

Consumer Credit Counseling Service of Greater Atlanta

Michelle Jones, Senior Vice President, Counseling

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CONSUMER CREDIT
COUNSELING SERVICE

A member of the CredAbility Network

Michelle.Jones@cccsinc.org

About CCCS of Greater Atlanta

- **Who We Are**

- A full-service national nonprofit financial counseling agency based in Atlanta.
- Provides 24/7 counseling in all 50 states over the telephone and Internet in English and Spanish; in-person counseling at over 30 locations in Georgia, Florida, Mississippi and Tennessee.
- Certified by the U.S. Department of Housing and Urban Development (HUD) to provide comprehensive housing counseling.
- We are committed to comprehensive, holistic counseling. Our counseling programs are designed to help clients assess their financial situation, set clear goals and establish a realistic, written action plan.
- **In 2008, over 1.3 million consumers reached out to our agency for help with their financial need**

What We Do

- **Education and Public Outreach**

- We teach a broad range of money management and financial classes to consumers. In 2008, we taught 35,697 consumers through our money management and housing education seminars.

- **Bankruptcy Counseling & Education**

- We are among a select group of nonprofit agencies approved by the Executive Office for United States Trustees to provide budget and credit counseling for bankruptcy filers nationwide. Pre-filing bankruptcy counseling was provided to more than 193,000 Americans last year.

What We Do

- **Budget & Credit Counseling**

- Offered free individual advice to more than 76,600 Americans last year to develop and balance budgets, manage money, use credit wisely, handle debt and build a savings plan.

- **Debt Management Plans**

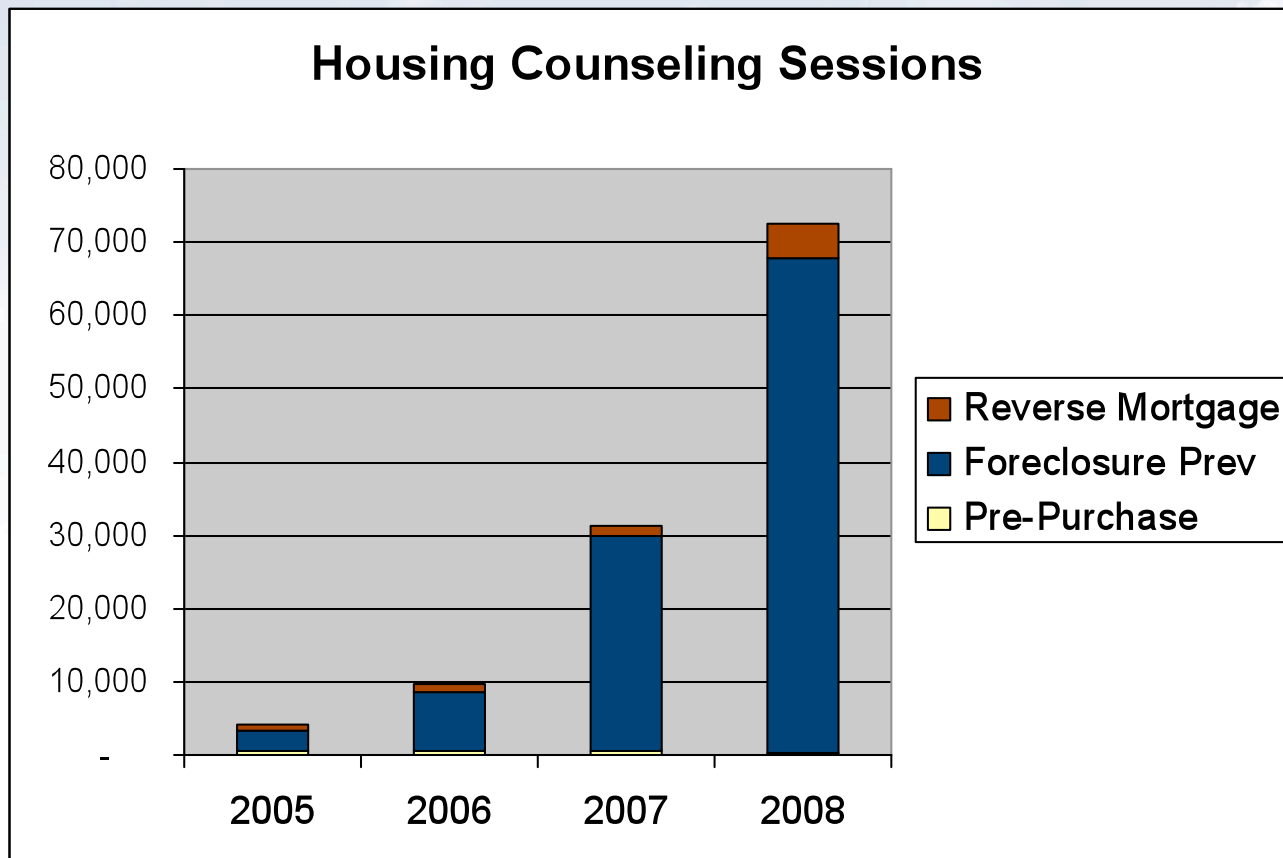
- Develop reduced payment programs for 17,500 consumers who are overextended that returned nearly \$100 million to creditors.

