DEBT RELIEF

Performance and Satisfaction Information Report

Cambridge
Credit
Counseling
Corp.

Transparency Project

Fourth Release

"When you do a thing, act as if the whole world were watching."
-Thomas Jefferson

www.cambridge-credit.org/transparency.html

EXECUTIVE SUMMARY

This *Debt Relief Performance and Satisfaction Information Report* is the fourth release made in connection with Cambridge Credit Counseling's Transparency Project, an initiative designed to explain the services our agency provides to the public, and to openly display the various outcomes achieved. The agency has pledged to produce a new report each quarter.

As you'll see, this particular report builds off of some of the themes and topics that emerged in our earlier releases. More specifically, it focuses on the changing characteristics of the consumers who contact Cambridge seeking debt relief, as well as the shifts in business practices needed to properly assist them.

The data indicate that consumers who contacted Cambridge in the third quarter of 2011 were even more likely to be worried about the *Ability to keep pace with their bills* (92.3%) than respondents just two years earlier (85.4%). Likewise, the percentage of consumers experiencing *Anxiety about the rising cost of living* rose 22.8% over the two years. As for the actual factors that caused their hardship, growth in some areas was predictable. For example, we witnessed a 28% increase in the number of consumers experiencing some *Loss of Income*, while other hardship contributors seemed surprising: *Overspending* rose 15% over the same period, at a time when, according to mainstream media reports, most consumers had tightened their belts.

In the third quarter, fewer consumers who reached out to Cambridge for debt relief were considered suitable candidates for a debt management plans (or DMP). Among the options presented to consumers during 2010, DMP enrollment was included for 34% of individuals looking to resolve/improve their financial circumstances. Just nine months later this percentage has fallen to 24.1%. For those Cambridge clients who enrolled in a DMP during the third quarter of 2011, 5% more are receiving reduced or waived fees than consumers who became clients of our agency in 2010.

Fortunately, creditors have worked with credit counseling agencies to modify the terms presented to consumers, and clients who are suffering greater hardship may qualify for a better tier of benefits. Two years after enrollment, clients whose hardships were such that they received greater account concessions from their creditors were still successful in their debt management plans at a rate 10% higher than recorded by standard DMP enrollees with standard benefits. We are hopeful that all creditors will recognize the significant effects on client success that these additional concessions have produced.

This report also focuses attention on Cambridge's efforts to change the financial behavior of its clients. For example, 94.3% of newly enrolled clients who had begun to budget during their counseling sessions felt that they were better able to manage their finances. For clients who had begun to track their expenses, this number was 95.1%, and 81.4% confirmed that their counseling had helped them identify ways to cut down on their expenses.

The lasting effect on the client's behavior was also examined. More than 79% of clients who had reached the 4-year mark of enrollment had reviewed or revised their budgets within the past 6 months, while 86.7% reported having tracked their expenses over the same period. Today's report also explores the perceptions held by long-term clients about their counseling experience. Fully 99% reported that they were still satisfied with their counselor, years after their initial counseling session.

Again, this release is meant to build upon the information reported in previous Transparency Project reports. You may note that there is less description of the overall counseling and DMP processes. Instead, we've tried to provide a better analysis and explanation of the data presented. Our intention is to create a clearer picture not only of the debt relief profession, but also of those consumers it helps.

As always, the data presented here is unfiltered. Readers of past reports may note that several individual performance metrics have declined. Cambridge feels it would be a disservice to neglect these data points, and that doing would be inconsistent with the goals and intentions of our Transparency Project. To secure consumer confidence in the counseling profession, all data must be presented.

SECTION I:

THE INITIAL COUNSELING EXPERIENCE

Reasons consumers seek credit counseling

The counseling process begins with the identification of a consumer's concerns. Previous releases of this report have explained why this activity is necessary to properly diagnose the factors contributing to the consumer's situation while establishing a trust-based relationship with the financially distressed individual.

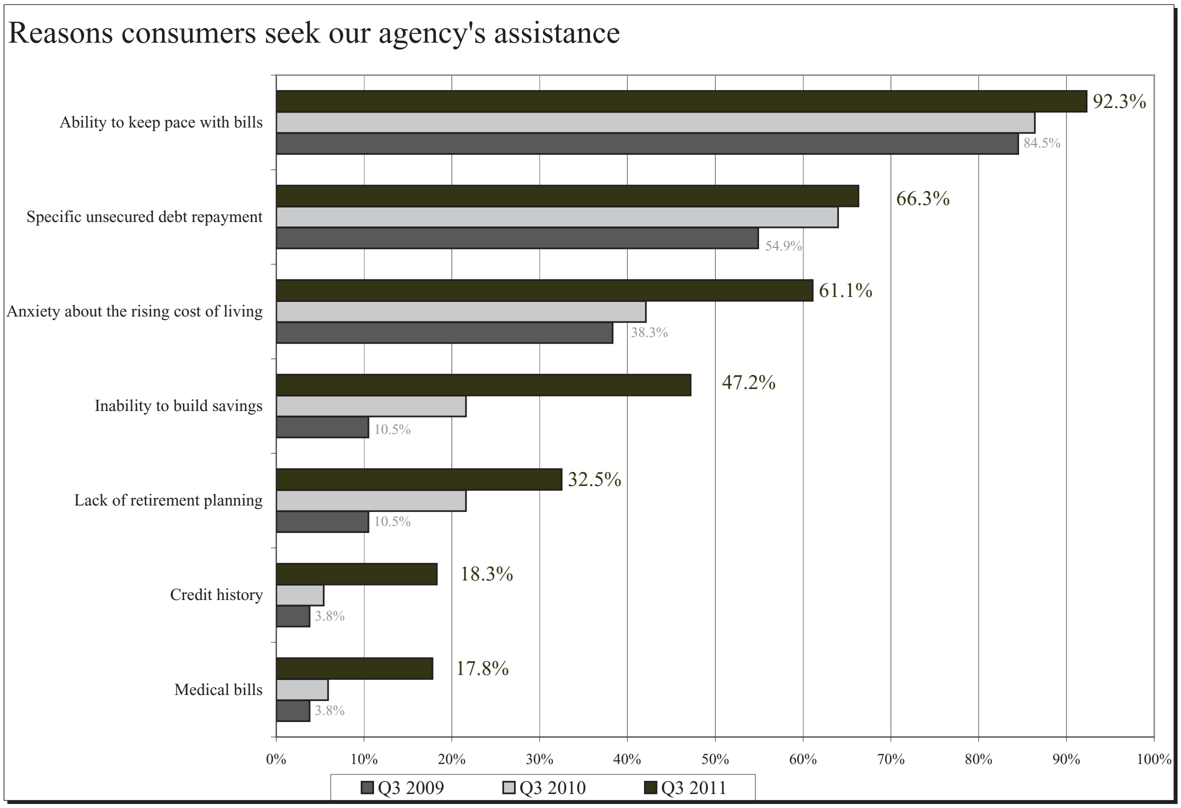

Chart 1

Chart 1 displays the most commonly cited consumer concerns reported to Cambridge's counselors during the third quarters of 2009, 2010 and 2011. The responses indicate that consumers seeking help just two years ago had a different focus than those individuals counseled during the third quarter of 2011. In particular, *Inability to build savings* (previously combined with *Lack of Retirement Planning*) is a worry of 4 times as many consumers than it was 24 months ago, and is on the mind of nearly 50% of consumers who sought Cambridge's assistance during the third quarter. Significant increases can also be seen for smaller items, as well: Concern about *Credit History* and *Medical Bills* both experienced 5-fold increases in the past 24 months.

The data also shows how some things actually don't change. The biggest factors driving consumers to seek debt relief remain *Ability to keep pace with bills* and *Specific unsecured debt repayment*. Cumulatively, however, since every stressor has increased, it seems evident that the average consumer seeking help has more worries than their counterparts from just two years ago.

Root cause analysis of consumer's situation

Chart 2 draws additional attention to the different characteristics of those seeking debt help in 2011 versus 2009. In past years, the primary root cause of the consumer's distress has been *High interest rates*, but, during the third quarter, 5.5% fewer consumers cited that reason than their counterparts in 2009. *Lack of planning*, which experienced a 14.2% reporting increase over the same period, emerged as the leading cause of distress.

