



STATE OF CALIFORNIA

## Department of Business Oversight

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

**For Immediate Release**

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### **California Department of Business Oversight Launches \$4 Million Grant Program to Fund Financial Education and Empowerment Programs**

**SACRAMENTO** – The California Department of Business Oversight (DBO) today announced the launch of CalMoneySmart, a new \$4 million grant program to support financial education and empowerment programs for unbanked and underbanked consumers.

CalMoneySmart will award \$1 million a year in grants of up to \$100,000 to nonprofit organizations that submit the best proposals to develop or provide free financial education designed to help unbanked and underbanked consumers access lower-cost financial services, establish or improve their credit, increase savings, or reduce debt.

Many low-income consumers struggle with limited access to basic financial resources such as checking accounts, online banking and electronic bill payments. According to the Federal Deposit Insurance Corporation (FDIC), up to 25 percent of consumers in the U.S. are unbanked or underbanked, which can make it more difficult to manage often-tight personal finances.

“Before the COVID-19 pandemic, many low-income Californians were at a severe disadvantage because they had little or no access to financial services,” said Lourdes Castro Ramírez, Secretary of the Business, Consumer Services and Housing Agency, which oversees the DBO. “The pandemic has had a disproportionate impact on these families, and they’re suffering. Many have lost income, so they may be in debt and need help working with creditors or financial institutions to support their families. This is why this level of community-based financial counseling is so important.”

The grant program was created when Governor Gavin Newsom signed Senate Bill 455 by Sen. Steven Bradford, D-Gardena, in October 2019. The bill established a \$4 million Financial Empowerment Fund from which the CalMoneySmart program will award grants for four years.

“These grants will foster innovation amongst nonprofits that are bridging the gap facing unbanked and underbanked Californians so they, too, can enjoy the full range of financial services many of us consider essential,” DBO Commissioner Manuel P. Alvarez said. “COVID-19 and the economic downturn will put even more pressure on low-income families, and with these grants California nonprofits can help.”

To be eligible for a grant, an applicant must be a nonprofit organization. Grant funds can be used for:

- Free classroom or web-based financial education and empowerment content to help consumers access lower-cost financial products and services, establish or improve their credit, increase savings, or reduce debt.
- Individualized financial coaching.

- A financial product or service intended to help consumers identify and access responsible financial products and financial services, establish or improve their credit, increase their savings, or lower their debt.

The DBO will begin accepting grant applications immediately for fiscal year 2020-21. All applications must be submitted by July 3. The DBO expects to announce grant recipients and disburse the first grant funds in September.

Additional information can be found at <https://dbo.ca.gov/calmoneySMART/>. For questions, comments, or help, please contact [CalMoneySmart@dbo.ca.gov](mailto:CalMoneySmart@dbo.ca.gov).

The DBO licenses and regulates financial services, including state-chartered banks and credit unions, student loan servicers, money transmitters, securities broker-dealers, investment advisers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, franchisors, Property Assessed Clean Energy (PACE) program administrators and more.

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