



# Annual Report

## **CCCS Annual Report 2006/2007**



# Our Mission

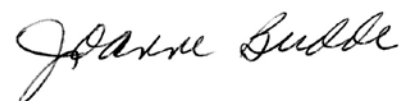
**By providing comprehensive financial counseling and education, we will help consumers achieve financial independence through debt reduction, homeownership, and improved money management skills.**

# A Message from Our President

There are many ways to measure success. For-profit businesses measure success in net earnings, stock value, dividends and the bottom line. As a non-profit community service organization, CCCS measures success in the number of people we serve, the financial stress we relieve, the variety of services and programs we offer and the improved bottom line of our clients. Our dividends are letters from clients thanking us for providing the light at the end of the tunnel, for enabling them to buy a home, for helping them become debt-free.

The success we've seen doesn't happen by accident. It's the result of many outstanding dedicated people who rally together to accomplish the extraordinary. Our volunteer Board members give freely of their time and unique expertise to provide leadership and support. Thanks to each and every one of them for their vision, trust, enthusiasm and encouragement. Our staff – our most valuable resource – includes B.A.s, M.A.s, J.D.s, M.S.W.s, Certified Consumer Credit Counselors and Certified Credit Report Reviewers. They are a team of bright, talented people who share a vision that they can and do make a difference in the community.

Also critical to our success is another group of people – our clients, who allow us to play a part as they overcome hardships and realize their dreams. Our clients, as well as the entire community we serve, are the real measure of our success – our true bottom line. We look forward to working with them and thousands of others each year to create even more financial success stories, one family at a time.



# Providing Help & Hope

As consumer debt levels continue to climb, personal savings rates remain low, interest rates increase, predatory financial services thrive, and millions of homeowners face difficulties in paying their mortgages, it is essential for families to have a place to turn for help and hope.

In 2006, nearly 200,000 consumers chose to take the first step in reaching their financial goals. They contacted us with questions about money management, credit reports, home purchase, identity theft, mortgage delinquency, breaking the payday loan cycle, and scores of other personal finance issues. Our counselors were able to help many of our callers right away, by providing guidance, resources and tools. Others, with more complicated situations, scheduled future counseling sessions.

Through money management counseling sessions, our counselors help our clients identify the root cause of their challenges, set attainable goals, create a savings and spending plan, and deal effectively with debt. In each counseling session, our counselors work with their clients to develop a personal action plan outlining options, proposed changes, and future steps to take to achieve their goals.

By improving their credit standing, many of our clients are able to move from depending on expensive fringe financial services into



the financial mainstream, with access to reasonably-priced car or home loans. With identity theft and credit fraud still fast-growing crimes, many concerned consumers turn to our credit report review program to understand the information on their credit report and to determine the steps to take to protect themselves from being victimized.

Over the past 37 years, tens of thousands of overextended families have chosen to use our Debt Management Plan to meet their goal of becoming debt-free. Through the structure and support of the DMP, these families have been able to eliminate their debt, develop life-long money management skills, and move toward a financially sound future.

# Housing Education Program

Through partnerships with lenders, government agencies, foundations and corporations, we have the opportunity to provide housing education and counseling nationwide to families seeking their first home, as well as those struggling to avoid foreclosure. Since we developed our Housing Education Program in 1994, we have assisted over one hundred thousand families in achieving the American dream of homeownership, while helping tens of thousands more determine a viable plan for keeping their home when faced with foreclosure.

We were honored in 2006 that our program was the category winner for Innovative Early Foreclosure Intervention Strategy in the Neighborworks America Innovations in Homeownership Contest, sponsored by MetLife Foundation. Because homeowners struggling to make their monthly mortgage payment so rarely take the first step to ask for help, we developed a program to reach out to these homeowners and offer support. Traditional “passive” mortgage default counseling may result in a contact rate of only 5%. In just the first six months of one of our proactive housing partnerships, our contact rate was over 32%. Once we began working with these homeowners, we found that nearly two-thirds were able to avoid foreclosure. We appreciate the recognition from Neighborworks and continue to work closely with struggling families



to help them avoid losing their hard-earned homes.