THE INITIAL COUNSELING EXPERIENCE

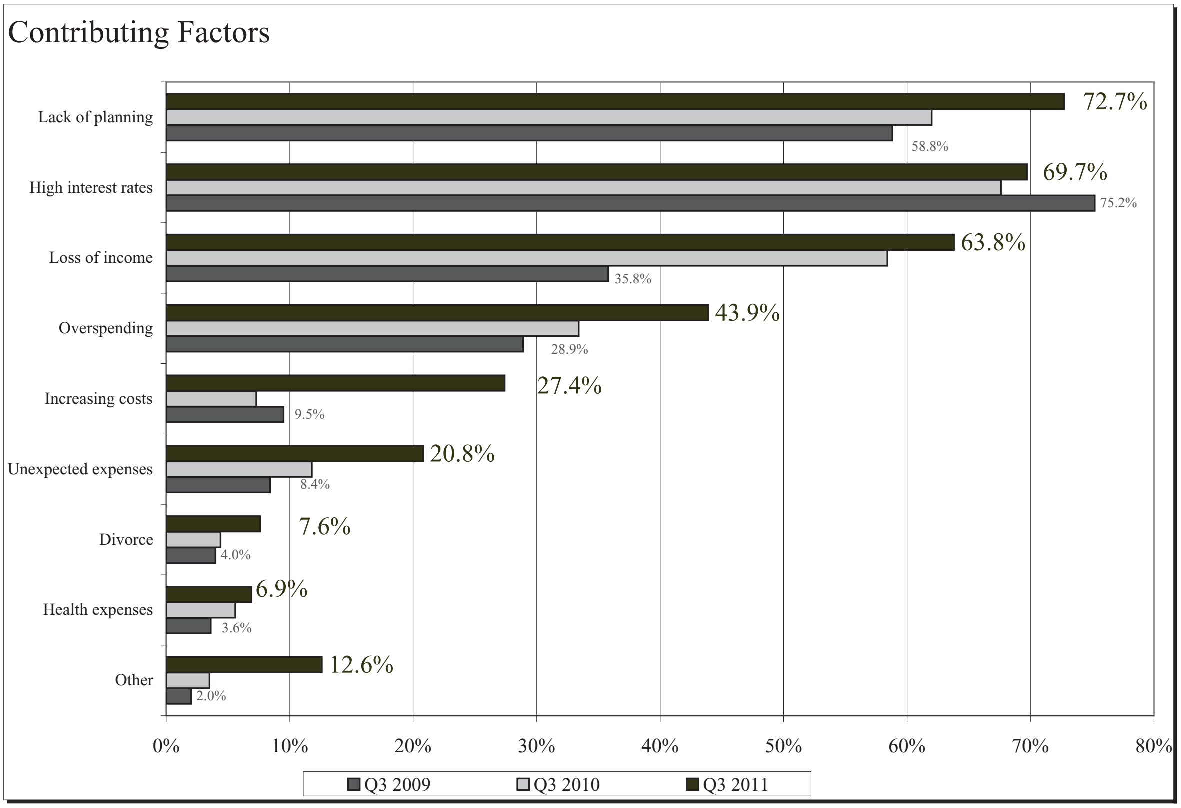

Chart 2

The startling increase in *Loss of income* may be the best illustration of the changing makeup of individuals seeking debt relief services. For the third quarter of 2011, nearly two-thirds of those contacting Cambridge had experienced at least some loss of income. This is a 28% increase from what counselors were seeing just two years earlier. According to the Bureau of Labor Statistics, the unemployment rate reached 9% in May 2009 and has remained above this level throughout the reporting period.

The increase in reported *Overspending* during the same period is very distressing – it represents a class of consumers who did not adjust their spending habits to face changes in their financial situation, whether due to increased costs or reduced wages. These consumers typically failed to develop a plan to adequately deal with their problems: 83.2% of overspenders also suffered from *Lack of planning*, and 55.8% of overspenders also experienced a reduction in income. While no one should be faulted for failing to anticipate the length of the financial downturn, basic budgeting skills could have lessened their hardship.

Less prevalent factors, such as *Unexpected Expenses* (20.8%) and *Increasing Costs* (27.4%) relate directly to the increases reported in the lack of consumer preparedness and the general economic factors discussed earlier.

SECTION II:
DMP ENROLLMENT

Qualification
As might be expected, the prolonged hardship that has caused significant changes in consumer characteristics has also affected the percentage of consumers whose debt relief options include DMP enrollment.

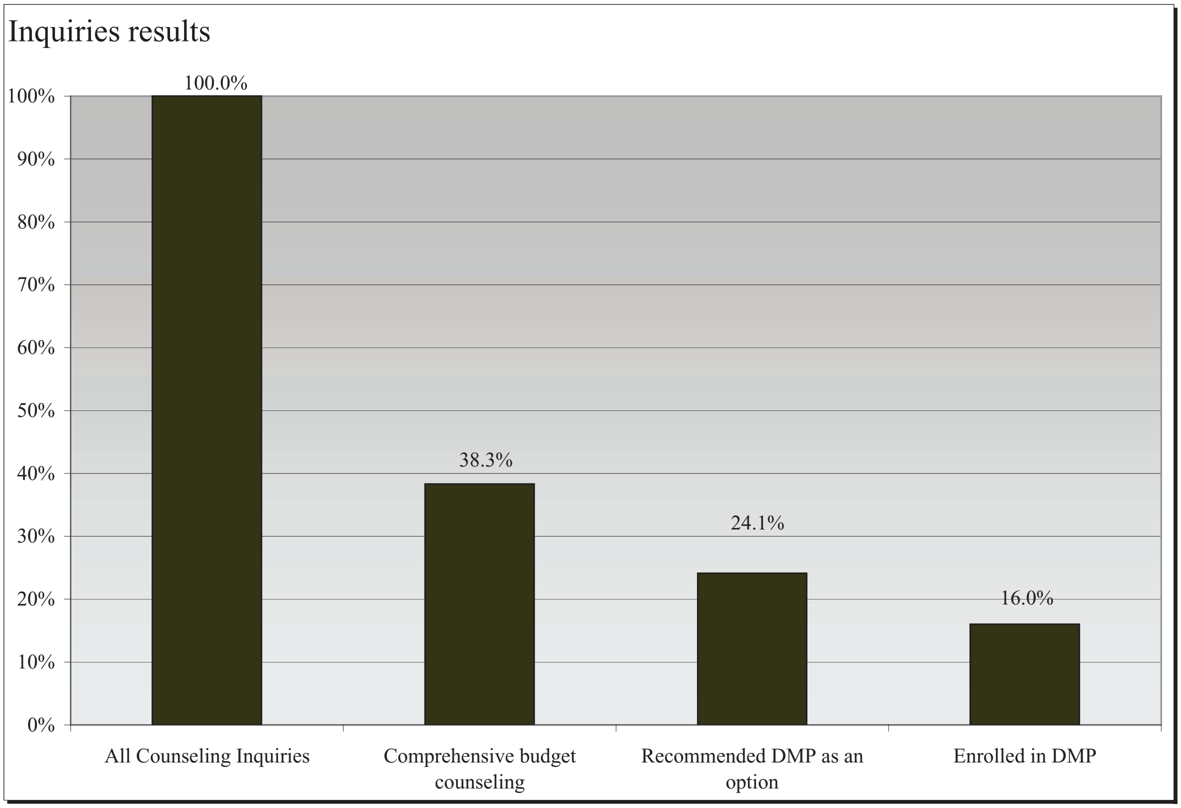

Chart 3

The first *Debt Relief Performance and Satisfaction Report*, which included data on consumer inquiries made in 2010, noted that 34% of consumers who reached out to Cambridge were provided with a debt management plan as one of their debt relief options. Sixty-seven percent of those consumers, or 23% of all individuals who contacted Cambridge in 2010, elected to enroll in a DMP. Chart 3 indicates a substantial change. In the third quarter, just 24.1% of consumers were presented with the option of DMP enrollment, with a nearly identical % of those consumers choosing to enroll (66.7%).

Suitability
Cambridge's suitability metric relates to the number of clients who have made the requisite three payments during their first three months of DMP enrollment. The third month was initially chosen because, historically, it was the end of a coordination period during which participating creditors would have established account benefits. It also corresponded to the end of Cambridge's initial post-counseling sessions, during which the counselor follows up with the new client at the third, seventh and eleventh week of enrollment to make sure they have begun to take the specific actions recommended during counseling.

Once again, the changing character of consumers seeking debt relief seems apparent. The first Transparency Report had 94.87% of enrollees meeting this suitability threshold. Since 2010, this number has declined. For those clients who reached the three-month mark in the third quarter of 2011, 90.23% had made the requisite 3 payments, a 4.64%

decrease over 2010.

The data indicates that these clients were unable to make a smooth transition to a structured budget that meets their debt obligations. This may be a result of the client being further behind on their bills and having fewer financial resources for funding than their 2010 counterparts. Because three months is usually too soon for the client to have enacted their savings plan and built up any sort of emergency fund, they are extremely vulnerable to unexpected expenses, increased costs and income reduction. Additional counseling may be necessary to address this situation, as no one benefits when a client fails.

Creditor proposal acceptance

The results for first proposal acceptance of common creditors was mixed. On the positive side, the overall acceptance rate rose from 87.3% to 88.0%. While this is only a modest increase, it reverses a downward trend that had been reported during the previous two quarters. Once again, for the sake of perspective, 2010 acceptance for these same creditors was 91.1%.

