



2010 ANNUAL REPORT



Debt Management Credit Counseling Corp.

A 501(c)3 Charitable Organization



Executive Director's Message

The past several years have been difficult for nonprofit credit counseling agencies like DMCC, as increased regulations, reductions in creditor concessions, and high unemployment rates resulted in fewer consumers being able to benefit from our programs. Consequently, 2010 was an important time for DMCC to streamline its

operations and strengthen its financial position to enable program expansion and future growth.

In the first quarter of 2010, we upgraded all of our internal systems to better serve our debt management clients, including the conversion to state-of-the-art software and the installation of a new telephone system. We also revised operating policies to improve the efficiency of processing payments, enabling us to significantly reduce our operating expenses.

Throughout the year, we continued to provide educational programs free of charge, including seminars for over 5,000 adults and high school students. In addition, we started providing housing counseling services for the first time by participating in pre-purchase home buying workshops conducted by the Deerfield Beach Housing Authority.

In September 2010, the expansion of our programs continued as we were approved by the U.S. Department of Justice to provide the personal financial management education that all bankruptcy debtors are required to complete before their debts can be discharged.

Goals for 2011 include adding new programs, including pre-filing bankruptcy counseling and HUD certified housing services.

It is with great hope and enthusiasm that we now look forward to 2011.

A handwritten signature in black ink that reads "P. Heinemann". The signature is written in a cursive, flowing style.

Phil Heinemann
Executive Director

Our Mission

Programs And Services

Key Facts

Accomplishments

Accreditations

Board of Directors



Our Mission

To provide consumers education and budget counseling to improve their financial literacy and assist them in the management of their personal finances.

We are committed to providing credit counseling through educational programs and materials, personal budgeting, and debt management plans to financially distressed consumers, while maintaining fiscal integrity and utilizing the highest quality standards in the industry.



Programs and Services

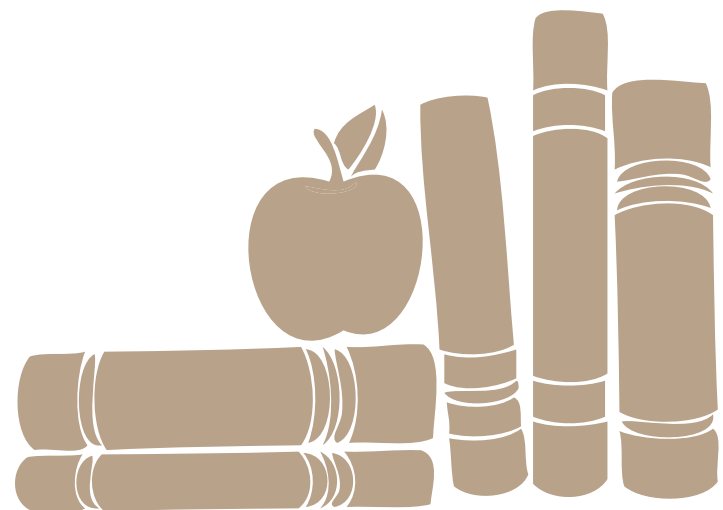
Educational Information
Personal Budget Counseling
Debt Management Plans
Community Service
Bankruptcy Education



Educational Information

This program provides free financial related education to consumers, students and the general public via a) face-to-face workshops and seminars at schools, community centers and businesses, b) periodic newsletters and articles, c) educational handbooks, brochures and videos, and d) a proprietary financial literacy program called “Debt, Money and Credit Concepts” available online or in workbook format.

All workshops, seminars, newsletters, articles and other educational materials, are conducted, written and produced by employees of DMCC, and provided free-of-charge.



Personal Budget Counseling

This program provides free personal budget counseling to financially distressed consumers throughout the United States by certified credit counselors. Counseling provided includes review of each consumer's financial status to determine the underlying cause of their financial distress and a detailed review of their current income, liabilities, delinquencies, expenses, and discretionary income.

All consumers counseled are provided a written counseling report with an analysis of their current spending, a suggested budget, and our recommendations for help.

All counseling is performed by employees of DMCC who are trained and certified by an independent non-profit accreditation organization.



