

FEDERAL DEPOSIT INSURANCE CORPORATION

AND

DEPARTMENT OF DEFENSE

MEMORANDUM OF UNDERSTANDING

I. Purpose and Basis for Memorandum of Understanding

This Memorandum of Understanding (MOU) establishes a partnership between the Federal Deposit Insurance Corporation (FDIC) and the Department of Defense (DoD). The partnership establishes that the FDIC **Money Smart** financial education curriculum may be used at major military installations throughout the Department of Defense (DoD).

The partnership promotes DoD's financial education program for Service men and women and their families using the FDIC **Money Smart** curriculum.

The purpose of the financial education initiative is to assist Service men and women and their immediate families in:

- Developing their money management skills,
- Creating positive banking relationships, and
- Preparing them for their changing financial needs.

II. Federal Deposit Insurance Corporation

The FDIC is an independent federal agency created by Congress in 1933 to insure bank deposits and maintain stability and public confidence in the nation's banking system. The FDIC insures deposits at the nation's 9,480 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars - insured financial institutions fund its operations.

III. Description of the FDIC Money Smart Training Program

Recognizing the importance of financial education, particularly for persons with little or no banking experience, the FDIC created **Money Smart**, a training program to help adults outside the financial mainstream enhance their money skills and create positive banking relationships. The FDIC's **Money Smart** program is a set of 10 instructor-led training modules covering the following basic financial topics:

1. Bank On It – an introduction to bank services
2. Borrowing Basics – an introduction to credit
3. Check It Out – how to choose and keep a checking account
4. Money Matters – how to keep track of your money
5. Pay Yourself First – why you should save
6. Keep It Safe – your rights as a consumer

7. To Your Credit – how your credit history will affect your credit future
8. Charge It Right – how you make a credit card work for you
9. Loan to Own – know what you're borrowing before you buy
10. Your Own Home – what home ownership is all about

Each training module includes a comprehensive guide for instructors and a take-home booklet containing highlights and resource material for class participants. The instructor guides have everything necessary to teach the program – easy to follow cues and script, overheads, and interactive class exercises. Each **Money Smart** module can be taught in 60-90 minute sessions.

FDIC provides the **Money Smart** curriculum to interested parties free of charge. The booklets for participants are provided in a camera-ready format so that each sponsoring organization can reproduce them as needed. The materials are easily reproduced and have no copyright restrictions.

IV. Department of Defense

The DoD represents over 2 million active duty and reserve Service members in three military departments - Army, Navy, and Air Force. As part of its Social Compact with Service members and their families to care for their quality of life, DoD provides personal financial management education and training to prepare them for their changing financial needs. Enlisted Service members receive the bulk of their basic financial education during the first 18 months of service. Follow-on programs that include family members are provided at military installations to fulfill local educational requirements.

Personal financial management is also seen as an integral part of personal readiness to accomplish the DoD mission. Poor money management skills may cause a Service member more than financial problems, and may also interfere with his or her ability to focus on the mission of defending the nation's interests.

V. Responsibilities

The DoD and the FDIC agree to the following actions for the **Money Smart** financial education initiative:

Responsibilities of the FDIC

- A. FDIC will provide DoD with **Money Smart** curricula as needed for selected military installations to conduct financial education instruction.
- B. FDIC will inform or invite the DoD to **Money Smart** events, training opportunities, programs, etc., which would benefit the partnership.
- C. FDIC will encourage banks and credit unions located on military bases to participate in innovative ways to provide financial education using **Money Smart**, subject to the rules and conditions established by DoD for banks and credit unions operating on military installations.

Responsibilities of the DoD

- A. DoD, through the Military Services, will select installations to use **Money Smart** curriculum to provide financial education to Service members and their family members where the curriculum is integrated into the training and education processes of the installation.
- B. DoD, through the Military Services, will provide instructors knowledgeable in basic banking services and personal money management skills to deliver **Money Smart** at selected military installations.
- C. DoD, through the Military Services, agrees to collect the following data from installations using the **Money Smart** curriculum and to report the data to the FDIC on an annual basis:
 - Name of major military installations where **Money Smart** has been taught
 - Number of sessions taught
 - Number of participants taught
 - Date of sessions

VI. Amendment

The MOU will be reviewed annually, and may be amended as agreed to in writing by both parties.

VII. Effective Date and Termination

The MOU shall become effective upon the signature of the authorized officials of the respective parties. It shall remain in effect until terminated by mutual agreement or 60 days after receiving advance written notice by either party.

VIII. Limitation

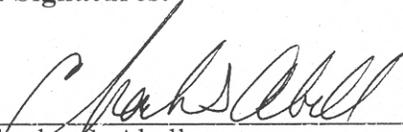
This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment of any part or parties hereto either individually or collectively. This MOU does not create any rights either on the part of any party hereto or any third party. Any provision of this MOU that conflicts with federal law will be null and void.

IX. Points of Contact (POC)

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