COO NOTE 3 – Debt Management Loans

ALL loans for the purpose of debt management, regardless of the amount, must be approved by
the Chief Executive Officer (CEO).

It is critical to understand that debt management and debt consolidation are different. A debt
consolidation loan may be given as part of a debt management plan, but never by itself.

Engaging in debt management is a positive step, not a career ending effort. Members who have
excessive personal debt with high interest rates, or only qualify for very high interest rates on
credit cards and loans, should actively engage in debt management and are encouraged to
consult with the CG PFM. Engaging the PFM and CGMA should be done prior to taking out
high interest loans.

Use of any CGMA program will not impact anyone’s credit rating (CGMA does not report to
the any of the monitoring agencies.)

Clients applying for CGMA debt management loans are normally required to receive
professional financial counseling either with a CG PFM, or an outside professional counselor
certified by the National Foundation for Credit Counseling (NFCC) PRIOR to receiving a debt
consolidation loan. CGMA funds for using an NFCC counselor is authorized. CGMA
Representatives should see page 3-56 of the CGMA Manual (Art 3-C-6.c) for further guidance.

Representatives confronted with unusual circumstances where assistance is needed very rapidly
to avoid further financial hardship should contact CGMA HQ for guidance.

CGMA HQ Office: 703-875-0404

Chief Operating Officer: 703-547-7163