



**Financial Literacy and Education Commission (FLEC) Public Meeting
MINUTES**

November 15, 2023, 9:00 AM – 10:30 AM (Eastern Time)

FLEC Members Meeting (virtual)

Treasury Webcast: <http://www.yorkcast.com/treasury/events/2023/11/15/flec>

ATTENDING MEMBERS

1. Department of the Treasury (Treasury) (Chair)
 - Graham Steele, Assistant Secretary for Finance, Designee for Secretary of the Treasury Janet Yellen
2. Consumer Financial Protection Bureau (CFPB) (Vice Chair)
 - Rohit Chopra, Director
3. Board of Governors of the Federal Reserve System (FRB)
 - Angelyque Campbell, Associate Director and Community Affairs Officer
4. Commodity Futures Trading Commission (CFTC)
 - Dan Rutherford, Associate Director, Customer Outreach, Customer Education and Outreach
5. Department of Defense (DOD)
 - Andrew Cohen, Director, Financial Readiness in the Office of the Deputy Assistant Secretary of Defense for Military Personnel Policy
6. Department of Education (ED)
 - Richard Cordray, Chief Operating Officer, Federal Student Aid, U.S. Department of Education
7. Department of Health and Human Services (HHS)
 - Patrice Kunesh, Commissioner, Administration for Native Americans (ANA)
8. Department of Housing and Urban Development (HUD)
 - David Berenbaum, Deputy Assistant Secretary, Housing Counseling
9. Department of Interior (DOI)
 - Onna LeBeau, Director, Office of Indian Economic Development, Department of the Interior
10. Department of Labor (DOL)
 - John Warner, Special Assistant
11. Department of Veterans Affairs (VA)
 - Cheryl Rawls, Executive Director, Outreach, Transition, and Economic Development Veterans Benefits Administration
12. Federal Deposit Insurance Corporation (FDIC)
 - Jonathan Miller, Deputy Director for Policy and Research in the Division of Depositor and Consumer Protection
13. Federal Emergency Management Agency (FEMA)

- Aaron Levy, Director-Individual and Community Preparedness Division
- 14. Federal Housing Finance Agency (FHFA)
 - Sandra L. Thompson, Director
- 15. Federal Trade Commission (FTC)
 - Rosario Mendez, Attorney, Consumer & Business Education
- 16. National Credit Union Administration (NCUA)
 - Ernestine Ward, Consumer Compliance Policy and Outreach Officer
- 17. Office of the Comptroller of the Currency (OCC)
 - Michael Hsu, Acting Comptroller of the Currency
- 18. Office of Personnel Management (OPM)
 - Patricia Sapol, Senior HR Specialist, Benefits Officers Development and Outreach, Retirement Services
- 19. Securities and Exchange Commission (SEC)
 - Lori Schock, Director, Office of Investor Education and Advocacy
- 20. Small Business Administration (SBA)
 - John “Jack” Bienko, Senior Innovation Advisor
- 21. Social Security Administration (SSA)
 - Jeffrey Buckner, Acting Assistant Deputy Commissioner for Communications
- 22. White House Domestic Policy Council (WHDPC)
 - Sarah Brundage, Senior Advisor for Racial and Economic Justice

PRINCIPAL REMARKS

- Ali Khawar, DOL

PRESENTERS

Overview of Treasury’s Climate Report, Presented by Nora Esposito, Senior Advisor, Office of Consumer Policy, Treasury

- Highlights and Key Takeaways
- Resource Page
- Next Steps

Panel Discussion on “Weathering the Storm”: Pathways to Climate Resiliency Through Financial Literacy and Public-Private Partnerships, Moderated by Tanya McInnis, Deputy Director, Office of Consumer Policy, Treasury

- Dr. Elizabeth Asche, Acting Director, Individual Assistance Division, FEMA
- Natalie Grant, Director, Office of Human Services Emergency Preparedness and Response, HHS
- John Hope Bryant, Founder, Chairman, and Chief Executive Officer, Operation HOPE
- M. Duanne Andrade, Executive Director, Solar and Energy Loan Fund

GENERAL SESSION

Welcome and Overview

Suzanna Fritzberg, Deputy Assistant Secretary, Treasury’s Office of Consumer Policy and Moderator, opened the meeting at approximately 9:00 AM and delivered opening remarks.

