

FINAL BILL REPORT

SB 6272

C 3 L 08

Synopsis as Enacted

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.

Senate Committee on Financial Institutions & Insurance
Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Governor created a task force to evaluate instability in the national subprime mortgage market and to make recommendations to minimize the impact of this national trend in Washington. One charge of the task force was to provide recommendations for consumer education to those in foreclosure or at risk of foreclosure, and to potential new home buyers.

On December 14, 2007, the final report of the Washington Task Force for Homeowner Security made 24 recommendations in eight subject categories.

Those recommendations concerning financial literacy and education include provisions for consumer education, outreach, and counseling programs.

Summary: The Department of Financial Institutions (DFI) is directed to disseminate information to the public about the 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. One program includes education and outreach that promote financial literacy. This program is designed to foster financial independence, fiscal responsibility, and financial management skills in Washington's citizens. The other program includes counseling, marketing, and outreach about financial products or practices in the marketplace that relate to homeownership.

The DFI is required to convene an interagency work group on the status of state-funded financial literacy efforts; to assess whether there are opportunities to create a centralized location for 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.

Votes on Final Passage:

Senate 48 0

House 69 27

Effective: February 11, 2008