



Community Partner Letter of Commitment

“Bank on DC” is a program initiated by the District of Columbia to provide financial services to the 37,000 unbanked households and 72,000 underbanked households in the District. This program is intended to help the unbanked and underbanked improve financial literacy, build assets, and save money on fees. The goal of this program is to open 10,000 accounts and facilitate 10,000 direct deposits by the end of 2010.

To participate in Bank on DC, [COMMUNITY ORGANIZATION] shall agree to:

I. Provide financial literacy (See Appendix 1)

[COMMUNITY ORGANIZATION] will provide financial literacy classes. Specifically, [COMMUNITY ORGANIZATION] will offer a basic class of at least 2 hours that covers banking, budgeting, and credit and will be able to realize the outcomes defined by the financial literacy test in Appendix 1. This basic classes will be offered on a [MONTHLY/WEEKLY/ON DEMAND – PLEASE INDICATE THE FREQUENCY OF THIS CLASS] basis. Each participant will receive a Bank on DC Financial Literacy certificate (electronic or paper form) indicating the person’s name, the name of the CBO where the person received the financial literacy, and the person’s current status (unbanked/underbanked/banked).

In addition, [COMMUNITY ORGANIZATION] provides classes on the following topics:

- [INDICATE RELEVANT CLASSES]
- [INDICATE RELEVANT CLASSES]

II. Provide an accurate financial literacy class calendar

[COMMUNITY ORGANIZATION] will maintain an up to date calendar of classes and report this to CAAB as well as Bank on DC.

III. Track participation and performance

[COMMUNITY ORGANIZATION] will track participation of financial literacy classes and the current status of the participants (i.e., unbanked, underbanked, banked) as well as their pre and post test score. CBOs would report the following aggregate data on a quarterly basis:

1. Number of clients who received financial literacy training
 - a. Unbanked: Currently do not have an account
 - b. Underbanked: Currently have an account but use Alternative Financial Service institutions (i.e. Check Cashers, Payday Lenders) on a monthly basis
 - c. Banked: Currently have an account and do not use Alternative Financial Service institutions (i.e. Check Cashers, Payday Lenders) on a monthly basis

2. Average test score, by current status (i.e., unbanked, underbanked, banked)

IV. Promote Bank on DC and coordinate outreach

[COMMUNITY ORGANIZATION] will receive Bank on DC posters and brochures to post and hand out in its facilities. In addition [COMMUNITY ORGANIZATION] will serve a leader in its community to promote Bank on DC, refer community members to the Bank on DC financial institutions, and market Bank on DC at least three of your events each year.

V. Benefits

[COMMUNITY ORGANIZATION] will receive the following benefits for being a Bank on DC Financial Literacy Provider.

- **Exposure:** [COMMUNITY ORGANIZATION] will be listed on the Bank on DC website, where a link and logo will be visible, as well as in Bank on DC brochures, press releases, and other marketing materials.
- **Referrals:** All Bank on DC customers will be referred to the Bank on DC Financial Literacy Providers. [COMMUNITY ORGANIZATION] will be listed on the financial literacy referral sheet for financial institutions to refer customers to. In particular ChexSystem clients will be required to attend a financial literacy class at [COMMUNITY ORGANIZATION] or one of the other Bank on DC Financial Literacy Providers. The calendar of financial literacy classes held at [COMMUNITY ORGANIZATION] will be posted on the Bank on DC website.

Term

This agreement will be in force from [XX] until December 31, 2011. Either party has the right to terminate this Agreement by providing 30-day advance written notice to the other.

Bank on DC
 Name:
 Title:
 Date:

[COMMUNITY ORGANIZATION]
 Name:
 Title:
 Date:

APPENDIX 1: Bank on DC Financial Literacy Test

Banking and Budgeting

1. Keeping your money in a bank or credit union allows you to:
 - a. Earn interest on your savings
 - b. Pay bills directly from your account
 - c. Have a record of where your money goes
 - d. All of the above

2. Unlike a credit card, purchases made with a debit or check card (with the Visa or MasterCard logo):
 - a. Incur interest charges daily
 - b. Are deducted directly from your checking account
 - c. Must be repaid at the end of the month
 - d. All of the above

3. A good way to avoid fees associated with your bank or credit union account is to:
 - a. Maintain some money in my account at all times and never overdraw my account
 - b. Ensure that I never write a check to someone for more money than I have in my account
 - c. Use ATMs that are associated with my bank or part of my credit union's shared branch network
 - d. All of the above

4. A good way to track how much money you have in your account is to
 - a. Update your check register every time you write a check, use your ATM/Debit card, and deposit money
 - b. Check your current account balance via online banking, ATM, or by calling your bank
 - c. Set up automatic email or text message alerts regarding your account balance
 - d. All of the above

5. The maximum number of times you can withdraw money from your savings account without penalty is
 - a. As many times as you want in a year
 - b. 6 times per month or statement cycle
 - c. 4 times per month or statement cycle
 - d. 2 times per month or statement cycle

6. Direct deposit is a powerful financial tool because it
 - a. Allows me to avoid late fees, by automatically paying off my credit card bills
 - b. Allows me to avoid check cashing fees and put away money for savings, by depositing my paycheck into my checking and savings accounts
 - c. Allows me to earn money on my savings, by directly depositing any interest I earn into my savings account
 - d. All of the above

7. Joshua thinks he has \$5 in his checking account, but is not sure. When he goes to CVS to buy some cleaning supplies, to be sure he does not overdraft his account, he should:
 - a. Write a check
 - b. Select debit and enter his pin
 - c. Select credit and sign for purchase
 - d. All of the above

8. Maria has courtesy overdraft on her checking account. On Friday, she went to the store to buy a \$20 video knowing that she only had \$10 in her account. Maria can expect:
 - a. Her purchase will be declined
 - b. She will be allowed to purchase the video, but her account will be placed on hold until she repays the \$10 debt to the bank
 - c. She will be allowed to purchase the video, but will have to pay interest on the purchase
 - d. She will be allowed to purchase the video, but she will owe the bank \$10 and incur an overdraft fee

9. When writing a personal budget and savings plan what information will you need?
 - a. Income and Expenses
 - b. Savings Goal Amount
 - c. Needs and Wants
 - d. All of the above

10. When developing a budget (a projection of future spending for a specific period of time), make sure that:
 - a. You allocate money for your needs first
 - b. Your total budget equals the money you have
 - c. You include a line for savings and debt repayment
 - d. All of the above

Credit

11. The highest portion of your credit score is determined by:
 - a. Length of credit file
 - b. Payment history
 - c. Inquiries
 - d. Types of credit

12. To improve your credit score, you must:
 - a. Accumulate interest in your savings account
 - b. Take care of debts that are in collections
 - c. Never use a credit card
 - d. All of the above