



Annual Report

2008

Letter from the President and Chairman of the Board

In 2009, Consumer Debt Counselors celebrates its tenth year of service to individuals and families in the Central Florida area. The past decade has witnessed this agency's growth from a lone Counselor in one office serving a small segment of a single community into an agency with five counseling offices in two states; an agency authorized to serve individuals and families in five states.

As we look forward to the future, it behooves us to also take time to look back at the year just concluded; to note the accomplishments as well as the goals yet to be attained.

2008 witnessed what many have called "a perfect storm" of financial setbacks that have impacted not only our community but our nation as well. Home values that had soared for years began falling and many who were over-leveraged found themselves unable to sell houses for as much as was owed. Demand for consumer goods and services fell, causing companies, new and old alike, to reduce their workforces causing the unemployment rate to reach levels unseen since the 1970's. Men and women who were looking forward to an imminent retirement watched their retirement plans shrink in value, causing them to put their retirement dreams on hold. Consumer debt, which had heretofore been manageable, became overwhelming.

Throughout the year, Consumer Debt Counselors provided free financial counseling to all who needed it; people who often were having trouble paying their basic living expenses, let alone their debts. As we move ahead in 2009, we will continue to provide the highest quality counseling and financial education to the communities we serve. I invite you join us in pursuit of our mission to promote financial literacy that promote prudent stewardship of financial resources; provide financial crisis counseling; and, serve as a resource for financial counseling and education to the communities we serve.



**George Janas,
CLU, ChFC, FICF
President and
Chairman of the
Board**

George Janas, CLU, ChFC, FICF
President

Major Events

2008 witnessed several major events in the history of Consumer Debt Counselors.

Leading the list of accomplishments was the acceptance of Consumer Debt Counselors as a member of the National Foundation for Credit Counseling (NFCC). The NFCC is the oldest and most respected association of 501(c)(3) non-profit credit counseling agencies in the United States. To attain membership status, an agency must first be recognized by the Internal Revenue Service as a 501(c)(3) organization; meaning, it must meet very stringent requirements as a provider of financial education to the community. The agency must employ only qualified Counselors who obtain certification through the NFCC's certification program; and, it must demonstrate its financial stability to ensure that clients will receive prompt, efficient, service now and in the future.

Once again, the Executive Office of U. S. Trustees in the Department of Justice approved Consumer Debt Counselors to provide the pre-filing credit counseling required before an individual can file for bankruptcy protection; and, the Personal Financial Management Education required before a bankruptcy can be discharged.

Finally, CDC's registration of accreditation under ISO 9001:2000 standards was reaffirmed by BSI America. As members of the NFCC, Consumer Debt Counselors has chosen to also obtain accreditation from the Council on Accreditation as well. CDC is on-track to obtain this accreditation by mid-2010.

Financial Counseling

Even in the best of times, financial hardship strikes with little or no warning. Job loss, divorce, catastrophic illness, rising interest rates, all have the potential to create financial stress. When the "perfect financial storm" strikes as it did in 2008, stress levels rise beyond imagining.

Effective and efficient cash-flow management through the use of a budget or spending plan can be a key component in consumers weathering the storm. For this reason, every counseling session provided by Consumer Debt Counselors includes an in-depth review of the client's gross income, payroll withholding, fixed expenses, and variable expenses. Planning enables clients to anticipate future expenses and prepare for them thus reducing financial stress.

