

**HB 2256-S2 - DIGEST**

(AS OF HOUSE 2ND READING 3/12/2007)

Finds that low-income working families often encounter significant barriers as they strive to achieve financial self-sufficiency. Their challenges include acquiring employment that pays enough to cover the costs of daily living, accumulating funds for the down payment on a home, and setting aside money for the children's education or for the parents' retirement.

Finds that asset-poor families do not have enough cash reserves or equity in their homes or businesses to meet basic needs through a period of joblessness, health emergency, divorce, or other unexpected financial hardship. Compounding these problems, credit reports about low-income working families tend to contain negative information, so that when used by prospective employers, the reports can prevent the job seeker from obtaining employment. Research shows that savings and ownership of assets is possible for low-income wage earners and that they would benefit from a variety of tools that allow them to better control and increase their financial resources.

Therefore finds that the state, together with local communities, must adopt policies and provide services to help low-income working families achieve prosperity.

Creates the Washington asset building coalition, whose mission is to provide statewide leadership on initiatives that foster financial self-sufficiency and economic security for low-income working families. The Washington asset building coalition shall work with the department, local asset building coalitions, and other public and private sector partners to:

- (1) Create a range of private and public prosperity products;
- (2) Develop and promote public and private lending policies that encourage asset building;
- (3) Market savings, smart borrowing, and federal tax credit programs;
- (4) Expand financial literacy opportunities and outcomes;
- (5) Enhance protections from predatory lending, fraud, and consumer scams; and
- (6) Identify and promote other approaches that will help low-income working families reach self-sufficiency by building and managing their assets.

Directs the department to expand and strengthen community-based asset building coalitions by providing them with technical assistance and grants. The department shall establish a process to offer technical assistance and grants to local communities interested in initiating or expanding asset building coalitions and services. The department shall

conduct an application process and select at least twelve sites by October 31, 2007.

Limits credit report usage for employment.

Repeals RCW 43.63A.765 and 43.63A.767.

Provides that the act shall be null and void if appropriations are not approved.