an online free clearinghouse of financial education resources, each independent state coalition provides boots on the ground financial literacy services to youth and teachers.

This direct work takes many different forms, from providing local educators conferences to going into the classroom and providing direct training to students, to piggybacking at other organizations events where we can share financial training in addition to the other topic of the event. A great example would be attending a 4-H event and sharing the concept of budgeting with the kids. In Vermont, we run an annual video contest that has kids research and

create a video around a financial topic. Past topics have included “Making Money Means Making Decisions” and “Save for a Rainy Day”.

Having knowledge and the proper tools to navigate ones finances is the **key** component to the very basic goals of CRA: the ability to borrow money for purchasing a home or running a small business/farm. CRA encourages, rather *mandates*, that banks lend money in the community they do business, but by using sound business practices. In order to accomplish this, borrowers must demonstrate they are a worthy credit risk. Having a sound understanding of their financial situation, understanding how to budget their money, and understanding how credit works are all key components important for a borrower to navigate the complicated world of access to credit.

Understanding how credit works is also an important factor in giving people knowledge, power and voice to speak up when they are being unfairly denied access to credit. The best way to stop red lining is to make it recognizable when it happens and a give victims a voice to speak up about it.

We at Jump\$tart strongly believe this education should start with our youth, and build as they grow!

Regarding the question at hand (#27), we **STRONGLY** feel consideration for financial literacy should expand to include activities that benefit individuals and families of all income levels.

In a rural state like Vermont, where each community has only one junior high or high school, or where several communities share the same school, it's impossible to provide financial literacy education to a majority low-to-moderate income (LMI) students for any given activity, because there so few schools that have said majority. Under the current CRA regulations, in order for a banker to get CRA credit for the volunteer classroom work they do (under the Service Test) the banker would need to go into a school, somehow ascertain who the LMI students are, take them to a separate room, teach them, and then the volunteer could document that the majority who received the education were LMI, and the activity was worthy of CRA credit.

Of course that's a ridiculous scenario, and no one would actually do it. The reality is a few examiners are providing CRA Service Test credit to Jump\$tart volunteer bankers, even in a rural area such as Vermont. However we could do so much more if the uncertainty was removed and CRA consideration is provided for financial literacy efforts regardless of income status. This would benefit families nationwide.

They say you can't teach an old dog new tricks – but you can teach a young dog. Our goal is to teach our children the “tricks” of managing their finances at a young age, before they form unchangeable bad habits.

It's certain that by allowing CRA Service Test consideration for all financial literacy efforts, the number of volunteers would increase, as would the monetary support.

It's very clear the goal of CRA reform is to get banks to do more, provide more, engage more, and benefit more people; this is an easy way to accomplish that goal.

Thank you for your time and consideration.