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Message from the FDIC



It's clear that the goal of promoting homeownership in America faces challenges, in large part because of the recent turmoil in the mortgage lending markets. At the FDIC, we are hopeful that recent government and industry initiatives, including a new plan for modifying certain unaffordable, subprime mortgage loans (described in this newsletter) and guidance issued by the regulatory agencies, will help to address some key concerns. Financial educators also can play a role, especially in helping to ensure that people of all income levels are better prepared to buy a home and live in it comfortably, without fear of foreclosure. This latest edition of *Money Smart* News covers these and other topics that are especially relevant to housing and credit.

We start by introducing a new and improved version of the FDIC's computer-based *Money Smart* financial education program. It features sound advice on buying versus renting, saving for a home and the basics of shopping for a mortgage. Elsewhere in this issue you can also read about special counselors who can help people having loan payment problems, tips from the FDIC about negotiating a good mortgage, and lessons learned from *Money Smart* educators who've been helping people prepare to buy their first home. This is valuable information for financial educators, because the more people understand about the costs as well as the benefits of homeownership, the better prepared they will be to make what could be some of their biggest, most important decisions.

Housing isn't the only topic addressed here. You can learn about offering the FDIC's *Money Smart* curriculum in foreign languages. You can also review opportunities to serve your community and perhaps even develop new business relationships by assisting at IRS tax-preparation sites.

For more information or to discuss other ways to partner with the FDIC in financial education, contact your [FDIC Regional Community Affairs Officer](#).

Sandra L. Thompson

Director

FDIC Division of Supervision and Consumer Protection

FDIC Issues Updated Version of Computer-Based *Money Smart* Curriculum

The FDIC has updated and expanded the computer-based instruction (CBI) version of *Money Smart* that enables students to complete the educational curriculum at their own pace and anywhere they have access to a computer. The new version is easier to use and more informative than the previous one. In particular, the new CBI incorporates improvements to the curriculum in areas such as shopping for a mortgage, avoiding identity theft, and saving money for the future. It also reflects recent changes in law and industry practices. The English version is available now, and the Spanish version will be released in mid-2008. (To visit or order the new CBI version online go to: <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.)

Help for Homeowners Facing Unaffordable Mortgage Payments

On December 6, 2007, the U.S. Treasury Department and the HOPE NOW alliance -- a collaboration of credit and housing counselors, mortgage servicing companies, investors and lenders -- announced a plan to help certain homeowners with subprime loans avoid losing their homes when their payments reset to unaffordable levels. In a statement on the plan, FDIC Chairman Bair discussed the importance of preventing unnecessary foreclosures and said she is "optimistic that national agreements on systematic loan modifications, combined with reporting templates for effective monitoring, are coming to fruition." ([Read more.](#)) In addition, an article in the *FDIC Quarterly* (2007 Volume 1, Number 3) issued January 10, 2008, further outlines the case for a systematic and streamlined loan modification process to help avert foreclosure for borrowers who are current on their loans but who cannot refinance or afford the higher payments when interest rates reset. ([Read the article - PDF.](#) ([PDF Help](#)))

Financial educators who know of students facing foreclosure also should consider referring them to a trained homeownership counselor. To find a reputable counselor, contact the Homeowner's HOPE Hotline at the Homeownership Preservation Foundation (1-888-995-4673 or <http://www.995hope.org/>) or the U.S. Department of Housing and Urban Development for a referral to a HUD-approved homeownership counseling agency (1-800-569-4287 or www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm).

Latest FDIC Consumer News Features Timely Tips on Shopping for and Negotiating a Good Mortgage

While it may be tougher to get mortgages because of recent problems in the housing market, the Fall 2007 issue of the FDIC's quarterly newsletter for consumers offers tips to help people shop for and negotiate the right deal. It also includes advice for borrowers about restructuring or refinancing their existing mortgages if they face the prospect of losing their homes because of rising monthly payments. Other topics in this issue include answers to common questions about deposit insurance and money-wise suggestions for the tax season. The FDIC encourages financial institutions, financial educators and other interested parties to make the information in *FDIC Consumer News* widely available, including reprinting or linking to the material and making copies with their name, logo, a special message and/or self-mailing information. Financial educators also are reminded that *FDIC Consumer News* is a resource for useful information on topics for consumers. Current and back issues are online. Educators and their students also can sign up for a free subscription. ([See the latest newsletter and subscription information.](#))

Financial Education Offers a Path to First-Time Homeownership: Success Stories and Teaching Tips

Money Smart partners -- from banks to local government agencies to nonprofit organizations -- are helping low- and moderate-income people learn the basics of saving, budgeting and borrowing so they can acquire the assets and the skills to buy their first home. In the latest installment of our "Success Stories," we feature examples of how financial educators are helping students learn the fundamentals about homeownership so they can take the next steps in the home buying process. Our report also features tips for using *Money Smart* or any other curriculum to teach about homeownership. ([Read the stories and tips.](#))

Not Lost in the Translation: You Can Offer the Money Smart Curriculum in Any Language

The FDIC offers our *Money Smart* financial education curriculum in English, Spanish, Chinese, Korean, Vietnamese, Russian and large-print/Braille versions. In addition, organizations interested in providing *Money Smart* in other languages may translate some or all our material without permission from or reviews by the FDIC. We do, however, request that a disclaimer be added noting that the translation was based on the FDIC's *Money Smart* curriculum but was not produced or reviewed by our agency. Also, because the FDIC will not review these translations for accuracy, the FDIC name must be removed from the curriculum. For more information, contact your [FDIC Regional Community Affairs Officer](#). If you're among the *Money Smart* partners who are using the FDIC's official translations, or who have arranged for your own translation into another language, we want to hear about your successes and lessons learned by [sending an e-mail to Money Smart News](#). The best contributions may appear in a future issue of *Money Smart News*.

Reminder: Volunteer Income Tax Assistance (VITA) Provides Opportunities

The FDIC is reminding financial educators and financial institutions about opportunities associated with the IRS-coordinated Volunteer Income Tax Assistance (VITA) program, which offers free tax return preparation for low- and moderate-income individuals. ([Read more.](#)) The FDIC continues to encourage financial institutions to consider developing relationships with VITA providers as ways to promote financial education and banking products to taxpayers. ([Read more.](#))

Reminders

Send Us Your Success Stories

The FDIC wants to hear how *Money Smart* is making a difference. We're interested in finding out about your programs and procedures, tips and other information that *Money Smart* educators and partners might find useful. The best contributions may appear in a future issue of *Money Smart* News. [See our previously published success stories](#). [Submit your stories](#) today!

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For More Help or Information

If you need additional assistance, [contact your regional Community Affairs Officer](#); or if you would like additional information on the *Money Smart* program, visit our [overview](#).

Past Issues

See other issues of the quarterly [Money Smart News](#) dating back to 2003.