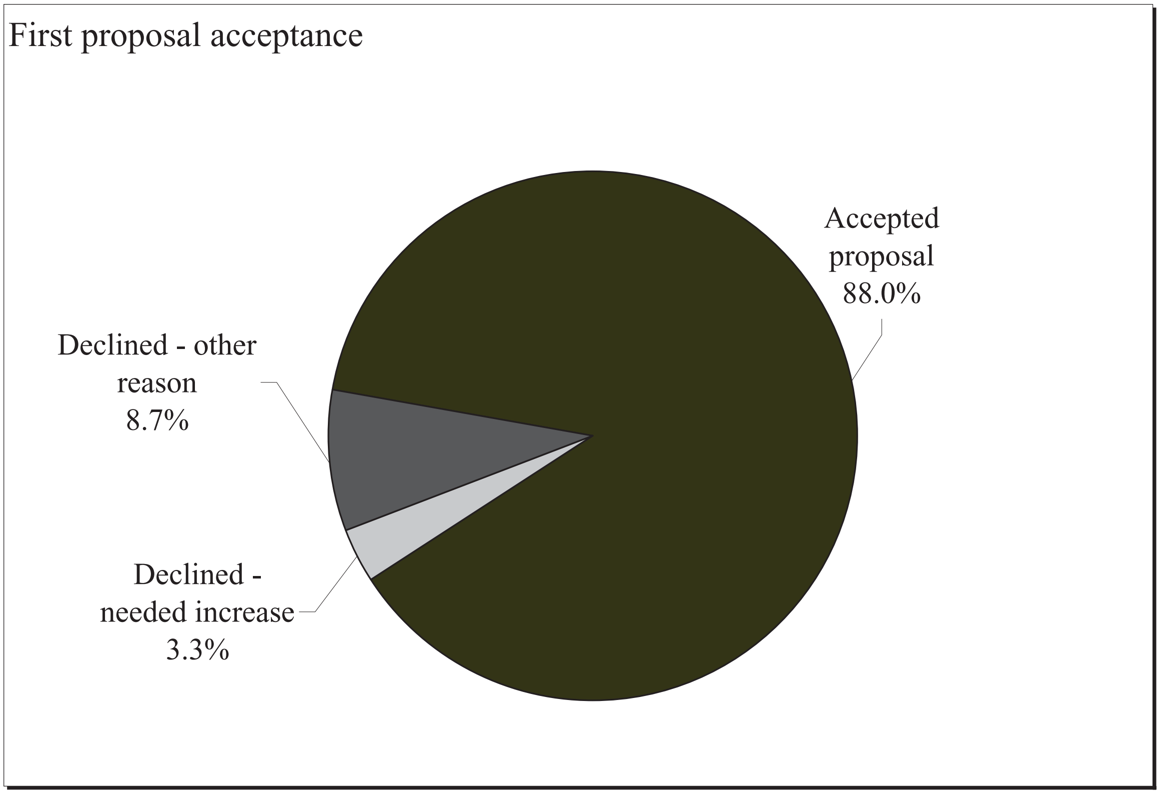

Chart 4

On the negative side of this data, the percentage of first proposals declined needing increased payment amounts rose from 2.5% for the second quarter to 3.3%. An increased payment can be particularly disruptive to clients early in enrollment, and was probably a contributing factor to the decrease in the suitability metric mentioned earlier.

While there was no change in Cambridge's enrollment process that could explain this change, the agency does monitor such information on a monthly basis, looking for trends that could be caused by changes in creditor requirements. Cambridge frequently uses this information to adjust its policies in response to these changes, which are generally unannounced by most creditors. It should also be noted that this denial percentage is still better than the rate of 4.0% experienced in 2010.

Benefits verification

The comprehensive review of each client's account that Cambridge conducts during the fourth month of enrollment marks the conclusion of the enrollment process. It is at this juncture that most creditors have extended normal program benefits to the consumer, eliminating any fees that were being assessed and bringing the account to a current status, if applicable.

The results for audits conducted during the third quarter of 2011 indicate that:

- 96.46% of common creditor accounts are properly enrolled
- 98.8% are not receiving any late or over-limit fees
- 39.0% of accounts are still, at some level, past due.

The *properly enrolled accounts* and the *accounts not receiving fees* mirror the results from the second quarter of the year (96.82% and 98.7% respectively.) The past-due status figure continues to climb. Once again, this may be indicative of a change in the types of consumers who are seeking debt relief help in 2011. The accounts being enrolled include a higher percentage of collections accounts, accounts with attorneys, and severely delinquent accounts still in possession of the original creditor. This particular metric is closely related to the increasing number of clients missing an early payment, which can cause a creditor to delay the extension of benefits or even to disqualify a client entirely.

For the majority of past-due accounts however, benefits are still being extended; otherwise the *properly enrolled* and *not receiving fees* percentages would be lower. It should also be noted that, even without any additional funds being supplied by the client, many of these accounts will be re-aged at a later date. This is because some creditors have begun to require a deeper commitment from newly enrolled clients before providing account benefits. Cambridge will continue to work with new clients to rectify past-due statuses that will not re-age, and particular attention will be paid to those rare cases in which the past-due status is harming the client. This may include a negative mark on a client's credit report or involve fees being assessed to the accounts. As the percentage above indicates, however, such a scenario is extremely rare.

SECTION III:
ACCOUNT BENEFITS

Savings through a DMP

One of the benefits of a debt management plan, and what makes it an attractive option to many consumers who are unable to keep up with their bill payments, is the savings they will receive through enrollment. These savings come in two ways, reduced monthly payments and lower interest rates.

As Table 1 indicates, during the third quarter the average new client's payment was $224.27 lower as a result of the concessions granted by their creditors. For someone struggling to make minimum payments, this savings often allows the new client to apply that money toward bills they were previously unable to pay. In time, it should also allow the client to begin contributing money to a savings plan to counter the unexpected.

Category	On own	Through DMP	Reduction/Savings
Annual Percentage Rate	21.68%	8.47%	13.21%
Average monthly debt payments*	$695.92	$475.02	$220.90
Average monthly interest charged	$368.06	$143.79	$224.27
*Note: Average Monthly debt payment through DMP includes average monthly fee			

Table 1

It is noted in Table 1 that the average monthly debt payment made through a DMP includes Cambridge's monthly fee. Cambridge maintains a fee structure that is compliant in every state where we assist consumers. Even where state laws are more permissive, initial fees will never exceed $75.00, and monthly fees will never exceed $50.00. In fact, the majority of Cambridge's clients pay substantially lower fees. As of the date of this report, the agency's averages are:

- Initial fee: $41.79
- Monthly fee: $29.54

Fees for clients experiencing significant hardship are also often reduced or waived. During the third quarter of 2011, Cambridge waived or reduced:

- Initial fees for 29.6% of new clients
- Monthly fees for 31.6% of new clients

These percentages once again speak to the changing makeup of the consumers contacting Cambridge. In 2010, our agency waived or reduced the initial fees of 26.7% of new clients and the monthly fees for 26.5%. This means that 5% more consumers qualified for fee reductions due to financial hardship when compared to those who enrolled just a year earlier.

Other Benefits

Every day, credit counseling agencies hear from consumers who've reached the maximum limit on at least some of their cards, causing them to receive fees from their creditors for exceeding their credit limit. Many more consumers who contact our agency are simply delinquent on their accounts, and are unable to make the larger payments required to bring their accounts current. They are receiving late fees. Some consumers fall into both categories.

At the time of Cambridge's benefits verification audit, which is performed at the 4-month mark of enrollment, only 1.2% of accounts are still receiving any fees at all. Although 39% are still technically past-due, as mentioned previously, the creditors involved have waived fees for the vast majority of these delinquencies. When one also considers the number of accounts that have been brought to a current status by enrollment (and therefore are not past-due at the time of the audit), one can appreciate how enrollment in a debt management plan prevents an individual from falling further behind. On occasion, even an extremely delinquent account that has been placed with a collection agency can be recalled by the original creditor when a client enrolls in a DMP.

It is important to note that the majority of Cambridge clients recognize the benefits they receive. Cambridge's quality surveys don't simply ask for the client's perceptions of the agency's performance, they also gauge the client's attitudes concerning creditor benefits. Chart 5 illustrates the opinions of clients who participated in surveys during 2011. Two years ago, in an effort to accommodate a greater number of consumers suffering from the effects of the prolonged