Debt Counseling

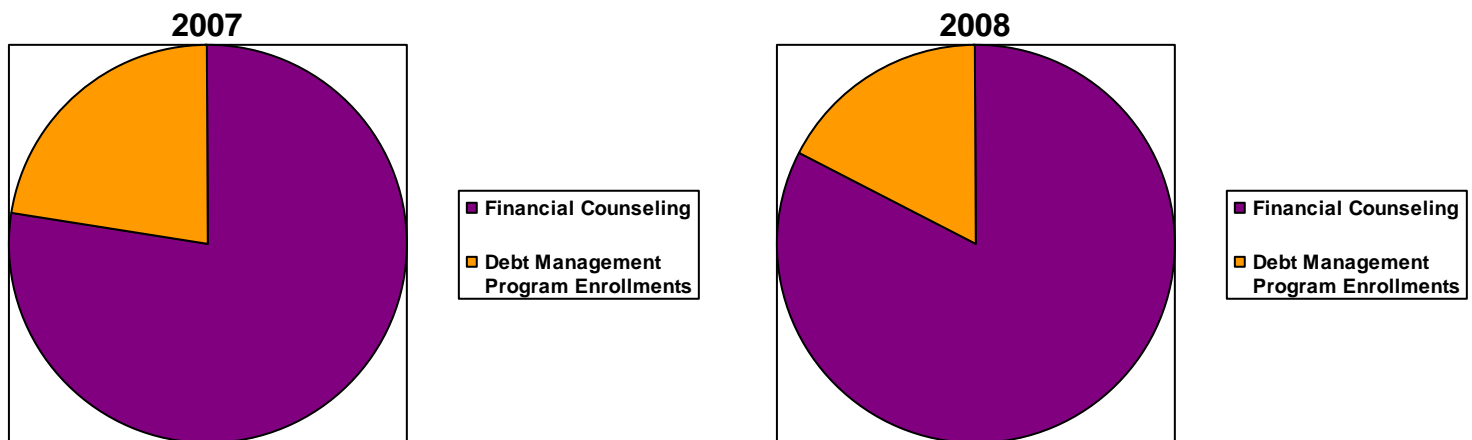
When unsecured debts such as credit cards, department store cards, medical bills and collection accounts become overwhelming, people need help; the sooner the better. Consumer Debt Counselors provides free and confidential debt counseling to help clients identify strategies that empower them to pay down debts and build a favorable credit history.

When secured debts such as home loans become a burden too heavy to bear, Consumer Debt Counselors can help a client objectively analyze his/her situation and determine what options may be available to help retain the house; what actions should be considered in order to dispose of the property when retention is not an option; and, find more affordable housing.

In 2008, Financial Counseling, defined as both Budget Counseling and Debt Counseling increased by 26.75% over 2007 levels.

Debt Management Programs

For some, a Debt Management Program may help qualifying clients obtain assistance from creditors in the form of lower monthly payments, reduced interest rates, and the elimination of late fees and/or over-limit fees. These concessions from creditors will typically often help clients pay their debts in full; often in three to five years. As a result of the rising unemployment rate during the year's financial turmoil, enrollments in Debt Management Plans decreased by 7.10%



Housing Counseling

While newspaper headlines shouted the impersonal statistics on mortgage delinquencies, defaults and foreclosures, Consumer Debt Counselors witnessed the human side of those numbers. Adjustable interest rates that increased monthly mortgage payments as they ratcheted upward, coupled with rising unemployment and underemployment, caused record numbers of people to seek assistance with their home mortgages. Unemployment and underemployment also impacted rental payments for both apartment and house renters.

The Counselors at Consumer Debt Counselors worked with more individuals than ever before in search of strategies that would allow them to retain and maintain the homes that they had created for their families. These strategies included:

- Stage 1 Counseling – jjj
- Stage 2 Counseling – jjj
- Loan modifications that could potentially reduce the monthly payment and increase the number of months for which the homeowner would make payments; reduce the interest rate being charged on the loan; and decreasing the total amount that was due in recognition of falling home values.

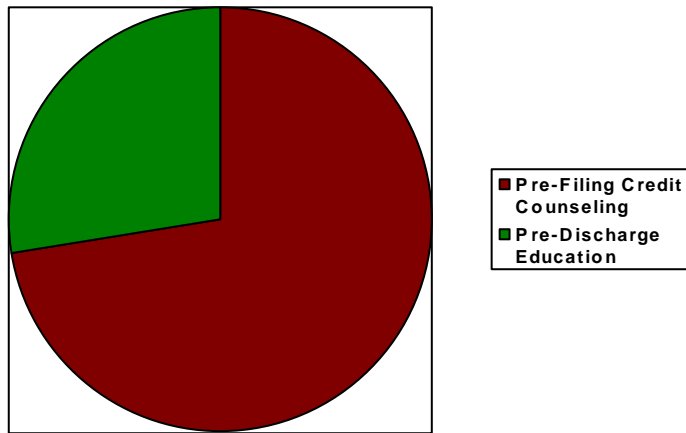
Sadly, for far too many, the only true option was to recognize that the home was unaffordable under any terms and that it must be sold for less than was owed; sold under a short-sale agreement; surrendered under a deed-in-lieu of foreclosure; or surrendered in the course of a bankruptcy filing.

