

**SENATE, No. 1196**

**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

INTRODUCED FEBRUARY 3, 2020

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator NILSA I. CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Establishes three year Financial Empowerment Pilot Program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/5/2020)**

1 AN ACT establishing the Financial Empowerment Pilot Program.

2

3 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
4 *of New Jersey:*

5

6 1. a. There is established in the Department of Community  
7 Affairs a Financial Empowerment Pilot Program. The purpose of  
8 the pilot program shall be to address financial literacy and  
9 empowerment issues for economically vulnerable individuals in the  
10 State through municipal financial empowerment centers. The  
11 municipalities of Camden, Newark, and Paterson shall participate in  
12 the pilot program with the department.

13 b. The pilot program, in consultation with the participating  
14 municipality, shall contract with a non-profit provider to establish a  
15 financial empowerment center in each of the participating  
16 municipalities in a location that is easily accessible to the residents  
17 of that municipality. The financial empowerment centers shall  
18 facilitate appropriate forums, programs, or initiatives designed to  
19 educate the public regarding financial literacy and empowerment  
20 and provide personal financial coaching to economically vulnerable  
21 individuals.

22 c. The pilot program shall run for a period of three years  
23 following establishment of the financial empowerment centers  
24 pursuant to this section.

25

26 2. a. The pilot program shall establish metrics and standards  
27 to track counseling efforts and results for economically vulnerable  
28 individuals, and shall provide methods for implementing those  
29 standards at the financial empowerment centers, in the following  
30 areas:

31 (1) the opening of or transitioning to a safe and affordable bank  
32 account;

33 (2) the establishment of a credit score, or the increase in an  
34 existing credit score;

35 (3) the decrease of non-mortgage debt; and

36 (4) the increase in rate of savings.

37 b. The pilot program shall provide the centers with support  
38 services, including materials on financial literacy and empowerment  
39 for publication and dissemination to the public and shall coordinate  
40 the activities of the pilot program with other entities that focus on  
41 financial literacy and empowerment, including other State agencies.

42

43 3. a. The program shall submit a report to the Commissioner  
44 of Community Affairs no later than two months after the conclusion  
45 of the pilot program. The report shall include, at a minimum,  
46 information on the counseling efforts and results established and  
47 tracked pursuant to subsection a. of section 2 of this act, for each  
48 financial empowerment center.



1 (1) the opening or transitioning to a safe and affordable bank  
2 account;

3 (2) the establishment of a credit score, or the increase in an  
4 existing credit score;

5 (3) the decrease of non-mortgage debt; and

6 (4) the increase in the rate of savings.

7 The program is required to provide the centers with support  
8 services, including materials for publication and dissemination to  
9 the public on financial literacy and empowerment and to coordinate  
10 the activities of the program with other entities that focus on  
11 financial literacy and empowerment, including other State agencies.

12 Under the bill, pilot program is required to submit a report to the  
13 commissioner no later than two months after the conclusion of the  
14 pilot program. The report must include, at a minimum, information  
15 on the counseling efforts and results established and tracked  
16 pursuant to the bill for each financial empowerment center.

17 The bill requires the commissioner to submit a report to the  
18 Governor and to the Legislature on the implementation and  
19 effectiveness of the pilot program. The report must include the  
20 commissioner's recommendation on the advisability of the pilot  
21 program's continuation and expansion to additional municipalities  
22 in the State.

23 The bill provides that all monies received by the State from the  
24 settlement of the complaint of the Federal Trade Commission  
25 against Equifax, Inc., after accounting for any costs incurred by the  
26 Attorney General in participating in the complaint, are to be  
27 transferred to the Department of Community Affairs for the  
28 purposes of effectuating the provisions of the bill. The moneys may  
29 also be expended for appropriate and reasonable administrative  
30 expenses incurred in the administration of the pilot program by the  
31 department.

32 The bill takes effect immediately and expires upon submission of  
33 the final report required to be prepared under the bill.