Your company was my financial lifesaver. Before contacting DMCC I saw no way of getting myself out of the financial mess I had made. Your credit counselors were empathetic and very assuring that there was a light at the end of the tunnel.

- Sylvia, Brooklyn, NY

Debt Management Plans

This program provides qualified consumers concessions from creditors for the repayment of their unsecured debt, ongoing access and guidance from certified credit counselors, and quarterly newsletters with information regarding creditor policies and financial matters.

Concessions provided by creditors include cessation of collection efforts, reduced interest rates, lower monthly payments and current reporting of their debt to the major credit bureaus. This program is only offered to consumers for which a debt management plan is recommended following a counseling session with a certified credit counselor.

DMCC receives fees from clients and contributions from some creditors for providing and servicing these plans. Client fees are restricted based on federal and state guidelines. Creditor contributions are voluntary and paid solely at the discretion of the creditors. Debt management plan revenue is the primary source of funding for DMCC's operations, and is the means by which DMCC is able to provide its educational and counseling programs to consumers free of charge.

Community Service

This “Charity of the Month” program provides assistance to other charitable organizations through the volunteer efforts of DMCC employees. Assistance is provided in the form of labor, goods, money, services and any other forms of support required by the selected charity.

A favorite charity of DMCC employees over the years has been the annual toy drive conducted for the underprivileged children at the Florence Fuller Child Development Center in Boca Raton, Florida. Each December, DMCC employees contribute the toys and make arrangements with Santa to distribute them to the boys and girls.



Bankruptcy Education

If a consumer is unable to make headway paying back their debts, bankruptcy may offer some resolution to their financial problems. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Act) provides checks and balances to ensure consumers are making better informed decisions when it comes to filing bankruptcy and managing their personal finances.

DMCC is approved by the U.S Department of Justice to provide the personal financial management course that consumers electing to file for bankruptcy protection in the United States must complete before their debts can be discharged. Debtors who complete the Bankruptcy Edition of DMCC’s proprietary financial literacy program Debt, Money & Credit Concepts are issued certificates for filing with their respective bankruptcy court.

Key Facts

Educational Information

Seminar audience	2,516
FLP completions	112
Educational materials mailed	2,584
Educational Workshops	121
Educational materials disseminated	3,675
Website visits	30,000 - 42,000

Personal Budget Counseling

Total Consumers	
Offered Assistance	12,516
Counseled	8,984
Enrolled in DMP	1,664
Cause of Financial Hardship	
Increased cost of living expenses	30%
Decrease in income	27%
Money management	27%
Unemployed	5%
Medical/Illness	3%
Divorce	3%
Death in family	1%
Business venture failures	1%
Other	3%

Debt Management Plans

Total Debt Repaid	\$12,190,000
Avg APR before DMP	22.30 %
Avg APR after DMP	9.74 %
Avg DMP payment	\$437
Avg Total Debt	\$12,022

