

2007 Annual Report



**Consumer
Credit
Counseling
Service
of Northeastern
Indiana, Inc.**

4105 West Jefferson Blvd. • Fort Wayne, Indiana 46804
260-432-8200 • 1-800-432-0420
www.financialhope.org
Offices also in Warsaw and Auburn

*The words “Financial Hope”
are incorporated into our website address
because that’s what we’ve been providing since 1965.*

Consumer Credit Counseling Service (CCCS) of Northeast Indiana is a **non-profit organization** founded in Fort Wayne, Indiana in 1965. Our Mission is *“To enhance the financial well-being of the community and of individual consumers by promoting sound money management.”* We do this through counseling and workshops addressing budgets, homeownership and basic financial literacy.

Our **FREE** financial counseling includes budget counseling; HUD approved pre-purchase housing counseling and reverse mortgage counseling for seniors. CCCS also offers affordable debt management programs and financial education workshops, including pre-bankruptcy counseling and pre-discharge bankruptcy education that meet Executive Office of the U.S. Trustees (EOUST) requirements.

CCCS is supported by the cooperation of banks, credit unions, finance companies, merchants, credit card companies and other professional organizations.

Consumer Credit Counseling Service of N.E. Indiana is a member of the National Foundation for Credit Counseling (NFCC) and the Better Business Bureau (BBB). We are also accredited by the Council of Accreditation (COA) and governed by a local volunteer Board of Directors.

CHAIRMAN'S & PRESIDENT'S MESSAGE

The big news for CCCS in 2007 was housing counseling. Specifically, we ramped up capacity for anti-foreclosure and reverse mortgage counseling services. We increased office space 25% and counseling capacity from 2 to 4 people. This cost money. To meet the need, CCCS invested over \$85,000 from our reserves. This was a major commitment for CCCS.

As of the writing of this report, the investment is paying off. The increased counseling is still free to the client but is fully funded from lenders and HUD. We are seeking further outside funding to meet the need.

What is unique about CCCS is that it is holistic housing counseling. This means that we are experienced in dealing with the host of other issues normally linked to housing problems such as excessive debt, poor money management, and matters requiring referral to other community resources.

The Board, Staff, and clients thank our creditor partners and friends throughout the community for sustaining us through our 43rd year!

Sincerely,
James Tague, Chairman

Thomas E Hufford, President

2007 Board of Directors

Officers:

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Vice-Chair: William Warriner, *Goodwill Industries*

Secretary: Judy Roy, *Indiana Tech*

Treasurer: Bradley Taylor, *National City Bank*

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Martha Lemert, *Baker & Daniels*

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Greg Troutner, *Pro-Fed Credit Union*

John Wellington, *IPFW*

Officers – 2008

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Vice-Chair: Steven McElhoe, *Tower Bank*

Secretary: Greg Troutner, *Pro-Fed Credit Union*

Treasurer: Bradley Taylor, *National City Bank*

DEBT MANAGEMENT

The Consumer Credit Counseling Service Debt Management Program (DMP) teaches clients how to get out of debt. Counselors who are certified by the National Foundation for Credit Counseling (NFCC) provide the DMP.

Every client receives an initial free counseling session and a written action plan for self-management. Historically, the percentage of those clients who continue into a formal debt repayment program is approximately 18% to 20%.



While a client is participating in the DMP, creditors are asked to stop all collection activity, reduce or eliminate interest and other charges, and to deal directly with CCCS. Clients who successfully complete the DMP receive guidance on how to reestablish credit.

In 2007, CCCS returned over \$4 million to creditors.

Consumer Credit Counseling Service offers educational programs from two different perspectives: a pro-active perspective educates the client to gain knowledge and control of his or her financial situation and thereby preventing financial distress and/or ruin; and a reactive perspective provides the steps needed and required by law once bankruptcy is inevitable.

Money Management:

Money management is addressed through a two-hour class called *Money in Motion*. This financial literacy program was developed by the American Center for Credit Education and approved by the Department of Justice. Originally designed as a requirement for bankruptcy application, its far-reaching applications have proven highly successful as a personal finance education tool.

Money in Motion focuses on how to handle money, common financial mistakes and financial practicality. *Money in Motion* can be delivered in a classroom setting or over the Internet. Program delivery over the Internet has had a dramatic and positive effect on our overall delivery of services and tracking of results.

Students who have completed the course report that it is helpful, effective and, in their own words, “life changing.”

Topics covered include:

- setting financial goals
- creating and following a budget
- checking and savings accounts
- credit cards
- credit reports and credit scores
- predatory lending
- consumer protection laws
- identity theft
- financial recordkeeping.

Bankruptcy:

Consumer Credit Counseling Service is approved by the U.S. Department of Justice to administer **pre-filing bankruptcy counseling** and **pre-discharge bankruptcy education**. Our classes meet all the requirements of the new Bankruptcy Law (BAPCPA of 2005) and are approved by the Executive Office of the U.S. Trustees (EOUST).