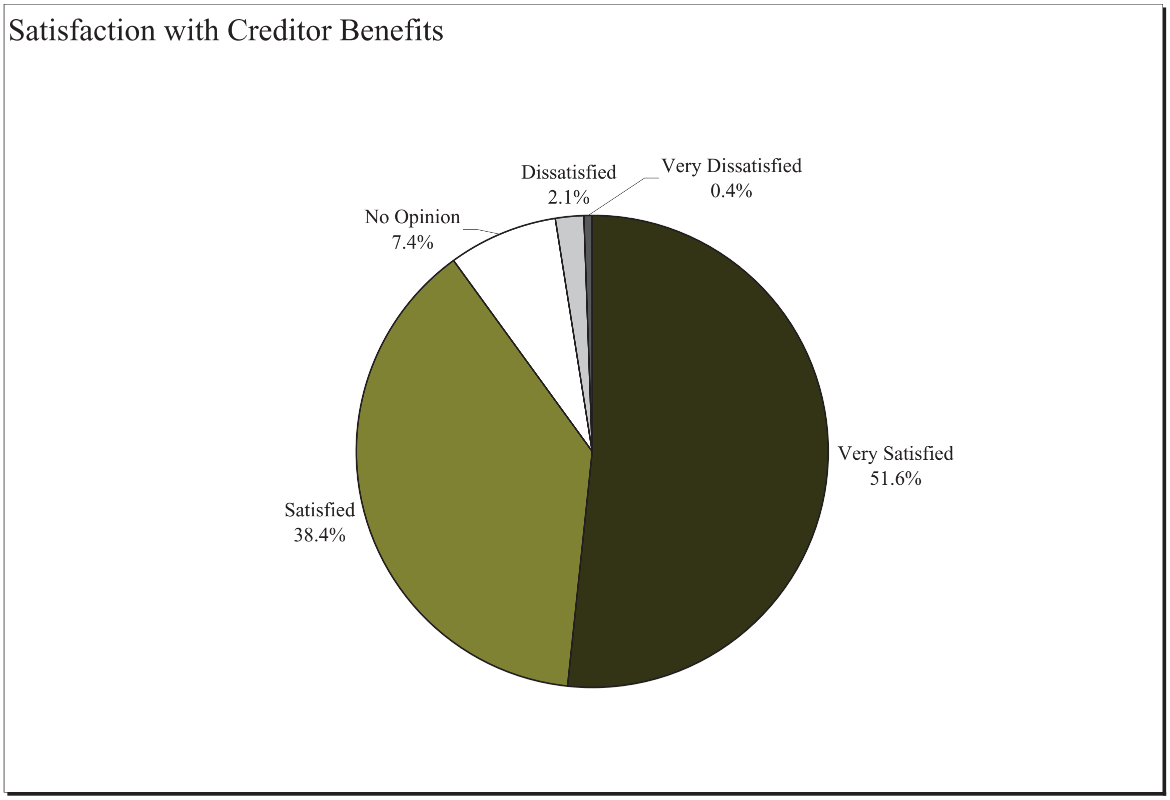

Chart 5

economic downturn, some creditors developed a tiered system of account benefits. Each tier represents a greater level of hardship, with Tier 3 representing the most extreme level of hardship and the greater level of concessions. Table 2 shows the percentage of clients who continue to participate successfully in their debt management plan as a result of the benefits that were extended in light of their more difficult financial circumstances.

Retention	Tier 1	Tier 2	Tier 3
03 Months	93.91%	97.93%	96.46%
06 Months	86.61%	94.61%	91.90%
09 Months	81.04%	91.81%	86.73%
12 Months	76.61%	85.62%	82.67%
18 Months	68.26%	77.44%	74.01%
24 Months	59.88%	71.19%	68.85%

Table 2

Table 2 indicates that clients in Tiers 2 and 3 perform at a level roughly 10% better at the 2-year mark than those clients whose circumstances were better at enrollment and who received fewer account concessions from their creditors.

ACCOUNT BENEFITS

Fair Share Funding

Like most non-profit credit counseling agencies, Cambridge's community education and counseling efforts are supported, in part, by "fair share" contributions from creditors. For every monthly client payment disbursed in the third quarter of 2011, an average fair share donation of $14.14 was received. Cambridge remains well within the limits imposed by IRS Code Section 501(q), which requires that agencies ensure the independence of their counseling by receiving less than 50% of their revenues from such creditor contributions.

SECTION IV:

ALTERING CONSUMER SPENDING & SAVINGS HABITS

Newly enrolled clients

Notwithstanding the account concessions granted by participating creditors, the greatest benefit of a DMP is that it serves as an ideal platform to introduce and reinforce the financial education that many consumers lack. The commitment a consumer must make to a debt management plan – maintaining budget discipline while successfully making payments over a three- to five-year period – has been found to be educational in and of itself. Credit counseling agencies like Cambridge typically take the opportunity to offer additional educational materials throughout each client's enrollment.

The process of maximizing the effectiveness of this education, ensuring that it is incorporated by the highest percentage of consumers possible, starts at the beginning. Recognizing and understanding the changing characteristics of consumers seeking help, especially those who enroll in a DMP, allows the agency to craft and revise its messaging regarding basic financial principles.

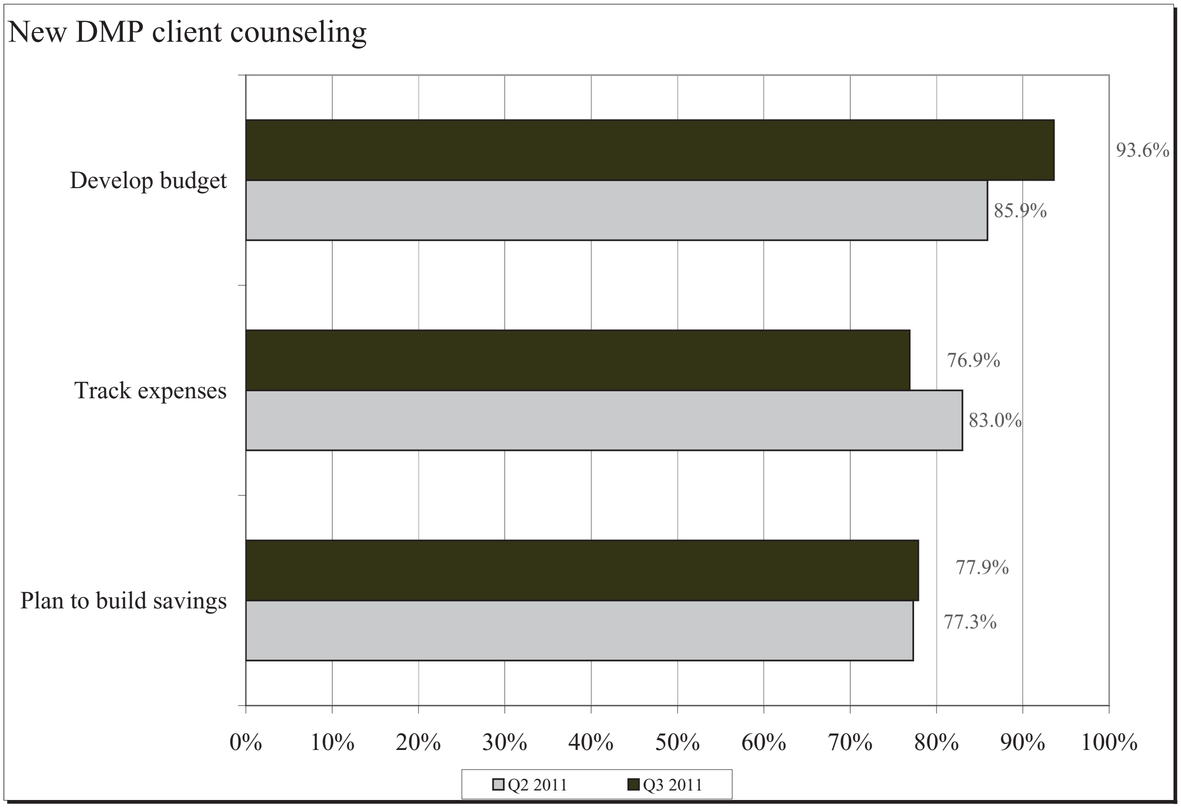

Chart 6

Chart 6 indicates improvement in two of the three metrics. *Develop budget*, which rose 7.7% over the second quarter's responses, was actually at a higher percentage than during any other quarter this year or for all of 2010. This area had been a modest concern because the second quarter percentage of 85.9% represented a drop of nearly five points from the first quarter. Its rebound seems to indicate that the second quarter responses were anomalous.

Clients who stated that they had developed a *Plan to build savings* rose more modestly, but its decline from 2011's first quarter level of 81.3% had been less steep.

The continued decline of *Tracking Expenses* is somewhat alarming. Not only is this a drop of 6.1% from the second quarter, the decrease is 16.6% from the first quarter numbers, which were recorded just six months earlier. While it can be assumed that the 93.5% seen in the first quarter was anomalously high, this quarter's number is still below what was experienced in 2010 (86.2%). What also makes this statistic prominent is its contrast to the gains in other metrics.

Encouraging the new client to adopt these practices is truly not enough. For these tools to be effective, the client must employ them regularly and properly, or else they will discontinue using them. The surveys that Cambridge uses to determine the effectiveness of our counseling also measures the effectiveness of these activities. For instance, during the third quarter of 2011:

- 94.3% of clients who budgeted felt it helped them better manage their finances
- 95.1% of clients who tracked their expenses felt it helped them better manage their finances, and
- 81.4% of expense-tracking clients identified ways to cut down on their expenses

The positive outcomes that clients experienced as a result of applying the techniques learned from their counselor improves the chances that each method will become a habit, displacing whatever practice they may have used previously to manage their finances.

Long-term DMP enrollments

Encouraging early, positive experiences through budgeting, expense tracking and savings planning is the best chance an agency has to reinforce the adoption of healthy financial practices. Cambridge verifies this concept through its Financial Check-Ups. Chart 7 indicates that a clear majority of long-term clients are making these activities part of their routine.