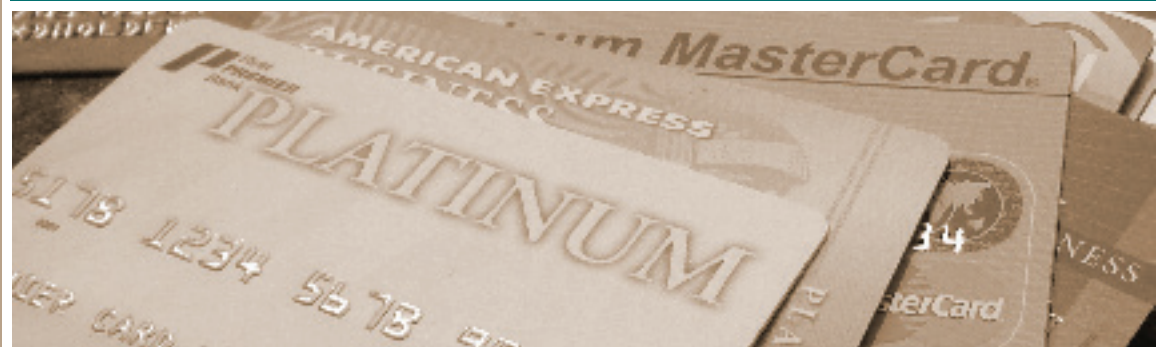
Client Profile

Client Age

18 – 30	12 %
31 – 45	37 %
46 – 60	35 %
61 – 75	14 %
75 +	2 %

Avg Annual Client Income \$34,200

Low-Mod Income Households 55.3%



Accomplishments

**U.S. Trustee Approval
Seminars
Credit Counseling
FAU Scholarship Fund
Upgraded Systems**



U.S. Trustee Approval of Bankruptcy Education

DMCC's financial literacy program, Debt, Money & Credit Concepts was first introduced in 2004. It was designed to encourage financial literacy around the country. The program is a self-study course made up of 12 modules aimed at improving consumer financial skills and helping them maneuver wisely through their daily financial endeavors.

During 2010, the U.S. Trustee office of the Department of Justice approved a revised Bankruptcy Edition of Debt, Money & Credit Concepts as meeting the personal financial management course requirements that consumers filing bankruptcy must complete and designated DMCC as an approved debtor education provider. This program is now provided to consumers filing bankruptcy throughout the United States either online or in person, and in both english and spanish.

Seminars

During 2010, DMCC's Education Department conducted over 120 workshops in high schools, community centers and businesses throughout the state of Florida. We disseminated over 3,600 pieces of our educational materials to meet our goal of educating consumers on the wise use of credit and how to improve their financial future. All workshops and materials were provided free of charge.

Seminar locations included:

- Brevard County Health Department
- Broward Community College
- Deerfield Beach High School
- Hillsborough County Health Department
- J.P. Taravella High School
- Marjory Stoneman Douglass High School
- Mulberry High School
- Palm Beach Lakes Community High School
- Palm Beach State College
- Port St. Lucie High School
- Rosenblum Financial Group, Inc.
- St. Lucie West Centennial High School
- Volusia County Health Department
- West Boca High School
- William T. Dwyer High School



Credit Counseling

Credit counseling services, including personal budget counseling and debt management plans, continued to be the core programs provided by DMCC during 2010. DMCC offered free assistance to over twelve thousand consumers and conducted approximately nine thousand budget counseling sessions during the year.

Seventeen hundred of the consumers counseled were subsequently enrolled in debt management plans, while thousands of others were referred to attorneys or other service providers for help. During 2010, DMCC disbursed over \$12 million to the creditors of debt management plan clients in repayment of their debt.



FAU Scholarship Fund

Every year since 2001, DMCC has awarded a scholarship to a student of the Harriet L. Wilkes Honors College of Florida Atlantic University in Jupiter, Florida through the FAU Foundation, Inc. The FAU Foundation, Inc. is a 501(c)(3) non-profit organization established in 1960 to help guide FAU's growth and fine-tune its mission of promoting academic excellence. During 2010, the Debt Management Credit Counseling Corporation Scholarship Fund had more than \$28,000 for those students who need funds for their education.

Upgraded Systems

At the beginning of 2010, DMCC successfully converted to a state-of-the-art telecommunications and client database system provided by a third party vendor. The conversion represented a major upgrade in the systems DMCC utilizes to provide its credit counseling programs, and allowed DMCC to streamline its operations and reduce related expenditures.

Central to the upgraded systems is a web based Client Management Application ("CMA") that is integrated with a new telephone PBX. In addition to providing full CRM functionality, the CMA provides all functions required by DMCC to provide personal budget counseling and debt management plans to consumers. The web based platform provides DMCC the ability to access and service its clients remotely, and increases the outreach of DMCC's educational and counseling efforts.



Accreditations

U.S. Trustee Approved Bankruptcy Provider

British Standards Institute ISO 9001:2008 Certified

BBB of Southeast Florida (A+ Rating)

Association of Credit Counseling Professionals

National Association of Certified Credit Counselors



Board of Directors

Phil Heinemann

Executive Director and President

Shannon Schaffer

Vice President

William Kalaf

Treasurer

Carol O'Brien

Secretary



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