

Coast Guard Mutual Assistance (CGMA) – National Foundation for Credit Counseling (NFCC)

Financial and Housing Counseling Program

April 2008

Purpose

To expand the relationship between Coast Guard Mutual Assistance (CGMA) and the National Foundation for Credit Counseling (NFCC) whereby NFCC's Member Agencies -the majority of whom are known as Consumer Credit Counseling Services (CCCS) - will provide financial (including debt management) and housing counseling services to Coast Guard clients and their families.

Background

CGMA was originally established in 1924, and has had a long history of helping the men and women of the United States Coast Guard. Today, CGMA offers aid to the entire Coast Guard family; active duty and retired military personnel, civilian employees, commissioned officers of the Public Health Service serving with the Coast Guard, Reservists, Auxiliarists, and their families.

The NFCC was established in 1951 and is the nation's largest and longest serving national nonprofit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC Member Agencies annually help more than two million consumers through 911 community-based offices. All NFCC Member Agencies provide budget and debt counseling, and administer Debt Management Plans (DMPs) for those overwhelmed by debts that they are unable to repay without the help of the creditors they owe. Most Agencies also provide housing counseling services, as well as other money and credit services.

CGMA and the NFCC have had a Memorandum of Understanding in place since March 2003 but have mutually agreed to enhance their relationship to better address the changes in the socio-economic environment and the needs of the Coast Guard clients.

Program Terms

Summary

- CGMA Representatives will remain the first point of contact for Coast Guard clients.
- Depending on the client's situation, the CGMA Representative may decide to:
 - o Personally provide counseling;
 - o Direct the client to other sources within the Coast Guard for counseling, including other government sources; or

- Direct the client to an NFCC Member Agency to receive professional and individual financial and/or housing counseling services.
- The individual counseling provided by NFCC Member Agencies may be used to determine the root or cause of the financial problem, whether the problem is short-term or long-term. Counseling should also be used to determine what course of action should be taken to help the client achieve the goal of meeting their financial obligations and become a financially responsible consumer. This may or may not include receiving a loan from CGMA.
- CGMA is willing to extend to its clients, with the recommendation from an NFCC certified counselor, an interest-free loan that will enable clients to qualify for NFCC Member Agencies' administered Debt Management Plan (DMP) when other alternative resources are not available. This is a loan of last resort and will only be extended by CGMA if the client is in a financial hardship situation without alternative resources and is otherwise unable to enter an NFCC Member Agency's DMP. These loans are repaid via monthly allotments from the client's pay.

Counseling Services Provided by NFCC Member Agencies

- CGMA Representatives will refer clients for the following types of individual counseling services:
 - Financial Counseling, to include:
 - Budget and Financial Counseling
 - This will include Debt Management assistance, enabling the client to enter the NFCC Member Agency's administered Debt Management Plan. If necessary, the NFCC counselor will make a recommendation on the minimum interest free CGMA debt management loan needed to enable the client to enter the Agency's DMP.
 - Pre-Filing Bankruptcy Counseling
 - Pre-Discharge Bankruptcy Education
 - Housing Counseling, to include:
 - Pre-Purchase Housing Counseling
 - Post-Purchase Housing Counseling
 - Loss Mitigation/Foreclosure Prevention Counseling

Counseling Costs and CGMA Contribution

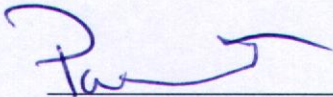
- With the expansion of services to be provided by NFCC Member Agencies, CGMA agrees to reimburse NFCC Member Agencies in the amount of:
 - \$25 for DMP set-up fees and \$50 for DMP monthly maintenance fees, up to \$600, per client, per calendar year, as well as;
 - \$100 per counseling session (for any non-DMP counseling service provided), up to a total of \$300 per client, per calendar year.
- Contribution issues will be handled directly between the NFCC Member Agencies providing the counseling services and CGMA Headquarters located at 4200 Wilson Boulevard, Suite 610, Arlington VA 22203-1804.

Referral Process

- Once it has been determined that a client needs additional financial or housing counseling, the CGMA Representative will refer the client to an NFCC Member Agency. A Letter of Introduction from CGMA (Form 22a) will be provided to the NFCC Agency.
- The NFCC Member Agency will provide the counseling services in accordance with the needs of the client, and will develop a long-term plan to address his/her needs and objectives.
- If the NFCC counselor recommends an interest-free CGMA Debt Management Loan, the criteria for the loan must be met and documented and the NFCC counselor must prepare a Counselor Recommendation Form (Form 22b). The form summarizes the counselor recommendations for the client(s) to help improve their financial situation and the counselor's recommendation as to whether a loan is appropriate. The CGMA Representative has final authority for issuance of the Debt Management Program Loan. At no time will NFCC Member Agencies be responsible for the decision of the CGMA Representative.
- Once the counseling is completed, NFCC Member Agencies will submit an invoice to the CGMA Headquarters located at 4200 Wilson Boulevard, Suite 610, Arlington VA 22203-1804.

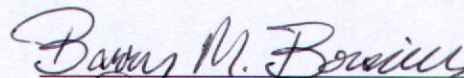
Program Promotion

Each NFCC Member Agency is an independent 501(c)(3) organization and agencies will not be obligated to participate in this program. However, the NFCC will continue to provide regular reminders and updates about this program to its membership, and hopes that CGMA will also continue to encourage its Representatives to use NFCC Member Agencies for their clients whenever deemed appropriate.



NFCC Signature

Paul Weiss
Senior Vice President
Chief Financial Officer



CGMA Signature

Barry M. Boisvere
Executive Director