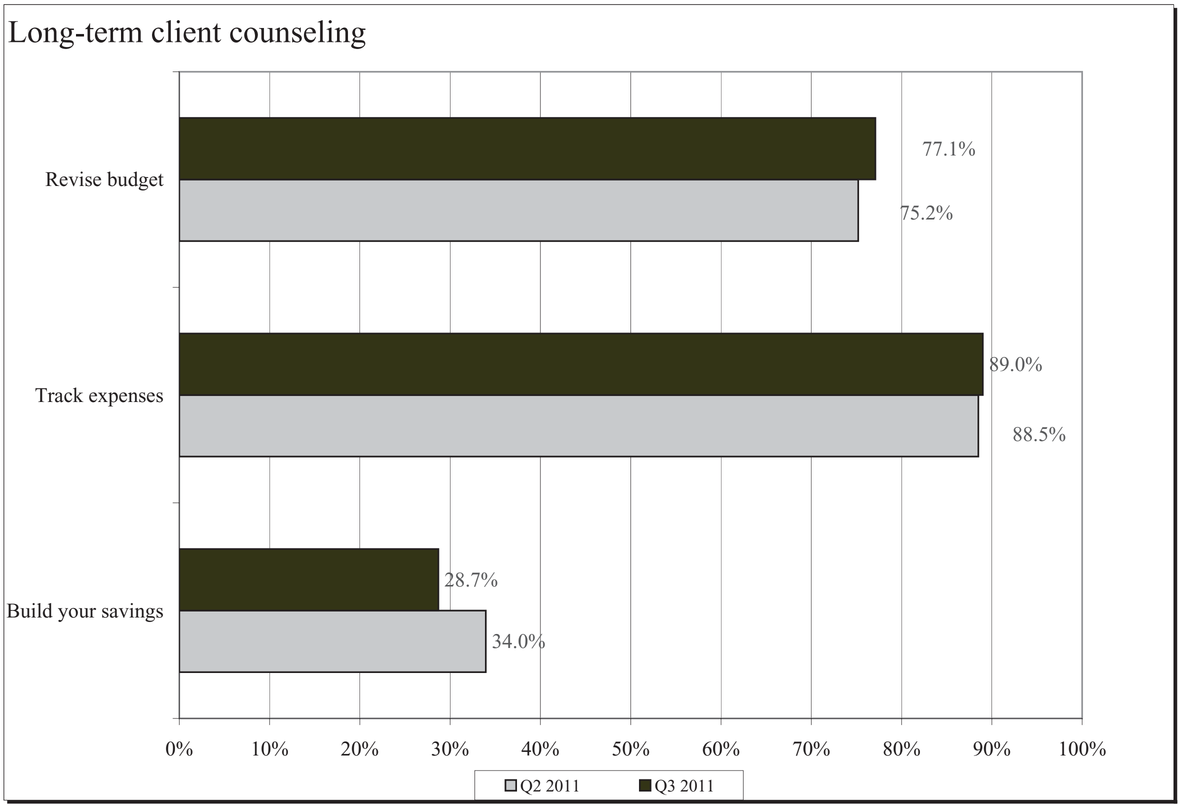

Chart 7

The Check-Ups ask the client if they have performed these activities within the past six months. Since this check-up is sent to all DMP enrollees every six months, general improvement in the areas of budgeting and expense tracking will be incremental. Both of these areas showed a minor shift upward, accordingly.

The third measure, which asks whether the client has been able to build savings in the past six months, is more dependent on the client's experiences with unexpected expenses and diminished income. This quarter there was a 5.3% decline in the number of clients who were able to put money into savings. This drop corresponds to increases in clients needing savings to cover an emergency (48.9%, up from 47.7%) or an everyday expense (39.6%, up from 38.6%). While using savings for unexpected expenses is understandable (it is, after all, one of the reasons to build savings), the increase in everyday expenses, despite the growing number adhering to a budget, seems to indicate decreased income.

Behavioral Changes

It is actually common for people who make behavioral changes after a significant event to see those changes diminish as the crisis recedes. In credit counseling this would involve the weakening of budgeting practices adopted by the consumer following a loss of income, after their situation improves. Cambridge strives to effectively counteract this phenomenon by continually delivering education during the client's entire term of enrollment.

The data in Table 3 displays the Financial Check-Up results for the third quarter, broken down by the length of time since enrollment. The data presented is quiet revealing, indicating only small, incremental decreases over the course of years. While there is variation throughout, clients on the program for more than four years were only slightly less likely to budget (2.1%) or track expenses (4.4%) than those who had only been enrolled for one year. In fact, the average long-term client is more likely to have been able to put money into savings in the past six months (32.1% vs. 30.1%) if they have been on the program for four years.

Questions	> 4 Years	3 - 4 Years	2 - 3 Years	1.5 - 2 Years	1 - 1.5 Years	6 Mo - 1 Years
In the past six months have you reviewed or revised your budget?	79.2%	70.0%	79.5%	74.8%	74.6%	81.3%
In the past six months have you kept a journal tracking your expenses?	86.7%	84.2%	90.1%	88.3%	90.1%	91.1%
In the past six months have you been able to build your savings?	32.1%	25.7%	29.4%	27.9%	28.3%	30.1%

Table 3

The exception to this trend involves clients enrolled for 3 to 4 years. These clients are the weakest performers of the group, but even at their lower level, 70% of the clients are budgeting and 84.2% are tracking expenses regularly. Of all of the groups, these clients most often reported being on track to meet their financial goals (73.7%).

These percentages indicate that, for the majority of clients, the behavioral changes these clients are making are not temporary adaptations to hardship, they are more permanent in nature.

SECTION V:
LONG-TERM DMP PERFORMANCE

Length of DMP enrollment

For the average client who enrolled during the third quarter of 2011, Cambridge calculated that their enrolled accounts would be paid in full within 50.26 months. This is down slightly from the term quoted in the second quarter (51.32 months). As Chart 8 indicates, there is not a lot of variation in repayment terms. Nearly two-thirds of third quarter enrollments fall within the 4- to 5-year timeframe.

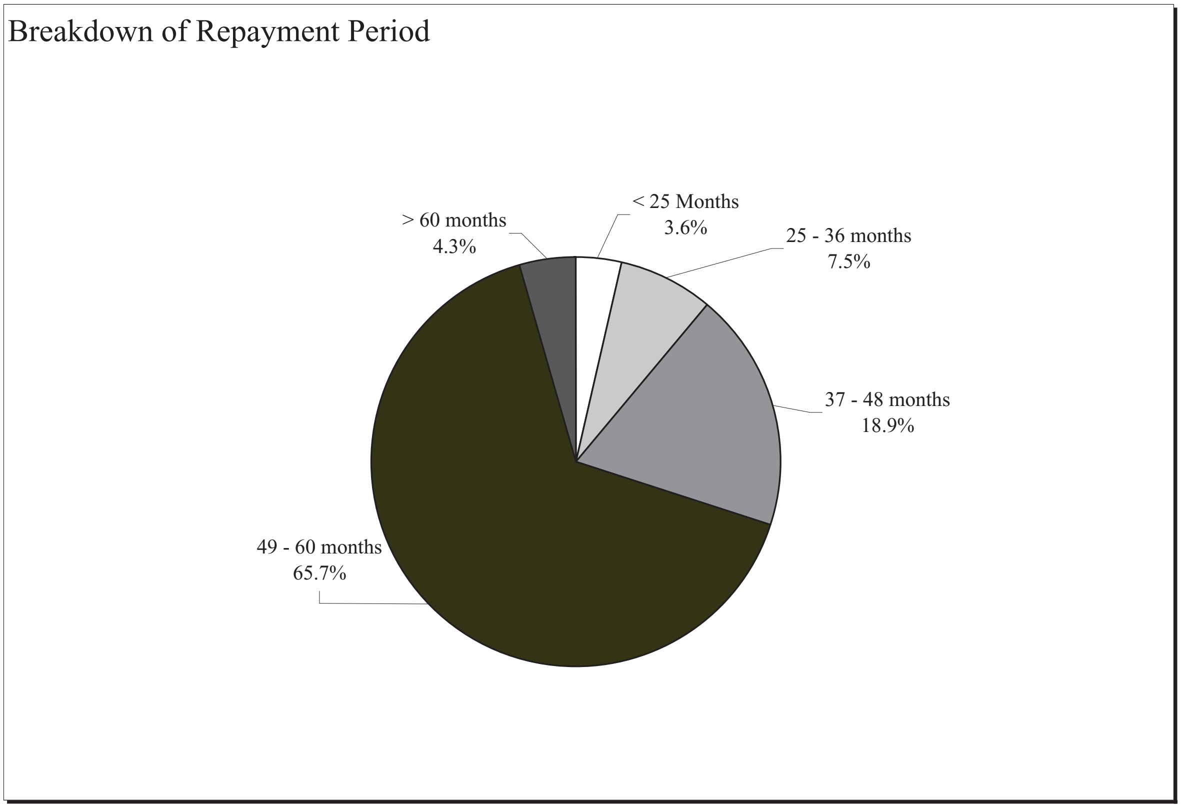

Chart 8

Records indicate that the average Cambridge client who enrolled in the third quarter of 2006 remained on their program for 29.86 months. This is slightly longer than the average client from the second quarter of 2006 (29.31 months) and slightly less (30.80 months) than enrollees from the first quarter of that year.

Clients who successfully completed their enrollment from that period did so in an average of 41.81 months. This is nearly nine months ahead of the term projected for clients who enrolled in the third quarter of 2011. There are two distinct reasons for this. First, the projected repayment terms may have been less during this period, since this quarter predates the worst of the Great Recession; therefore, accounts were probably less delinquent than their 2011 counterparts. Second, if a client's situation improved, through a raise at work or paying off a non-DMP debt, they could have increased their DMP payment, accelerating their term. The same effect is often seen when clients receive tax refunds.

