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## Appropriations Committee

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### SB 6272

**Brief Description:** Expanding financial literacy through education and counseling to promote greater homeownership security.

**Sponsors:** Senators Berkey, Hobbs, Fairley, Keiser, Kilmer, McDermott, Kauffman, Kohl-Welles, Murray, Shin, Regala, Kline, Spanel, Rasmussen and Franklin; by request of Governor Gregoire.

Brief Summary of Bill
<ul style="list-style-type: none"><li>• Requires the Department of Financial Institutions to expand financial literacy through education and counseling.</li><li>• Creates an interagency work group to identify current state funded efforts to support financial literacy, and report on these efforts to the Governor and the Legislature.</li></ul>



**Hearing Date:** 1/29/08

**Staff:** Wendy Polzin (786-7137).

**Background:**

The Department of Financial Institutions (DFI) regulates financial services in Washington, including banks, credit unions, and securities investment firms. The DFI is responsible for ensuring these organizations are in compliance with applicable law.

In December the Washington Task Force for Home Owner Security made recommendations related to impacts from instability in the national subprime mortgage market. The recommendations included provisions for consumer education, outreach and counseling programs.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Financial Institutions (DFI) is directed to disseminate information to the public about laws regulating financial institutions and to assist the public in obtaining information about financial products.

The DFI is authorized to establish and implement at least two programs. The programs include: (1) education and outreach regarding financial literacy, and (2) counseling, marketing, and outreach about financial products and practices relating to home ownership.

The DFI is required to convene an interagency work group:

- to review the status of state-funded financial literacy efforts;
- to assess whether there are opportunities to create a centralized location of information about these efforts; and
- to explore expansion of partnerships with community entities providing financial literacy services.

A report to the Legislature and the Governor on the findings and recommendations of the work group is required by December 1, 2008.

**Appropriation:** The sum of \$1.5 million is appropriated from the state General Fund to the Department of Financial Institutions..

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.