The USDOJ Certificate of Completion will be issued upon completion of the class. This document is required to file with the Court for the discharge of the client’s debts.

HOUSING

The housing situation across the country was extremely dismal in 2007. Foreclosures skyrocketed nation-wide and Indiana ranks among the highest in the United States in the number of foreclosures. The mortgage crisis and victims of predatory lending created immediate housing issues. CCCS realizes the importance of flexibility to meet the changing needs of the community and offer critical services as and when needed.



An Executive decision was made to invest in future programs addressing serious housing issues. This meant a financial investment of \$85,000. Such a large financial commitment required the use of reserve money in 2007. Subsequently, HUD and private foundations are assisting with this debt in 2008. Additional donations and assistance will be sought and welcomed. The investment is already paying off in 2008.

As a HUD approved comprehensive financial counseling agency, Consumer Credit Counseling Service addresses the total picture for housing solutions. CCCS is unique in that it is the only agency of its kind to address reverse mortgages, pre-purchase counseling and foreclosure prevention as well as debt management. CCCS has the credentials, personnel and programs to counsel clients facing a variety of financial challenges in the housing market.

Pre-purchase Counseling:

To help individuals and families prepare for one of the most important purchases in life, Consumer Credit Counseling Service offers ***Make Your Move***. This HUD approved program follows FANNIE MAE guidelines and offers a free one-on-one consultation and workbook.



Reverse Mortgage Counseling for Seniors:

Many seniors do not have enough income on which to live, but have more than enough equity in their house that could provide a comfortable living.

CCCS is one of the few reputable, Federally approved counseling agencies in our area that understands the pros and cons of this complex and controversial program. The CCCS reverse mortgage counselors have passed AARP testing and are also approved as national telephone counselors for reverse mortgages.

Foreclosure Prevention:

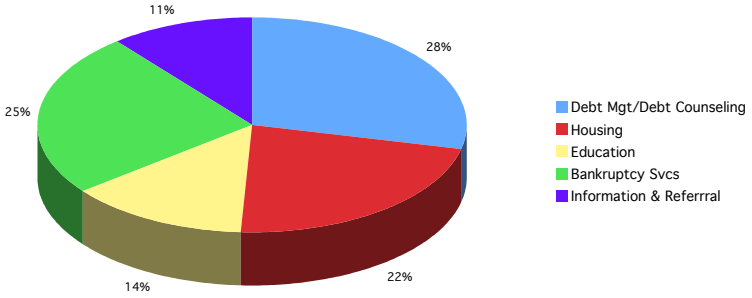
Consumer Credit Counseling Service takes an aggressive position to assist clients when a foreclosure is threatening. The CCCS foreclosure specialist can act as an arbitrator between the mortgage company and client, often preventing the foreclosure.



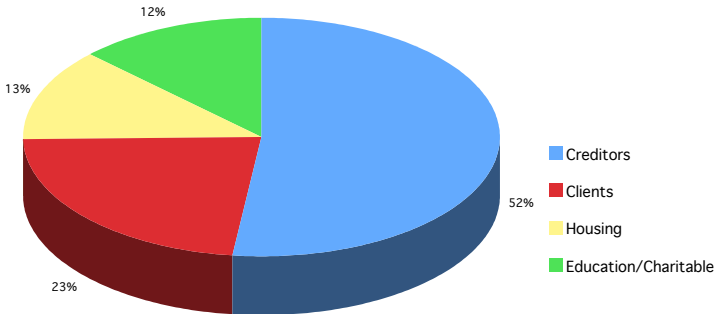
Continued budget and money management counseling will then help to ensure the client doesn't continue the financial practices which led to such a position.

FINANCIAL HIGHLIGHTS

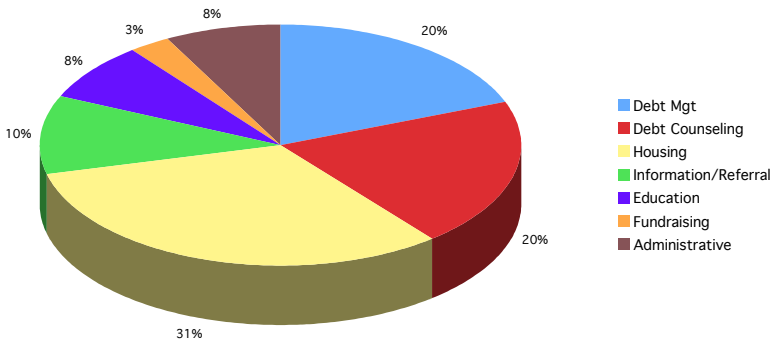
People Served 7,997



Income \$587,511



Expenses \$672,967



Consumer Credit Counseling Services, Inc.

4105 West Jefferson Blvd.
Fort Wayne, Indiana 46804



NATIONAL FOUNDATION FOR
CREDIT COUNSELING
*Knowing the difference can
make all the difference.*

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