Completing the DMP

Staying committed to a long-term repayment plan in a volatile economy can seem daunting to a consumer who was already experiencing difficulties meeting the minimum requirements of their creditors. Yet Cambridge has shepherded a significant percentage of these consumers through this environment, allowing them to emerge healthier financially.

LONG-TERM DMP PERFORMANCE

An analysis of historic client performance shows mixed information. The first quarter of 2006 seems to have yielded the most successful clients. Nearly 5% more clients were statused as a *completion* or *near completion* than clients who enrolled in the third quarter of that year. This is the second straight quarter of decline in this metric, although the 1.85% drop is certainly not cause for concern.

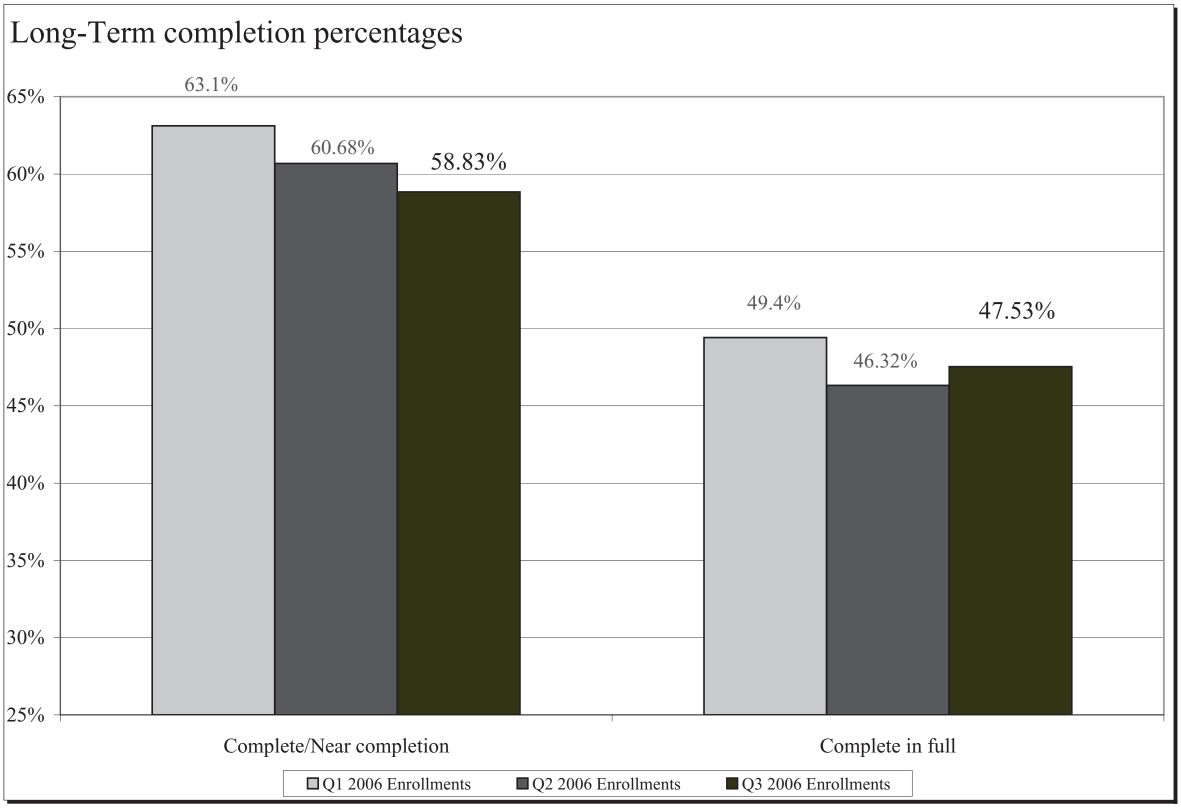

Chart 9

The 2% decline in the number of 2006 clients marked Complete in Full was less severe, once again, measured from the first quarter to the third. This percentage was marginally higher for second quarter enrollees, who experienced a 1.21% increase.

Clients leaving incomplete

Unfortunately, not all clients successfully complete their debt management plan. While some of those who leave do so because their financial situation has improved and they wish to resume making payments on their own, too many leave because of circumstances beyond their or Cambridge's control. Regardless of whether it was positive or negative reason for the consumer leaving the plan, the net effect will very likely be a negative one for them. For example, without reinforcement and the discipline imposed by the DMP itself, it becomes less likely that the client will stay committed to the budgeting, expense tracking and savings regimen that they developed while enrolled. Second, if these clients experience a setback, their creditors will be less likely to give them a second opportunity to receive account concessions. Some creditors only allow a consumer a single opportunity to obtain such benefits, and the client's options will be limited if they fall intro trouble again.

Chart 10 breaks down the reasons why clients discontinue participation in their debt management plan. Unfortunately, more than half of all clients who discontinue their enrollment fail to confirm the reason they did so, and subsequent follow up has yielded too poor a response rate to be statistically sound. Further actions are being explored to better determine the reasons these clients are discontinuing their enrollments.

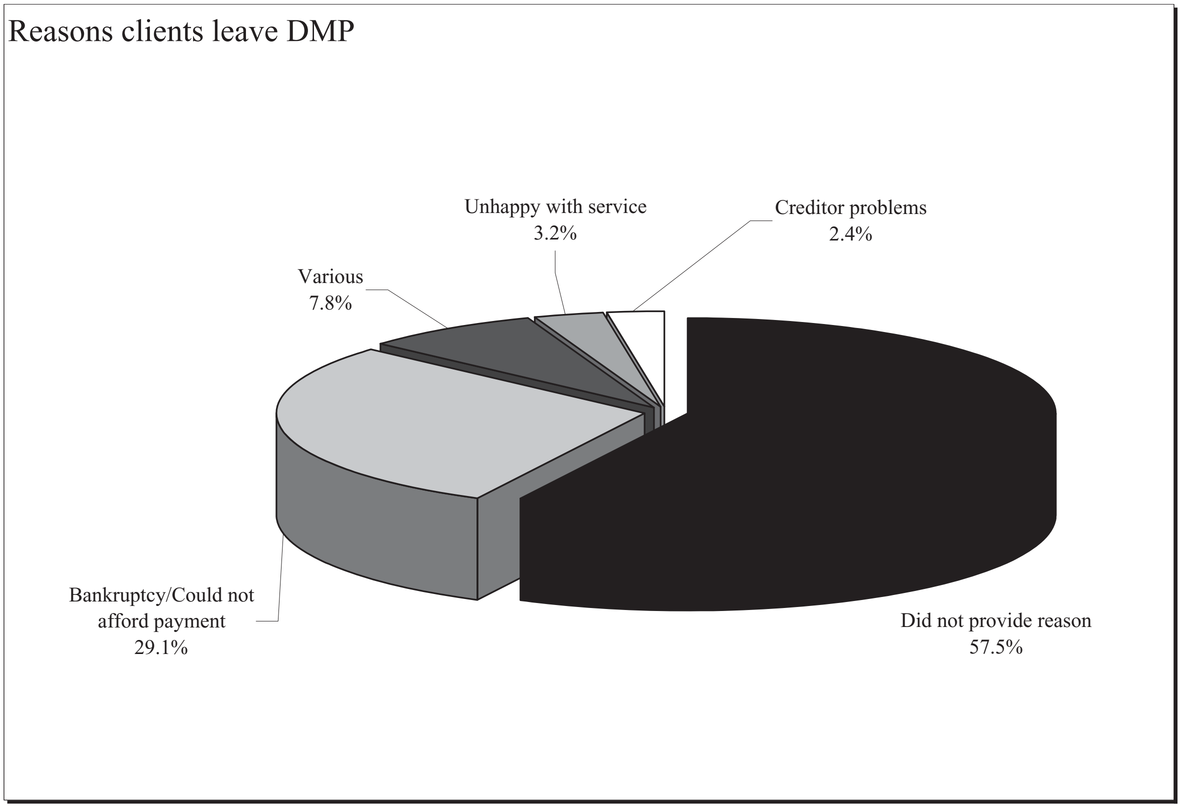

Chart 10

The data in Chart 10 actually displays the lack of change in client discontinuance. Throughout this report and for much of the last report, the changing nature of those seeking help has been explained in detail. This is not true of those leaving the service; the percentages are all within 2 points of the marks reported last quarter. Furthermore, none have changed more than 5 percent over the entire year.

The most unfortunate fact of all, of course, is the alarming number of enrollees whose situation has worsened to the point where they no longer can remain committed to their plan. These clients are, or eventually will be, forced to explore other avenues of relief, such as bankruptcy.

SECTION VI:

CREDIT COUNSELING AND DMP SUPPORT SATISFACTION

Counseling Satisfaction

Chart 11 illustrates the continued high satisfaction levels for Cambridge's counseling services. This data is culled from surveys sent during the fourth month of enrollment to gauge the effectiveness of the initial and subsequent "post-counseling" efforts. This means that the opinions are those of clients who joined in March, April, and May of 2011. Both client satisfaction levels – reflecting those who rated their experience as at least "good," and those who deemed it "excellent" increased modestly over second quarter results.