One of the Housing Education Program’s newest partnerships is with the Homeownership Preservation Foundation. HPF works in partnership with mortgage lenders, nonprofit organizations and city government agencies to provide homeowners with counseling and resources to help them resolve their mortgage troubles. The Housing Education Program at CCCS of San Francisco is one of only five HUD-approved housing counseling agencies nationwide participating in this initiative. Hundreds of struggling homeowners contact HPF through the toll-free 888-995-HOPE line each day. Participating in this partnership will allow us to help thousands of families save their homes from foreclosure.

# Reverse Mortgage Counseling

Many senior citizens are faced with difficult financial decisions once they retire. Perhaps they are struggling with a reduced income, increased medical expenses, or maybe they wish they had the cash flow to spend their golden years traveling or exploring other interests they've put off until retirement. While many seniors have built up a great deal of equity in their homes, they don't want to sell the house in order access it. They've raised their families in these homes and become part of a community, and don't want to sacrifice that. While borrowing against the equity in the home through traditional equity loans or refinancing can be an option, it can also put the house at risk of foreclosure if the homeowner is already cash-strapped.

More and more senior homeowners are turning to reverse mortgages – a loan against the home that provides cash in a lump sum or line of credit and doesn't need to be repaid as long as the borrowers remain there. Because these kinds of loans can be complicated, both from a lending perspective and a personal one, a counseling session through a HUD-approved housing counseling agency is a requirement of the loan.

The Housing Education Program has been providing the required reverse mortgage counseling for over twelve years. We see this as a growing segment of our housing education



and counseling services. To meet this need, each year more of our multi-lingual counselors complete the necessary training and obtain the HUD/AARP certification to provide this counseling.

In 2006, we counseled nearly 1000 seniors on the reverse mortgage process. Through providing services directly to families nationwide and through partnerships with lenders and other organizations, we look forward to assisting more seniors in the coming years in ensuring the lifestyle and security they've worked so hard for throughout their lives.



# Partners

## Housing Education Program Partners

- Freddie Mac
- Fannie Mae
- The PMI Group
- City of San Francisco
- Mission Economic Development Agency
- San Francisco Housing Development Corporation
- San Francisco Association of Realtors
- Northern Circle Indian Housing Authority
- Sonoma County Housing Authority
- Marin County Housing Authority
- Napa County Housing Authority
- San Francisco Mayor's Office of Housing
- Self-Help Credit Union
- Mission Economic Development Corporation
- Section 8 – Family Self Sufficiency Program
- San Francisco EARN program
- Asian Inc.
- San Francisco Housing and Development Corporation
- Housing and Economic Rights Advocates
- Homeownership Preservation Foundation
- Fair Lending Consortium



In 2006, Wells Fargo Home Mortgage, Washington Mutual, Chase Manhattan, Bank of America, American Home Mortgage and HSBC Bank donated generously to our housing education programs. We are grateful for their support.

# Community

## Outreach to Our Community

By providing free money management and housing workshops throughout our community, we make essential financial literacy tools available to the families we serve. In 2006, we conducted 342 workshops for over 4700 consumers. It wasn't just the local population that benefited from our presentations – we took the message of sound money and credit management to organizations in fifteen states. In addition to the workshops we conducted, through eight train-the-trainer sessions, conducted nationwide, we trained over 100 employees of non-profit organizations to present our education programs.

Members of the press regularly turn to CCCS for accurate and current information for their viewers, listeners, and readers. Last year we participated in over 50 media opportunities. We provided credit and money management



commentary for every regional network and newspaper, as well as for national outlets such as Newsweek magazine and MarketWatch.com. We're especially proud that in 2006, we were able to reach millions of Spanish-speaking families through our regular interviews with Univision.