- **Housing Counseling**

- Help consumers achieve and maintain stable housing. More than 72,000 Americans received pre-purchase, foreclosure prevention, reverse mortgage, rent delinquency, post-occupancy and loan declination counseling in 2008.

About CCCS of Greater Atlanta

- Driven by foreclosure prevention cases, housing counseling sessions have grown **1,166%** since 2005.



The Value of Counseling

- Many of our clients who are facing foreclosure have never spoken to their servicer
- Those who do reach their servicer complain of feeling unprepared and disadvantaged in the discussion
- Counseling provides a trusted resource to help people in crisis understand, organize, and prepare
 - Counselors are patient and compassionate; objective and non-judgmental
 - Most importantly, counselors take a holistic view, and are focused on identifying the best option for the unique circumstances that the individual is facing

2008 Foreclosure Prevention Client Profile

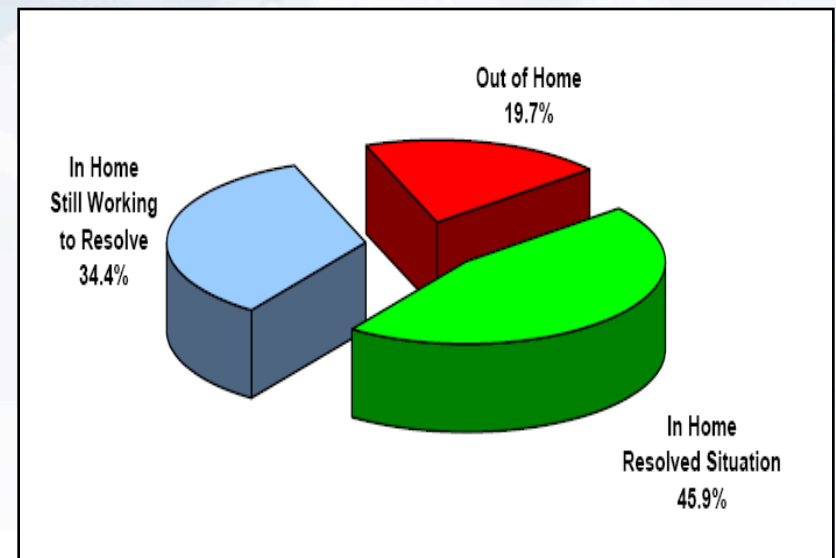
| | |
|--------------------|---|
| • Age: | 44 |
| • Gender: | 51.5% Female |
| • Ethnicity: | 42% Caucasian 19% African American 32% Hispanic |
| • Annual Income: | \$51,243 – Household size 3.3 |
| • Monthly Surplus: | (\$1,286) |
| • Unsecured Debt: | \$18,625 – 4.6 Creditors |
| • Net Worth: | (\$102,217) |
| • FICO Score: | 542 |
| • BNI Score: | 129 |