Bankruptcy Counseling and Education

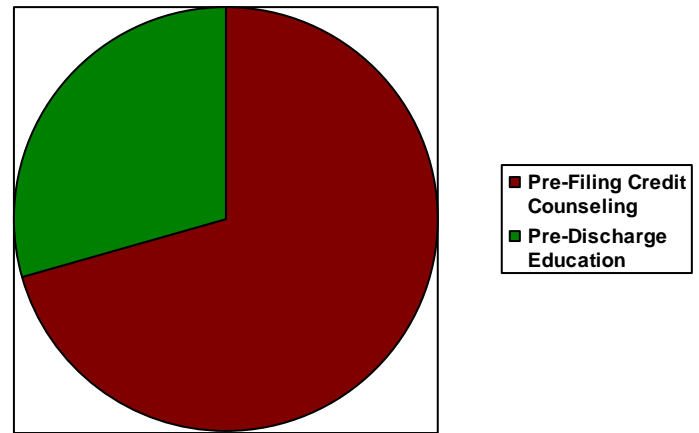
Consumer Debt Counselors is proud to be an approved agency that helps clients meet both the pre-filing credit counseling and pre-discharge education requirements under the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005. When overwhelming debt leaves no alternative but to file bankruptcy, Consumer Debt Counselors helps individuals satisfy these requirements in a timely manner through the use of in-person, telephone, and on-line counseling; and, an on-line education program.

2008 witnessed a 27.75% increase in total financial counseling sessions; a 175.77% increase in bankruptcy pre-filing credit counseling certificates issued; and, pre-discharge education certificates issued increased by 205.61%

2007 Bankruptcy Certificates



2008 Bankruptcy Certificates



Education Initiatives

CDC's Educational Outreach Program enabled the agency's staff to conduct and/or participate in sixty-two (62) events in 2008. Specifically,

- Twenty-seven (27) financial workshops were provided to the **Family Stabilization Program** and were attended by four hundred and twenty-five (425) individuals. This program provides individuals and families who have "dropped out" of the financial system with the resources and skills to gain or recover self-sustaining status through long-term and rigorous assessment, referral, guidance, education and support; including financial education provided by Consumer Debt Counselors. The education component of this program consists not only of group workshops that address such topics as:
 - Managing Payroll Deductions;
 - How to plan and manage grocery expenditures;
 - Obtaining best value for insurance premiums; including life, auto, homeowners'/renters', medical, and dental;
 - Time management;
 - Predatory lending and identity theft; and,
 - Homeownerships vs Renting

Also provided is one-on-one counseling to analyze the client's current cash-flow management, assets, liabilities, and rights under the Fair Credit Reporting Act.

Participants' knowledge and understanding is measured by a pre-class questionnaire and a post-class evaluation. During 2008, the overall increase in knowledge and understanding increased by 40.37%.

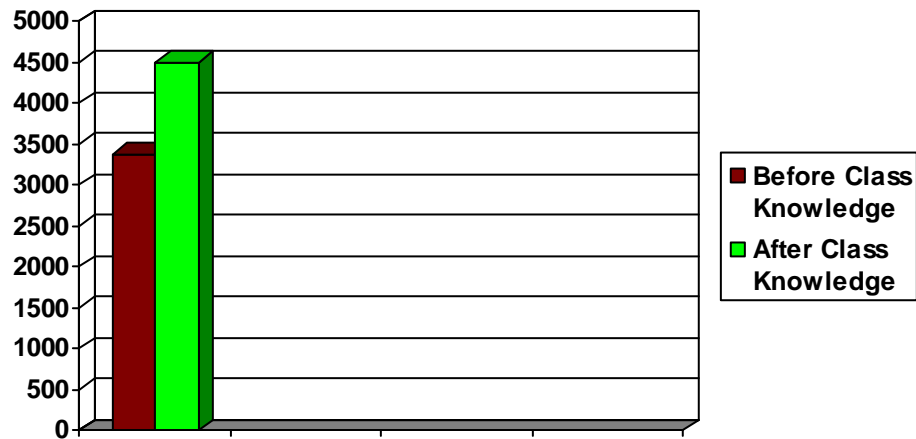


- Twenty (20) financial workshops were conducted for the **Options! Program**, a program designed to assist displaced homemakers career and academic counseling; financial assistance with education expenses; job placement assistance; and, financial education provided by Consumer Debt Counselors. Program participants are also provided with one-on-one counseling that assists them in the development of budgets and assistance in the resolution of credit report inaccuracies that may be hindering their job searches and potential employment. These workshops were attended by two hundred and two (202) individuals.