“CCCS of S.F. helped me when I got into big credit problems about 15 years ago. After following your program, and cutting up those cards, I reached the milestone of an 800 FICO score this year. Because of utilizing sound financial investment strategies, my wife was able to stop working and is home raising our kids.”

– Herbert A. Genelly III, Realtor



# Families Served

**Information Line Calls: 194,342**

**Money Management and Credit Counseling Sessions: 19,282**

**Credit Report Review Sessions: 4372**

**Pre-purchase Housing Counseling: 6346**

**Mortgage Delinquency Referrals: 23,639**

**Bankruptcy Counseling and Education Sessions: 7187**

**Clients Participating in DMP (Year-end): 10,449**

**Funds Returned to Creditors Through DMP: \$50,669,789.89**

**Community Education Workshops: 342**

**Workshop Attendees: 4707**

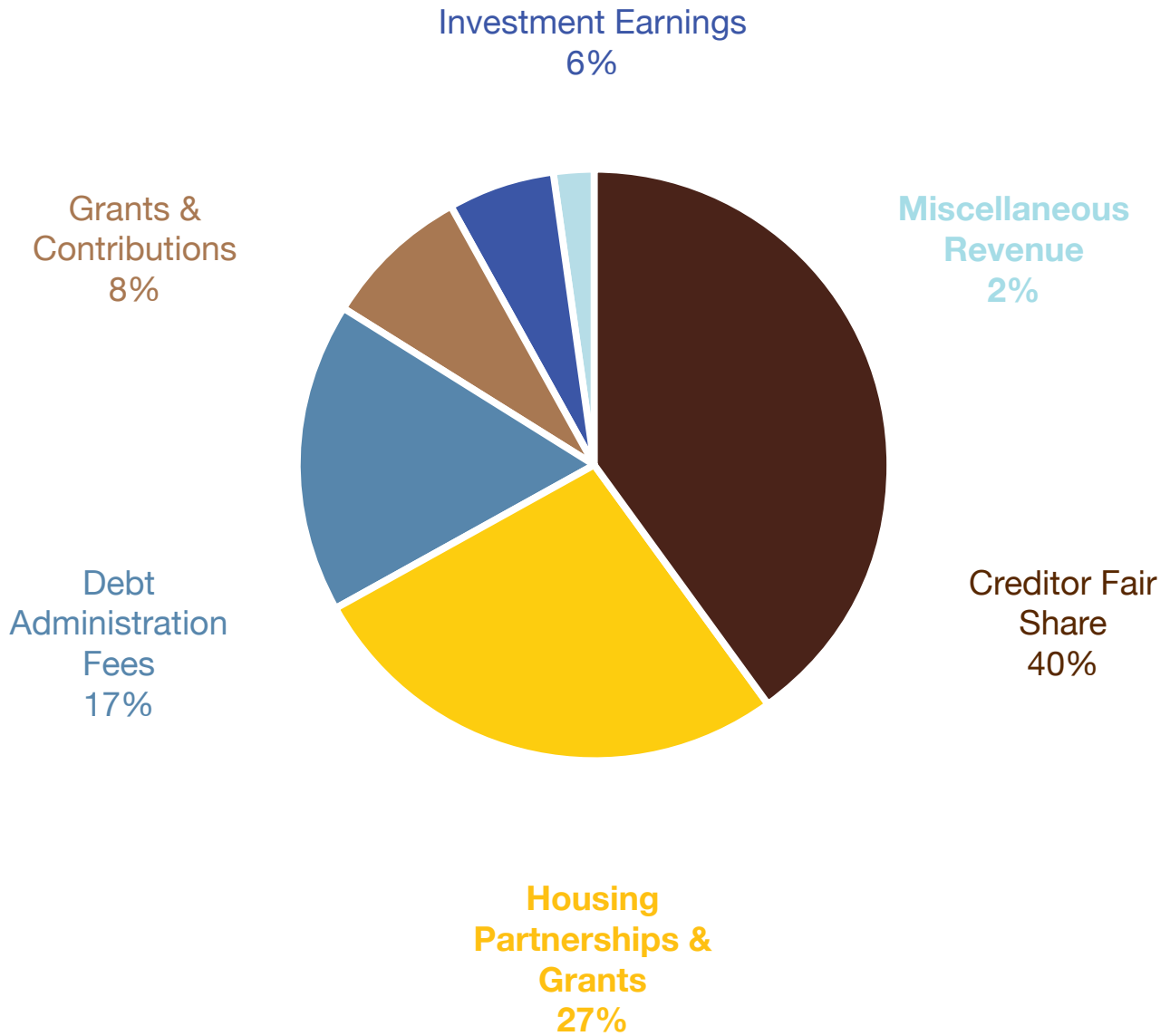
# Our Credentials

- Nonprofit 501(c)3 organization serving the San Francisco Bay Area since 1969
- Accredited by the Council on Accreditation of Services for Families and Children
- Recipient of the Neighborworks America 2006 Innovations in Homeownership Award
- Certified Credit Report Reviewers are certified by the Consumer Data Industry Association
- Approved by the Executive Office for the US Trustees to provide bankruptcy counseling and education nationwide\*
- HUD-approved housing counseling agency
- All counselors earn and maintain Certified Consumer Credit Counselor status by the National Foundation for Credit Counseling
- Services provided in English, Spanish, Mandarin, Cantonese, and Tagalog. All other languages and services for the hearing impaired are provided through an interpreter.
- Counseling available throughout the Bay Area and nationwide via telephone and in person in our San Francisco and Santa Rosa offices

*(\*Approved to issue certificates in compliance with the Bankruptcy Code. Approval does not endorse or assure the quality of an Agency's services)*