**Graham Steele, Assistant Secretary for Financial Institutions, Treasury,
Designee of Secretary of the Treasury Janet Yellen, Chair**

Assistant Secretary Steele recognized FLEC's 20-year anniversary. He then emphasized the importance of climate resilience as a topic for the FLEC. He stated that Treasury, recognizing the serious impacts of climate change on households, released a report in September 2023 that centers on climate change and consumer finance, titled *The Impact of Climate Change on American Household Finances*. He noted that this report is the product of collaboration between Treasury and other agencies represented on the FLEC to outline the risks climate change poses to household finances. He stated that the report also highlights current initiatives and actions led by the representative agencies to support household financial well-being in response to climate change.

Rohit Chopra, Director, CFPB, Vice Chair

Director Chopra addressed the effects of climate change on consumer financial health. He noted that in response to extreme weather events, insurers have pulled out of several markets. He said that an insurance nonrenewal or cancellation can create serious consequences for homeowners. He said that the CFPB had observed issues with force-placed insurance in the past, and he noted that mortgage servicers may not have an incentive to ensure that such policies are affordable. He noted that state plans can also be expensive.

Director Chopra said that Property Assessed Clean Energy (PACE) financing allowed homeowners to borrow money for home improvement, repaid through their property tax bills. He said that the CFPB report on PACE loans found that borrowers paid higher property tax and higher interest rates and were more likely to enter delinquency. He noted that borrowers were also more likely to live in disadvantaged areas. He stated that the CFPB recognized the importance of clear consumer safeguards and would work to ensure that PACE loans are fair, transparent, and competitive. He stated in conclusion that climate change presents real present-day dangers, and it would be important to act today to address them.

Ali Khawar, DOL

Mr. Khawar addressed a final rule issued by DOL in 2022 (Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights), which clarifies the application of the Employee Retirement Income Security Act of 1974 (ERISA) fiduciary duties of prudence and loyalty to selecting investments and investment courses of action, including selecting qualified default investment alternatives, exercising shareholder rights, such as proxy voting, and the use of written proxy voting policies and guidelines. He said that the final rule was an important development in expanding access and facilitating climate risk considerations in investment decisions.

Nora Esposito, Treasury

Ms. Esposito provided an overview of Treasury's recently issued report, *The Impact of Climate Change on American Household Finances*. She noted that the report was written in response to a recommendation by the Financial Stability Oversight Council and focuses on households and individuals who may be most adversely affected by the impacts of climate change. She said that the report recommends that policymakers promote awareness of climate hazards and their financial consequences. She noted that the report also recommends that policymakers focus on building physical resilience at the community and household level. She said that the report includes a table describing potential actions and available resources for households, which

consumers can consult to learn how to prepare for climate hazards and locate available federal resources.

Panel Discussion on “Weathering the Storm”: Pathways to Climate Resiliency Through Financial Literacy and Public-Private Partnerships, moderated by Tanya McInnis, Deputy Director, Office of Consumer Policy, Treasury

Panelists:

- Dr. Elizabeth Ashe, Acting Director, Individual Assistance Division, FEMA
- Natalie Grant, Director, Office of Human Services Emergency Preparedness and Response, HHS
- John Hope Bryant, Founder, Chairman, and Chief Executive Officer, Operation HOPE
- M. Duanne Andrade, Executive Director, Solar and Energy Loan Fund

Ms. McInnis asked: *What role do public, private, and non-profit sectors play in addressing climate resiliency?*

Dr. Ashe stated that FEMA has many relationships with different organizations. She said that communities have an important role to play in climate resiliency. She said that through close collaboration, community management systems can plan and strategically invest to improve recovery and resilience planning, with the assistance of the private sector.

Ms. Grant stated that HHS, along with state government partners, supports community-based organizations. She said that HHS programs are often directed to individuals in precarious situations.