As above, participants' knowledge and understanding of subject matter is evaluated through pre-class and post-class evaluations.

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Overall knowledge and understanding increased by 33.13% for program participants in 2008.

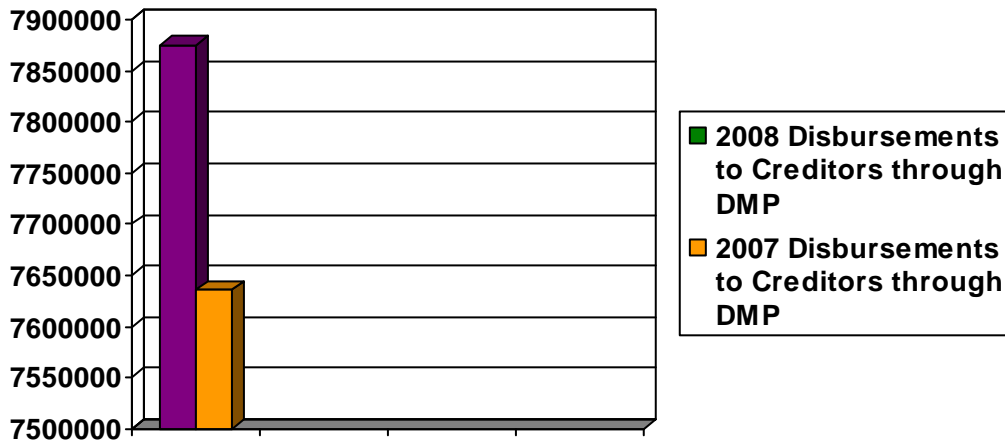


- Consumer Debt Counselors participated in six (6) First-Time Homebuyer education classes that are designed to assist potential homeowners qualify for down payment assistance programs. Five hundred and four (504) potential homebuyers received certificates of completion qualifying them for these assistance programs.
- Additionally, the agency participated in the Homebuyers' Exposition sponsored by the Florida Housing Authority and attended by an estimated 3,000 people.
- Recognizing that the optimum time to learn money management skills is *before* getting into financial trouble, Consumer Debt Counselors was proud to participate in four (4) financial literacy events conducted at middle schools and high schools. These events were attended by 1,082 students and empowered those students to make well-informed financial decisions as they venture out into the world.

We thank each of our community partners for the opportunity to serve and provide these valuable services.

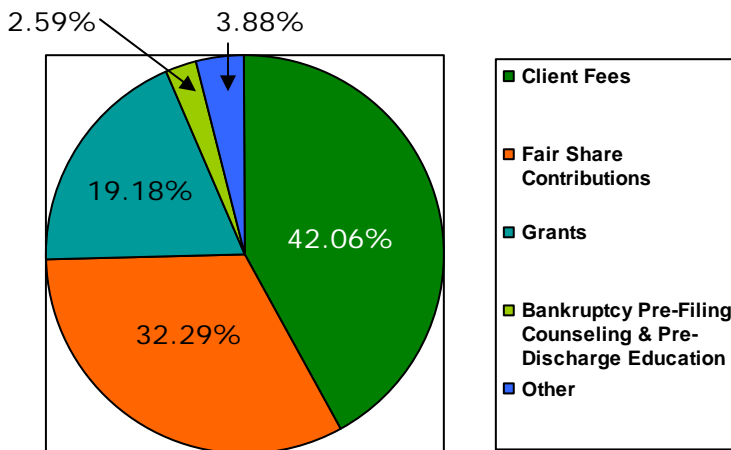
Agency Financials

As can be seen in the chart to the right, despite the decreased number of enrollments into Debt Management Programs, disbursements to creditors through DMP's increased by 31.38% in 2008