# Funding Sources

**Total Revenue for 2006: \$5,790,000**



# Our Funding

CCCS of San Francisco is grateful for the grants we received from the following organizations:

- Wells Fargo Community Development
- State Employees' Credit Union (NC)
- Freddie Mac
- HSBC
- Citibank
- Chase Manhattan
- MBNA/Bank of America
- HUD

We'd like to express our appreciation to the following creditors who supported our debt management work with donations of greater than \$20,000 in 2006.

- Bank of America
- Household Finance Company
- Household Beneficial Finance
- RNB
- Direct Merchants Bank
- Risk Management Alternatives
- Discover Financial Service
- Washington Mutual
- Capital One
- GE Card Services
- Citibank
- HSBC/HRS
- Wells Fargo Bank
- Chase Manhattan
- MBNA
- Bank One/First USA

# Our Board

## Our Board of Directors

Consumer Credit Counseling Service of San Francisco would like to thank our board of directors for their insight, guidance and support.

**Kenneth Crone, Chairman**

Retired from VISA USA

**James Hoffman, Vice Chair/Treasurer**

Bank of Marin/Vice President, Sales

**George Moody III, Secretary**

Residential Pacific Mortgage/Senior Advisor,  
Branch Development

**Jim Redmond, Director**

Credit Risk Results/President

**Barry Jollette, Director**

San Mateo Credit Union/CEO

**Melyssa Barrett, Director/Chairman  
of Audit Committee**

VISA USA/Director, Risk Management

**Susan Fritts, Director**

Customer Advantage Consulting/President

**JoAnn Dunaway, Director**

Center for Entrepreneurship in International  
Health and Development, UC Berkeley/Project  
Manager

**Nancy Birenbaum, Director**

Martinez Unified School District/Director of  
Student Services

**Joanne Budde, Director**

Consumer Credit Counseling Service of San  
Francisco/President & CEO

Thank You

**We are proud to have  
helped so many families move  
toward financial freedom.**