

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

Memorandum of Understanding

May 2016

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 network's core mission is to offer people solutions and support to address financial challenges and take charge of their own financial futures. With nearly 1,600 certified credit counselors in approximately 600 community-based offices nationwide, the NFCC member agencies have assisted millions of consumers by providing a wide-range of financial counseling. All NFCC member agencies provide financial counseling (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. NFCC member agencies also provide housing counseling services, student loan counseling services, and work with other community contacts to provide workshops and educational webinars.

General Program Terms

CGMA and the NFCC have had a Memorandum of Understanding (MOU) in place since March 2003. This MOU is created with a purpose of continuing to provide meaningful services to Coast Guard clients.

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 a NFCC Member Agency to receive professional and individual financial counseling services

The counseling provided by the NFCC Member Agency will include a full analysis of the consumer's overall financial health. As a result of the counseling, both short-term and long-term goals will be set, as well as a complete review of the budget which will include an action plan. The holistic approach of counseling will address all of the necessary issues that need to be addressed by the consumer (credit card debt, payday loans, housing issues, student loan issues, etc.). The counselor will also assess if the consumer can benefit from 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 allotment/payroll deduction from the client's pay.

Financial Education Workshops

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

- Requests from CGMAHQ to provide basic financial training at a specific Coast Guard unit.
- 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 basic financial training 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, student loans, 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 basic financial training 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:
 - Budget and Financial Counseling - After a thorough assessment of the client's financial situation, this counseling may result in a recommendation for a Debt Management Program. 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.
 - Pre-Filing Bankruptcy Counseling
 - Pre-Discharge Bankruptcy Education
- Housing Counseling, to include:
 - Pre-Purchase Housing Counseling
 - Post-Purchase Housing Counseling
 - Loss Mitigation/Foreclosure Prevention Counseling
- Student Loan Counseling, to include:
 - Basic financial review
 - Detailed review of current student loan debt issues
 - Recommendations and resources for repayment options

Referral

Upon determination that a client may benefit from additional financial counseling offered by the NFCC, 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: CGMA@cgmahq.org

Mailing address:

Coast Guard Mutual Assistance
1005 N Glebe Road
Suite 220
Arlington, VA 22201

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.



Jeffrey E. Faulkner
Executive Vice President
National Foundation for Credit Counseling
May 2, 2016



Barry M. Boisvere
Executive Director
Coast Guard Mutual Assistance
May 2, 2016