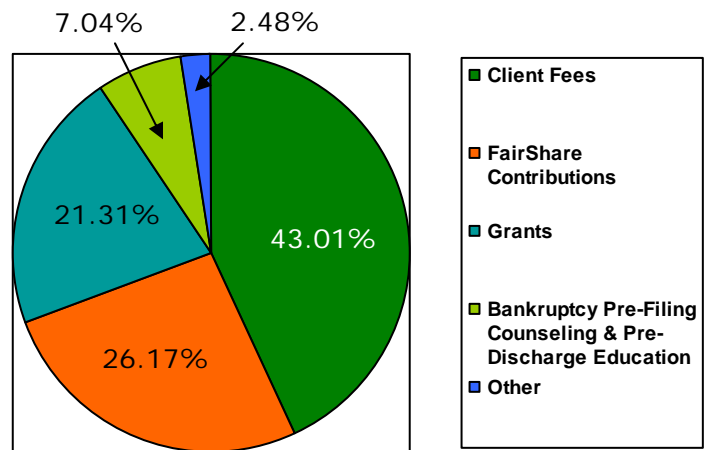


As can be seen in the chart at the right, CDC's funding is provided by a variety of fund sources.

2007 Funding Sources



2008 Funding Sources



Kudos from our clients and community partners

"I saw you on November 1, 2008 at the (First-Time Homebuyers') class. I want you to know that you really enlightened me to how I can help myself with my finances ... after listening to you, I was able to save the \$1000 required saved as of Christmas Day. This is all due to your training and telling us to pay self. I am now taking that advice, still paying my Tithe's first, and still being able to make payments to my other debt.

"I also want to thank you for helping me set up a budget. I really thought I was in terrible shape financially, but you showed me that I even had money to spare after paying my bills and saving ... because of your lessons, I really feel confident that I am on my way to home ownership.

"Thanks again for your patience and not judging how I managed my finances. You pointed out what I am doing good on and what I can improve ... Thank you."

- Attendee at First-Time Homebuyer Class

"... From our first appointment to our training sessions and answering questions along the way (you've) been not only professional but worked with us in a way that was clear and very useful. What we found most awe-inspiring was how you worked with us without be judgmental and actually helped to start the healing process ... Thank you for your authentic caring personality that accepted us as equal travelers on the life journey while showing us the way."

- Pre-Filing Credit Counseling and Pre-Discharge Education Couple

"The first time I met with my Counselor he was very informative. He answered all my questions and concerns."

- Financial Counseling Client

"CDC saved my life and my family's life."

- Financial Counseling Client

"On behalf of the Education for Careers Class ... I would like to thank you for taking time out of your busy schedule to speak to our students. Your knowledge of the credit card and debit card industry was invaluable to our students."

- High School Teacher, Louisiana

"... You (CDC) have worked tirelessly with the Options! Program for over two years ... and I cannot begin to tell you what a difference you make in our students' lives ... Not only do they now have a working knowledge of the subject matter but they can actually apply this new skill set to their own lives ... Without your long hours of classroom instruction, endless hours of follow-up meetings in person and on the phone, what we do at the Options! Program would not quite have the impact we would like to have on our students' lives."

- Executive Director
Options! Program

“Your organization has been a great asset for our clients in the Family Stabilization Program by supplying our educational piece of the program, the bimonthly budgeting workshops, as well as the individual budgets that you do with each family. The clients express how much they learn from each workshop and how they are assisting their friends and families with what they have learned ...”

- Emergency Services Program Manager
JFS Family Stabilization Program

“I just had to write and say “thank-you” for the kindness and professionalism shown to me during my appointment ... I awoke feeling a bit “lighter” this morning. What a great feeling to know that in 5 short years I will be debt free ... To see a light at the end of this seemingly long tunnel almost leaves me speechless. Wow!

- Debt Management Client

Our Vision

Consumer Debt Counselors exists to:

- Educate the public regarding predatory lending practices and reduce the demand for loans that abuse the consuming public;
- Educate the public regarding the responsible use of consumer credit and money;
- Help reduce financial stress that individuals and families face by providing the tools needed to resolve the issues creating that stress;
- Provide financial crisis counseling to the public

Our Mission

The mission of Consumer Debt Counselors is to:

- Provide financial literacy programs that promote the prudent stewardship of financial resources;
- Provide financial crisis counseling on a low-cost/no-cost basis; and,
- Serve as a community resource for financial counseling and education.