

EXECUTIVE ORDER No. 124

OFFICE OF FINANCIAL EMPOWERMENT

January 12, 2009

WHEREAS, New York City government has studied the City's poverty level and has found that in 46 percent of households living below the poverty level, the head of the household is working; and

WHEREAS, predatory lenders and the high-cost financial services cost New York's lowest- income communities millions of dollars of each year; and

WHEREAS, household debt has risen, with aggregate consumer debt in the United States totaling \$966 billion in the second quarter of 2008, representing a 20 percent increase from 2003; and

WHEREAS, a number of studies have found that inadequate financial knowledge is pervasive and that financial education is strongly associated with positive financial behaviors, such as being linked to mainstream financial institutions, having savings and avoiding use of fringe debt; and

WHEREAS, it is critical that the City's policies, programs and public/private partnerships ensure New Yorkers are offered and educated about financial products and programs that are in their best economic interest; and

WHEREAS, the City is uniquely positioned to broadly implement financial education and asset building programs and to protect consumers against predatory financial services through strategic enforcement initiatives; and

WHEREAS, since its establishment as the first pilot program of the Mayor's Center for Economic Opportunity in December 2006, the Office of Financial Empowerment has launched innovative and successful programs and initiatives to educate, empower and protect New Yorkers;

NOW, THEREFORE, by the power vested in me as Mayor of the City of New York, it is hereby ordered that:

Section 1. There shall be an Office of Financial Empowerment ("OFE") which shall exist within the Department of Consumer Affairs and shall educate, empower and protect New Yorkers with low income in the financial services marketplace. This office shall be headed by an Executive Director who shall report to the Commissioner of the Department of Consumer Affairs. The Executive Director shall be accountable for the Office's performance to the Commissioner, the Center for Economic Opportunity, and the Mayor.

§ 2. The scope of OFE's activities to educate, empower and protect New York consumers shall include, but not be limited to:

- a. Developing initiatives to increase access to and strengthen the quality of financial education programs for New Yorkers, including implementing large-scale public awareness campaigns on key financial empowerment issues, such as its annual Earned Income Tax Credit awareness campaign.
- b. Researching supply and demand of current financial products and services available to New Yorkers with low incomes to develop, implement, promote, and advocate for innovative asset building strategies in partnership with financial institutions, regulators and not-for-profit organizations.
- c. Protecting workers with low incomes from unfair and predatory practices in the financial services industry through targeted advocacy and enforcement.
- d. Collecting data and evaluating program results to expand programs with large impact on low and moderate income New Yorkers and eliminating programs that do not achieve goals.

§ 3. The heads of all agencies shall provide such assistance and cooperation as deemed appropriate by the Mayor.

§ 4. This order shall take effect immediately.

Michael R. Bloomberg
Mayor