

PART 2000 - GENERAL

Subpart RRR - Memorandum of Understanding between the Federal Deposit Insurance Corporation and the United States Department of Agriculture/Rural Development

§ 2000.3451 General.

The United States Department of Agriculture (USDA) has entered into a Memorandum of Understanding (MOU) with the Federal Deposit Insurance Corporation (FDIC) that establishes a partnership between the USDA Rural Housing Service and the FDIC Community Affairs Program to promote FDIC's Money Smart Program as a tool to provide a financial education program for applicants and potential applicants for the Section 502 Single Family Housing program. This partnership supports USDA's commitment to the President's effort to promote homeownership education and counseling as a means of increasing minority homeownership.

§ 2000.3452 Implementation.

The MOU is attached as Exhibit A of this subpart.

§§ 2000.3453 - 2000.3500 [Reserved]

Attachment: Exhibit A

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DISTRUBUTION: WSDC

ADMINISTRATION  
GENERAL

**FEDERAL DEPOSIT INSURANCE CORPORATION**  
**AND**  
**UNITED STATES**  
**DEPARTMENT OF AGRICULTURE/RURAL DEVELOPMENT**

**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) Community Affairs Program and the United States Department of Agriculture/Rural Development. The partnership promotes and establishes a financial education program for applicants for the Section 502 Single Family Housing program. The purpose of the partnership is to assist lower income persons and families in rural areas to qualify for the USDA/ Rural Development financing by:

- Enhancing their money management skills
- Creating positive banking relationships, and
- Achieving economic self-sufficiency

The FDIC and USDA/Rural Development partnership links rural low-income individuals and families who are potential applicants for USDA financial assistance to financial education programs through the FDIC **Money Smart** financial education curriculum.

**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.

A five-member Board of Directors appointed by the President and confirmed by the Senate manages the FDIC. The FDIC receives no Congressional appropriations to carry out its mission as deposit insurer and banking regulator. The money for these purposes comes from the deposit insurance premiums paid by banks and savings associations and from earnings on investments in the U.S. Treasury securities.

### **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. Financial education fosters financial stability for individuals and entire communities. The more people know about credit and banking services, the more likely they are to increase savings, buy homes, and improve their financial well being.

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. The Department of Agriculture/Rural Development**

USDA/Rural Development is the Federal USDA mission area responsible for national policy and programs that address the development of rural America. The Rural Housing Service (RHS) is a part of USDA's Rural Development mission area. RHS provides loans and grants to people with lower incomes in rural areas for repairing their homes or buying or building new ones.

#### **V. Description of the Section 502 Single Family Housing Program**

The Section 502 Single Family Housing Loan Program provides low and very low-income people who live in rural areas with an opportunity to own adequate but modest, decent, safe and sanitary dwellings and related facilities. The program offers persons who do not currently own adequate housing, and who cannot obtain credit, the opportunity to acquire, build, rehabilitate, improve or relocate dwellings in rural areas.

#### **VI. Duties and Responsibilities**

**The USDA/Rural Development agrees to the following duties and responsibilities:**

- USDA/Rural Development will notify its local offices of the FDIC and USDA/Rural Development MOU through normal business communication channels and will encourage local offices to provide financial education to Section 502 loan applicants using the **Money Smart** curriculum.

- USDA/Rural Development will provide training to all USDA/Rural Development State Offices to assist in FDIC's **Money Smart** outreach efforts.
- USDA/Rural Development will encourage local offices to publicize the availability of the FDIC **Money Smart** program and provide training to local partners and interested non-profit organizations interested in working with section 502 applicants.
- USDA/Rural Development will provide feedback with regard to **Money Smart** to FDIC as requested.

**The FDIC agrees to the following duties and responsibilities:**

- The FDIC will provide, at no cost to USDA/Rural Development, copies of the **Money Smart** curriculum, in English and Spanish to all USDA/Rural Development local offices.
- The FDIC will provide other language versions of **Money Smart** to local offices as they become available and as needed by the local offices.
- The FDIC will provide the Computer Based Instruction CD-ROM version of **Money Smart** to USDA/Rural Development local offices.
- The FDIC will notify USDA/Rural Development of **Money Smart** events, training opportunities, and developments, etc. which would benefit the partnership.
- The FDIC will promote the FDIC/USDA/Rural Development MOU through outreach events, conferences and the FDIC web site.
- The FDIC will solicit USDA/Rural Development's input for future editions of **Money Smart**.

VII. Liability

- **Each party to this MOU shall be liable for the acts and omission of its own employees.**
- The USDA/Rural Development shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under the Federal Tort Claims Act [28 U.S.C. 1346(b)], or pursuant to other Federal statutory authority. Similarly, FDIC shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under applicable Federal statutes.

#### VIII. Evaluation Efforts

FDIC and USDA/Rural Development agree to measure the effectiveness and impact of this partnership through the following:

- Annually review the number of local offices providing financial education using the **Money Smart** curriculum for self-sufficiency program participants
- USDA/Rural Development in consultation with FDIC shall develop performance measures for this partnership

#### IX. Amendment

The MOU may be amended as agreed to in writing by both parties.

#### X. 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 advance written notice by either party.

#### XI. 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.

#### XII. Points of Contact (POC)

Angelisa M. Harris  
Senior Community Affairs Specialist  
FDIC  
Telephone:  
Fax:  
E-mail:

202-898-6645  
202-942-3098  
Ang.Harris@FDIC.gov

Ethen Gillespie  
Senior Loan Specialist  
USDA/ RHS  
Telephone: 202-720-1482  
Fax: 202-690-0702  
E-mail: ethen.gillespie@usda.gov

**XIII Signatures:**

\_\_\_\_/S/\_\_\_\_\_  
Donald E. Powell  
Chairman  
Federal Deposit Insurance Corporation

\_\_\_\_06-16-03\_\_\_\_  
Date

\_\_\_\_/S/\_\_\_\_\_  
Thomas C. Dorr  
Under Secretary  
United States Department of Agriculture/Rural Development

\_\_\_\_06-16-03\_\_\_\_  
Date

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