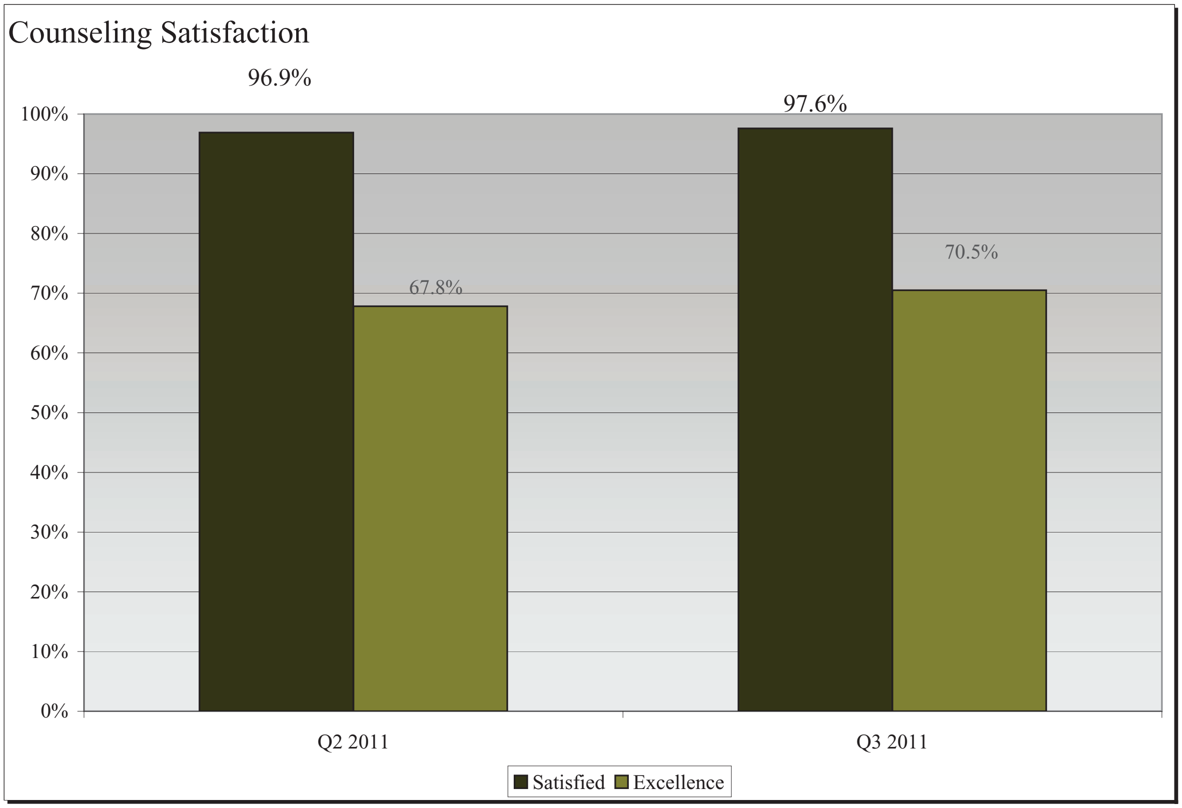

Chart 11

Cambridge uses the benchmarks of 95% overall satisfaction and 65% excellent as its objectives for these measures. We are pleased to report that both marks were achieved in each quarter of 2011. This satisfaction level is crucial because it also corresponds to trust. The less a client trusts a counselor and/or the agency providing services, the less they will heed the advice and education being delivered.

Of course the initial impression is not the only important one. The client's opinion of the advice they were given after they have had time to enact it can be equally important. Cambridge gathers satisfaction data later in the program as well, using the Quality Surveys that are sent to a random set of clients within the entire client base. The following results are from responses received during the third quarter of 2011

- 95.6% felt their counselor had a thorough knowledge of Cambridge's services
- 89.7% felt their counselor provided them with advice regarding their specific concerns
- 95.7% felt their counselor was able to answer all questions to their satisfaction
- 99.1% were satisfied with the overall experience with their counselor.

These results seem to indicate no change over time in the client's opinion of their initial counseling experience. The weakest measure, providing clients with specific advice, still came close to 90%, and may have been weakened because the client's perception of the advice provided by their counselor prior to 2008 (a solid percentage of the responses come from this era's enrollments) may have a diminished in light of changes that have occurred in the financial world.

DMP Support Satisfaction

The levels of reported satisfaction remain very high for Cambridge's client support services, as shown in Chart 12 below. Both the Satisfaction score and the Excellence score improved modestly. These measures are taken from a randomly selected group of enrollees each quarter via a survey.

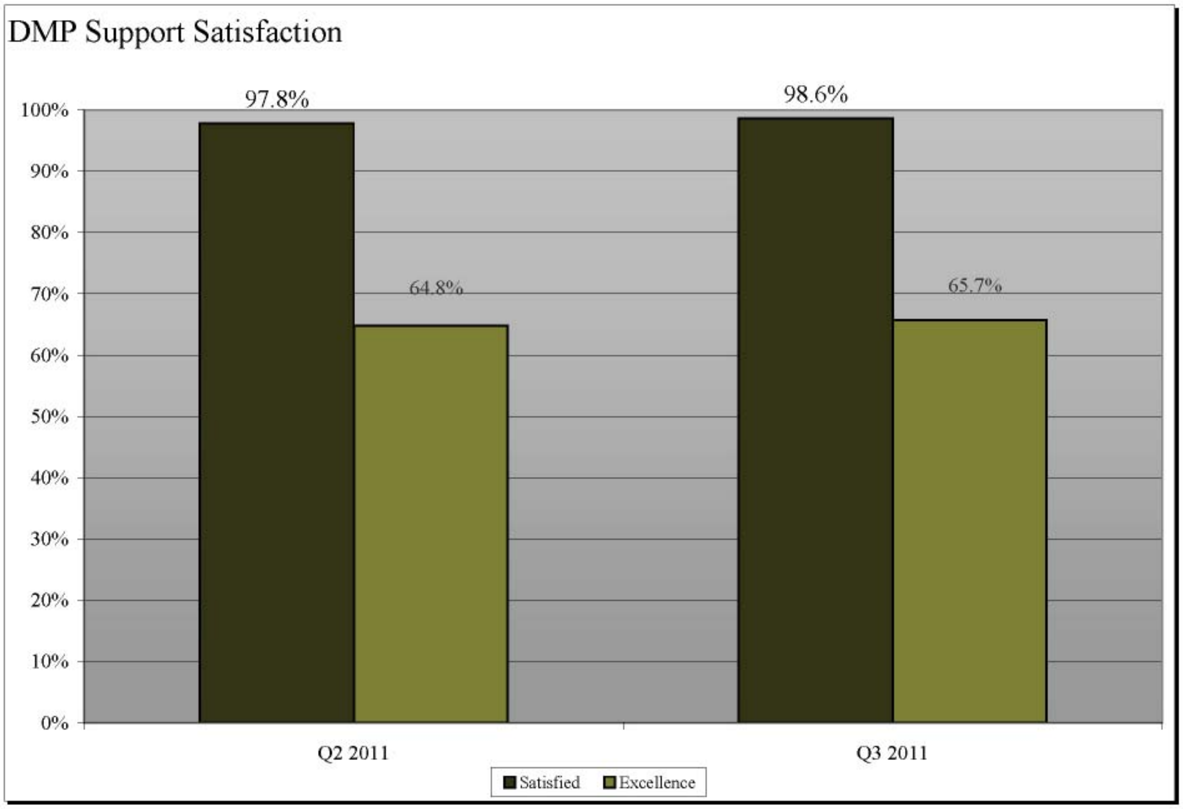

Chart 12

The same survey asks a number of detail-oriented questions regarding the support the client received. For example, during the third quarter:

- 92.1% of respondents stated that their Client Services representative had a thorough knowledge of Cambridge's services.
- 94.9% indicated that their representative treated them in a professional and courteous manner.
- 93.4% stated that their representative addressed their concerns in a timely manner.
- 94.9% have or said they would refer people to our agency. An additional 2.9% stated they may do so.

It is important to note at this time that Cambridge's survey response data is maintained using a third-party website. If responses are sent directly to Cambridge, they are logged into the site and physical copies are maintained in Cambridge's offices.

SECTION VII:
COMMUNITY OUTREACH

Community seminars

The personalized counseling Cambridge offers to consumers seeking debt relief assistance is only one way the agency fulfills its educational purpose. Cambridge also reaches thousands of consumers each quarter through community seminars. Among the many venues our staff regularly visits, classes are conducted for veterans entering transitional housing, for high school and college students, for inmates participating in pre-release programs, and for residents of local family homeless shelters. The information presented is typically related to the fundamentals of personal finance, and is often tailored to the particular audience's interests. Experience has shown this to be effective in properly engaging participants.

During the third quarter of 2011 Cambridge conducted 142 seminars for 1,558 participants.

Cambridge measures the effectiveness of these seminars by administering unique entrance and exit exams whenever appropriate. These exams are designed to establish the participant's financial literacy level prior to the seminar series and their comprehension and retention of the content at the program's conclusion. For the third quarter of 2011, the measured score increase was 26.1 points.