What Happens in a Counseling Session

- **A typical housing counseling session will last 45-60 minutes, during which we will:**
 - Diagnose the presenting problem and underlying causes
 - Identify the client's goals
 - Summarize housing situation, budget and income status
 - Present recommendations for each issue/opportunity
 - Secure approval from client to share data with mortgage servicer
 - Help borrower contact mortgage servicer
 - Ensure client understanding, confidence in next steps

Counseling Works!

- Clients completing foreclosure prevention counseling sessions improve confidence in their ability to meet their financial goals by more than 60%.
- One year after counseling,
 - **80%** are still in their home
 - **71%** have no foreclosure activity



Early Intervention

- **Program started in 2006 with Freddie Mac to help homeowners in early stages of delinquency has been effective.**
 - Purpose: Establish a trusted intermediary between borrowers and their servicer after mortgage loan is 45 days delinquent
 - Referrals to CCCS of Greater Atlanta come from Freddie Mac representing loans from 10 servicers.
 - In 2008, 92,570 letters mailed to delinquent homeowners introducing CCCS-Atlanta
 - Homeowners were significantly more likely to talk to CCCS counselors than to their mortgage servicers
 - 51% of homeowners contacted agreed to counseling
 - 31% of delinquent homeowners contacted by CCCS avoided foreclosure

Connecting Homeowners & Services

- **Early Resolution Counseling Portal**
 - Software facilitates faster work-outs for homeowners who have received counseling
 - Compares client financials gathered in counseling session against predefined investor work-out rules
 - Identifies solutions most likely to be offered and accepted by servicers
 - Transmits required data, with client's consent, directly to the servicer
 - CCCS of Greater Atlanta was the pilot counseling agency
 - Current Participants: Wells Fargo, Bank of America, Countrywide.
 - Expanding program to add more servicers and counseling agencies

Challenges for Homeowners

- **Homeowners face multiple problems when trying to find the right solution.**
- Rising unemployment and reduced incomes
 - In June, 72% of people who received foreclosure prevention counseling from CCCS-Atlanta experienced unemployment/reduced income
- Debt levels are high and rising
 - Many are using credit cards to supplement lost income
 - Loss of medical coverage that accompanies unemployment is problematic for many
- Difficulty understanding what options, if any, are available
- Fear or avoidance of mortgage servicer

Challenges to Homeowners

- **Many mortgage servicers are on board, but consumer experience is inconsistent.**
 - Servicers continue to experience heavy volume of inquiries, so consumers aren't getting timely help
 - Requests for help skyrocketed even further after announcement of Making Home Affordable
 - Documentation requirements are substantial and strict. Everyone is drowning in paperwork
 - Turnaround times, once all materials are received, vary considerably and are regularly 60+ days
 - There are inconsistencies in servicers' responses

Loan Modification Scams

- **Mortgage loan modifications have turned into big business. Homeowners seeking help are barraged with offers over the phone, on television and on billboards.**
 - For-Profit Firms charge large, up-front fees
 - Many tell homeowners not to call their lender or make their house payments
 - Oftentimes, months later, no payments have been made and no loan modification has been offered
 - At this stage, many turn to us for help
 - There is no need for any homeowner to use a for-profit foreclosure rescue firm
 - FTC has filed lawsuits against some firms; 23 state attorneys general are participating in the operation to fight these firms

Foreclosure Prevention Counseling

- **How to Reach a Nonprofit Housing Counselor**

- HUD certifies nonprofit housing counseling agencies who provide free foreclosure prevention counseling. Find them at www.hud.gov
- Homeowner's HOPE hotline, 1-888-995-HOPE, is a nationwide, toll-free free telephone number, staffed by 9 HUD approved housing counseling agencies
- CCCS of Greater Atlanta can be reached at 1-800-251-2227 and our web site, www.cccsinc.org