

Coast Guard Mutual Assistance (CGMA) – National Foundation for Credit Counseling (NFCC)

Memorandum of Understanding

June 2013

Purpose

To describe the relationship between Coast Guard Mutual Assistance (CGMA) and the National Foundation for Credit Counseling (NFCC), and to outline the financial services which may be provided by NFCC Member Agencies—the majority of which are known as Consumer Credit Counseling Services (CCCS)—to Coast Guard clients, their spouses and dependent children, on behalf of CGMA.

Background

CGMA was originally established in 1924, and has had a long history of helping the men and women of the United States Coast Guard. Today, CGMA offers aid to the entire Coast Guard family; active duty and retired military members, civilian employees, commissioned officers of the Public Health Service serving with the Coast Guard, Reserve members, and Auxiliary members, on behalf of themselves, their spouses and their dependent children.

The NFCC was established in 1951 and is the nation's largest and longest serving national nonprofit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior, and build capacity for its members to deliver the highest-quality financial education and counseling services. NFCC Members annually help millions of consumers through more than 700 community-based offices nationwide. All NFCC Member Agencies provide budget and debt counseling, and administer Debt Management Plans (DMPs) for those overwhelmed by debts that they are unable to repay without the help of the creditors they owe. Most Member Agencies also provide housing counseling services, as well as other money and credit services.

CGMA and the NFCC have had a Memorandum of Understanding in place since March 2003.

General Program Terms

CGMA Representatives will remain the first point of contact for Coast Guard clients. Depending on the client's situation, the CGMA Representative may decide to:

- Personally provide counseling
- Direct the client to other sources within the Coast Guard for counseling, including other government sources
- Direct the client to an NFCC Member Agency to receive professional and individual financial and/or housing counseling services.

The individual counseling provided by NFCC Member Agencies may be used to determine the root or cause of the financial problem, and whether the problem is short-term or long-term. Counseling should also be used to determine what course of action should be taken to help the client achieve the goal of meeting their financial obligations and become a financially responsible consumer. This may or may not include receiving a loan from CGMA.

CGMA is also willing to extend to its clients, with the recommendation from an NFCC certified counselor, an interest-free loan that will enable clients to qualify for NFCC Member Agencies' administered Debt Management Plan (DMP) when other alternative resources are not available. This is a loan of last resort and will only be extended by CGMA if the client is in a financial hardship situation without alternative resources and is otherwise unable to enter an NFCC Member Agency's DMP. In most instances, these loans are repaid to CGMA via monthly allotments from the client's pay.

Financial Education Workshops

There will be two primary opportunities for CGMA and the NFCC to partner:

- Ad-hoc requests from the Coast Guard's Work-Life Program.
- Scheduled events such as the 5-Day Transition Assistance Program (TAP) workshops.

NFCC will:

- Identify a member agency to teach a financial education workshop based on location.

NFCC agencies will:

- Provide an instructor for a financial education workshop on an as needed basis.
- Use their own curriculum or the NFCC-approved curriculum titled "Better Fortunes" for the work-Life workshops. The major topics will include:
 - Budgeting and Basic Financial Management Skills
 - Understanding Your Credit Report and Credit Score
 - Preparing for Home Ownership
- Use the Department of Defense (DOD) approved curriculum "Personal Financial Planning for Transition" for the TAP workshops.
 - NFCC agencies may decide to expand on some of the areas covered in the curriculum (such as housing, insurance and retirement). The exact content of the workshop will be based on the duration of the workshop and the audience objectives, and will be discussed and approved by the Coast Guard HQ Office of Work-Life in advance of the delivery.
 - The duration of class will be between 2 and 4 hours.
- Provide certificates of completion at the conclusion of each workshop.

CGMA will:

- Schedule and provide the funding for the specialized Work-Life workshops.
- Support and provide the funding for the NFCC portion of the TAP Workshops.

Counseling Services

CGMA Representatives will refer clients for the following types of individual counseling services:

- Financial Counseling, to include:
 - o Budget and Financial Counseling - This will include Debt Management assistance, enabling the client to enter the NFCC Member Agency's administered Debt Management Plan. This may also include assisting separating/retiring members with developing a 12-month transition assistance budget, along with a Certificate of Completion. If necessary, the NFCC counselor will make a recommendation on the minimum interest free CGMA debt management loan needed to enable the client to enter the Agency's DMP.
 - o Pre-Filing Bankruptcy Counseling
 - o Pre-Discharge Bankruptcy Education
- Housing Counseling, to include:
 - o Pre-Purchase Housing Counseling
 - o Post-Purchase Housing Counseling
 - o Loss Mitigation/Foreclosure Prevention Counseling

Referral

Once it has been determined that a client needs additional financial or housing counseling, the CGMA Representative will refer the client to an NFCC Member Agency. A Letter of Introduction from CGMA (Form 22a) will be provided to the NFCC Agency.

The NFCC Member Agency will provide the counseling services in accordance with the needs of the client, and will develop a long-term plan to address his/her needs and objectives. If the NFCC counselor recommends an interest-free CGMA Debt Management Loan, the criteria for the loan must be met and documented and the NFCC counselor must prepare a Counselor Recommendation Form (Form 22b). The form summarizes the counselor recommendations for the client(s) to help improve their financial situation and the counselor's recommendation as to whether a loan is appropriate. The CGMA Representative has final authority for issuance of the Debt Management Program Loan. At no time will NFCC Member Agencies be responsible for the decision of the CGMA Representative.

Costs

CGMA agrees to reimburse NFCC Member Agencies as follows:

- \$25 for DMP set-up fees
- \$50 for DMP monthly maintenance fees (NTE \$600 per client, per year)
- \$100 for non-DMP counseling sessions (NTE \$300 per client, per year)
- \$500 for specialized workshops (including travel and materials)

Invoicing

Reimbursement will be handled directly between the NFCC Member Agencies providing the services and CGMA Headquarters.

Once the service provided is completed, NFCC Member Agencies will submit an invoice to the CGMA Headquarters. Submission by email is preferred. For those Member Agencies that do not have a means of billing CGMA separately, please advise clients to contact CGMA directly to arrange for reimbursement.

E-mail address: ARL-DG-CGMA@uscg.mil.

Mailing address: Coast Guard Mutual Assistance, US Coast Guard Stop 7180, 4200 Wilson Blvd., Suite 610, Arlington, VA 20598-7180.

Marketing

The NFCC will provide regular reminders and updates about this program to its membership.

CGMA will encourage its Representatives to use NFCC Member Agencies for their clients whenever deemed appropriate.



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and National Partnerships
National Foundation for Credit Counseling

6/11/2013



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Coast Guard Mutual Assistance

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