Financial Wellness Center

Cambridge houses much of its educational resources on a separate website, www.goodpayer.com. During the third quarter of 2011, 5,668 unique visitors visited the site. The goodpayer site includes dozens of articles, information about and links to other helpful websites, as well as free downloadable guides and worksheets. Cambridge tracks these downloads to gauge consumer interest and determine which topics may benefit from additional information. Chart 13 indicates the most heavily downloaded educational materials from the site.

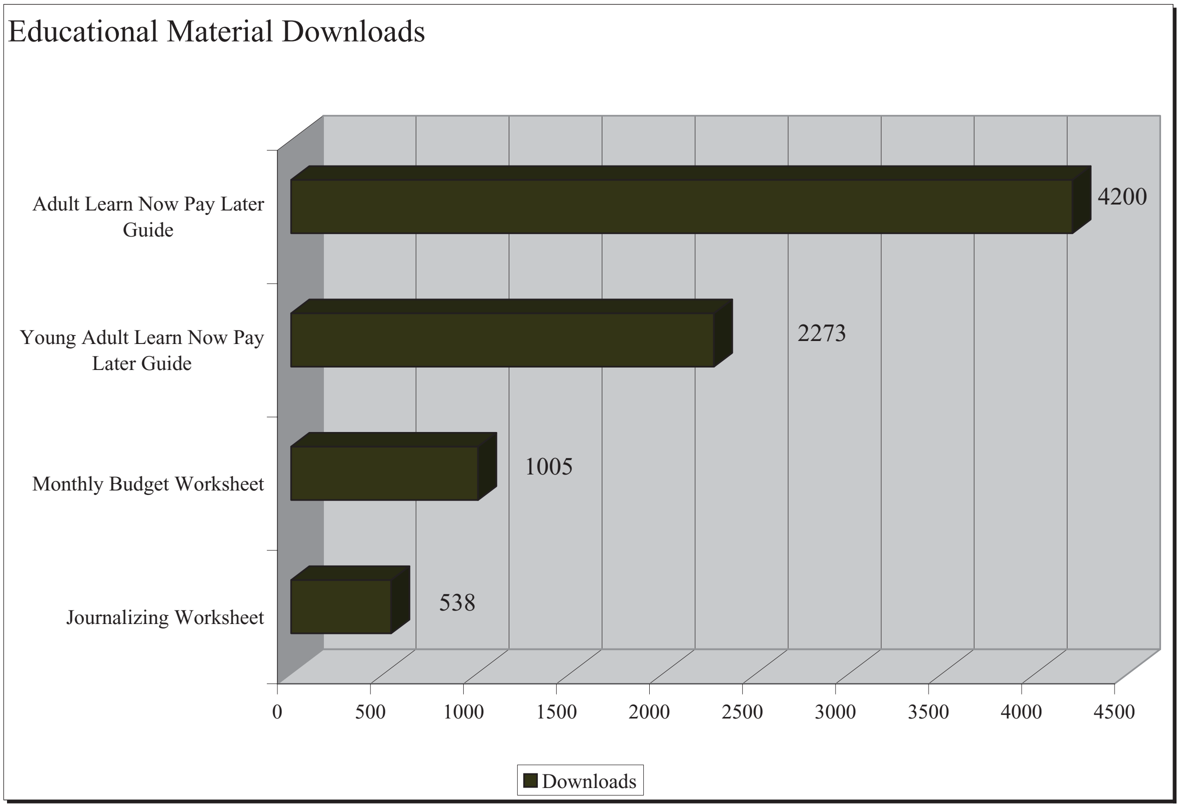

Chart 13

COMMUNITY OUTREACH

Cambridge survey data indicates a 98.3% client satisfaction rate for the Goodpayer website.

NOTE: Some of these items are also available on Cambridge's main site, www. CambridgeCredit.org. Where appropriate, downloads from that location have been combined with Financial Wellness Center data in the results above.

Your Money 2.0

Cambridge also produces a weekly video series about timely financial topics. These videos promote more than just basic financial knowledge; they touch upon the economy, the psychological aspects of money, and a host of other issues. Cambridge's videos are posted on www.youtube.com, and are often picked up by financial bloggers and other consumer-friendly websites.

Chart 14 displays the most-viewed releases from the third quarter. The video titles listed indicate the variety of topics covered by the series. Cambridge survey data shows a 98.2% client satisfaction rate for the agency's Your Money 2.0 videos.

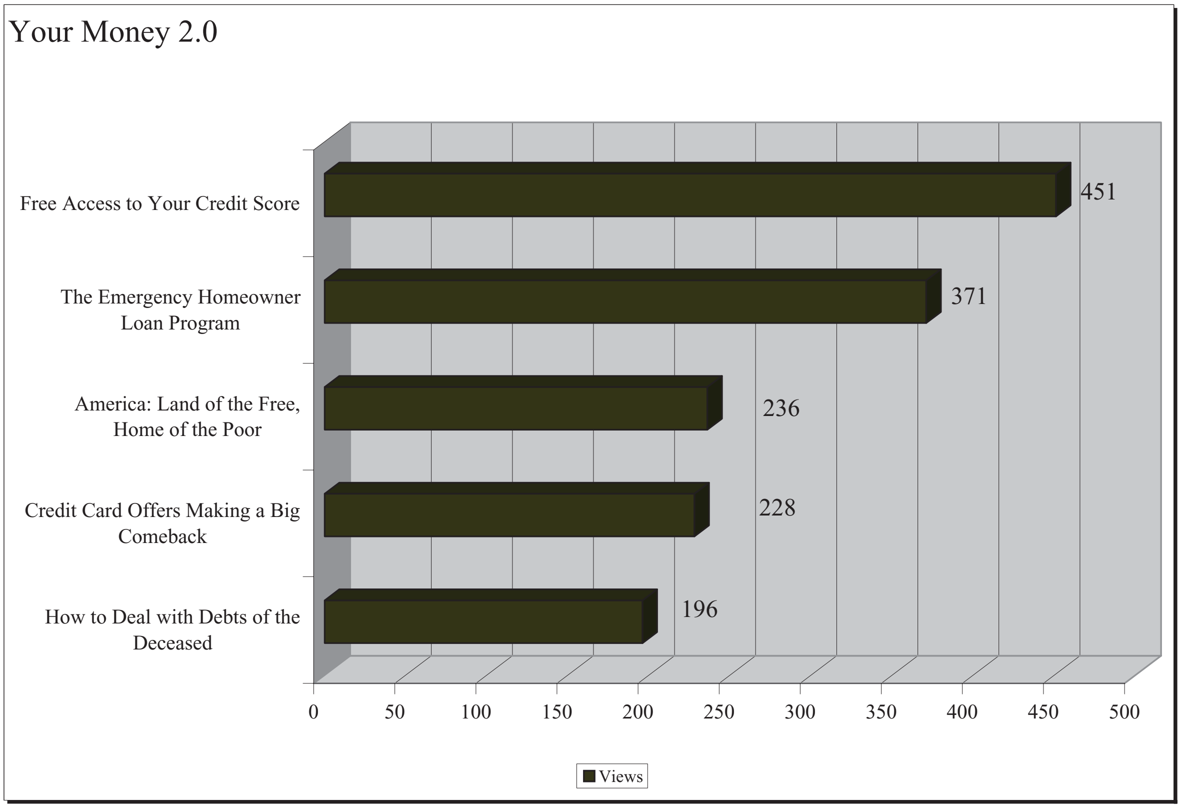

Chart 14

CONCLUSIONS

Cambridge began assembling and presenting its performance and satisfaction data in an effort to explain the benefits that it, and other debt relief organizations, provide to the public. As our nation enters its fourth year of a weak economy and high unemployment, the need for these services becomes more and more apparent.

This fourth release of the Transparency Project focused on several important elements. First, it revealed a more detailed portrait of the changing character of consumers seeking debt relief assistance. That picture reveals a consumer in more financial trouble, and with dimmer prospects, than what historically has been seen by this profession.

Second, the report discussed the important role that creditor concessions play in the debt management process, and how they help keep consumers committed to their repayment plan. It also showed a direct correlation between the level of benefits being granted and the enrollee's performance on the program. It also illustrated the client's appreciation of those benefits.

Third, and perhaps most important, the report showed that debt management plans are an excellent vehicle for delivering financial education. Clients who remain on the program for years were shown to have retained the positive financial habits that they established with their counselor during their initial counseling sessions.

Cambridge believes that debt relief organizations and creditors should continue to work together to develop innovative options for troubled consumers. At a time when the level of hardship is greater and the economic environment less stable, policies and techniques should be modified and enhanced to provide appropriate support.

Cambridge is dedicated to the continued release of performance and satisfaction data each quarter, and we sincerely hope that our peers join us in this effort. Presenting a true picture of the positive role the credit counseling profession plays in the lives of millions of consumers each year can help build the trust agencies need to be successful, and it is also critical to identifying whatever shortcomings need to be addressed for the benefit of the consumers we serve. Cambridge once again invites any agency who wants to join with us in this initiative to contact us at (888) 694-7491, or at transparency@cambridgecredit.org.