Ms. Andrade said that facilitating access to capital for low- and moderate-income households is the most effective strategy to promote climate resilience. She said that CDFIs and credit unions need to provide resources on an expedited basis in response to climate disasters. She said that the public sector can make improvements in providing emergency information.

Ms. McInnis asked: *What are your organizations doing to address climate resiliency?*

Dr. Ashe discussed that community grant programs are being used to build community resilience, including programs that have awarded grants to create green spaces to combat increased rainfall and flooding at a Brooklyn, New York housing project. She noted that FEMA also administers the Homeland Security Grant Program, which provides risk-based grants.

Mr. Bryant said that Operation HOPE has 270 staff offices. He said that his organization was providing individuals with assistance on FEMA applications, insurance claims, and the management of mortgage payments.

Ms. Grant said that it was important to improve the public’s awareness and understanding of climate change. She said that it is important that highly technical information be distilled so that it is understandable and actionable.

Ms. Andrade stressed the importance of helping communities to rebuild following climate events through improving access to capital.

Rohit Chopra, Director, CFPB

Director Chopra spoke about the CFPB's collaborative work with FEMA to help prepare people for disaster recovery. He noted that disaster victims are often targets for financial scams. He also expressed concern that cash-out equity financing had increased in low- to moderate-income households, and that consumers could be targeted for equity stripping under the guise of resilience planning. He stated that federal agencies should consider how to financially support homeowners impacted by climate change, and he noted that it may be helpful to separate disaster recovery from resilience.

Graham Steele, Assistant Secretary for Financial Institutions, Treasury

Assistant Secretary Steele stressed the impact of climate change on American households. He noted that while the FLEC's focus on the impact of climate change is a relatively new development, FLEC members can apply lessons learned from past crises when seeking to promote climate resilience.

Suzanna Fritzberg, Deputy Assistant Secretary for Consumer Policy and Moderator

Ms. Fritzberg noted that Treasury had been tasked by Congress with developing principles for financial inclusion. She discussed next steps in this workstream.

Angelyque Campbell, FRB

Ms. Campbell discussed the Central Bank Network for Indigenous Inclusion, which seeks to foster ongoing dialogue, research, and education to raise awareness of economic and financial issues and opportunities for Indigenous economies. She said that the FRB would serve as the lead central bank for this network in 2025.

Barry Wides, OCC

Mr. Wides discussed the final rule issued in 2023 to amend the Community Reinvestment Act (CRA). He noted that the updated CRA provides credits for activities that promote recovery of disaster areas.

Elizabeth Coogan, ED

Ms. Coogan discussed recent initiatives designed to provide federal aid to student borrowers.

Mark Pearce, FDIC

Mr. Pearce discussed the CRA final rule. He also highlighted the importance of individuals having a banking relationship with an insured institution so they can retain access to their funds in the event of a disaster. He noted that the FDIC had been working on a campaign to educate the public on the benefits of deposit insurance, called "Know your risk. Protect your money."

Maria Mayo, FTC

Ms. Mayo said that in the wake of the Hawaii fires, FTC created resources explaining how individuals can avoid cleanup scams and work to restore their finances. She also noted recent enhancements to the FTC's call center, including the addition of languages other than English and Spanish.

Jessica Shui, FHFA

Ms. Shui said that in 2022, the FHFA established a steering community to assess the progress of FHFA-regulated entities in managing climate risk. She said that the FHFA is also a member of

several domestic and international climate groups. She said that the FHFA intended to host one environmentally focused summit per year. She said that the FHFA had also collaborated with the CFPB to develop a survey on flood risk and resilience, which she noted was distributed on October 30.

Moderator, Treasury, Suzanna Fritzberg

Ms. Fritzberg discussed the FLEC's most recent Annual Report to Congress/SAFE Report. She noted that the report, which would be submitted to Congress, highlights the actions taken by the agencies represented on the FLEC to promote the FLEC's mission.

Conclusion

Ms. Fritzberg adjourned the meeting at approximately 10:50 AM.