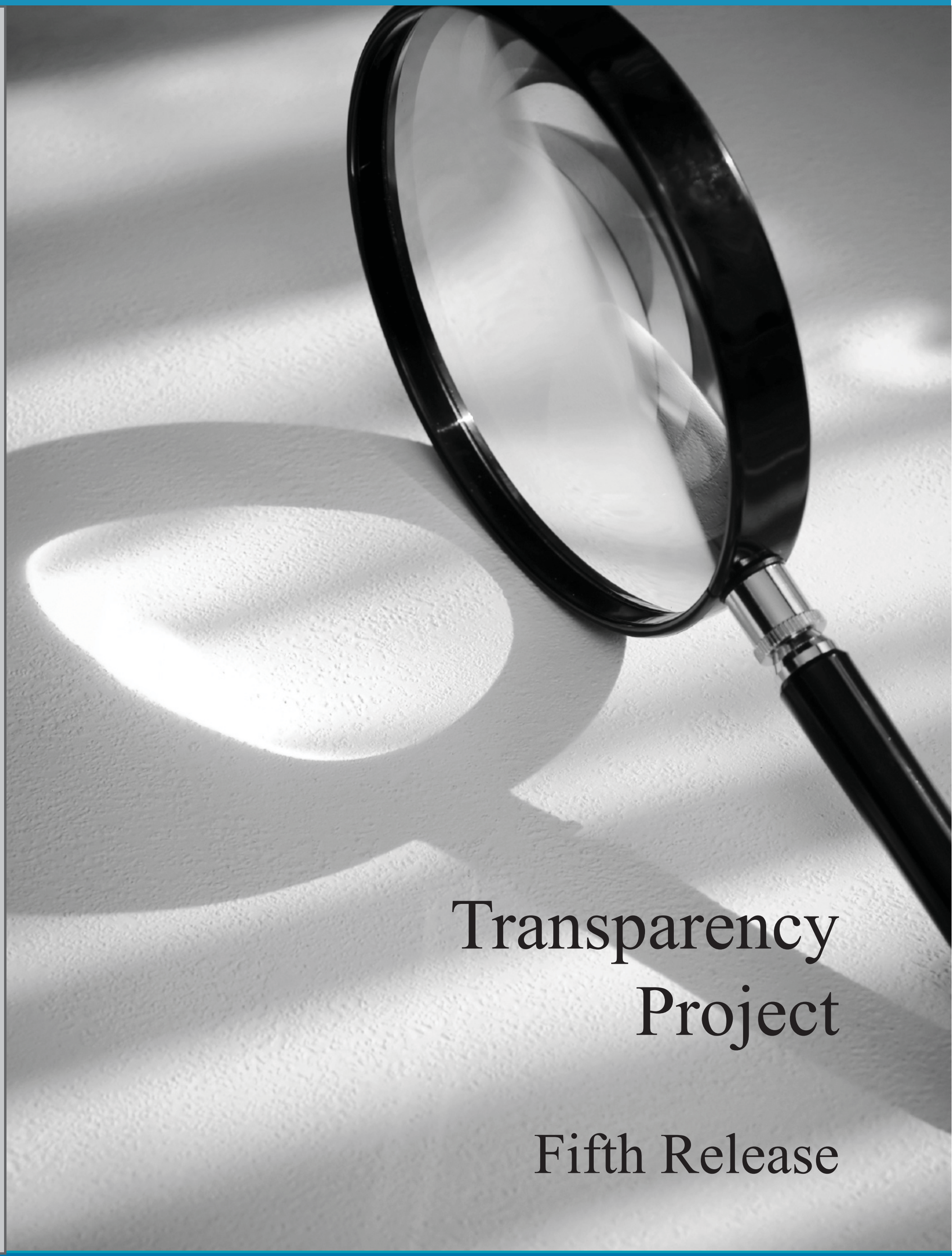
DEBT RELIEF
Performance and Satisfaction Information Report



CAMBRIDGE
CREDIT
COUNSELING
CORP.

Transparency Project

Fifth 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 fifth 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. This release coincides with the one-year anniversary of the first report.

Although the basic format of the report remains unchanged, this edition represents both a step forward, expanding further on some of the themes discussed in earlier reports, and a return to basics, with more details being added to explain the counseling, enrollment and DMP maintenance processes. This release also explores some previously unexamined territory, providing comprehensive analyses of several new data points.

Among this report's highlights:

- The fourth quarter found more consumers than ever (91.1%) citing their inability to keep pace with their monthly bill obligations as a major factor of their current difficulties. The report explains how this is actually related to large increases in other factors, a combination of forces that compound the average consumer's difficulties and reduce the number of remedies available.

- The reasons why consumers chose to enroll in a debt management plan has also been covered for the first time since the initial report. Sharp increases were recorded for *Eliminate late and Over-limit fees* (4.7% more respondents than in 2010) and *To Reduce Monthly Payments*. The up-tick in these responses may be responsible for a reduction in the number of respondents who chose To Reduce Interest Rates (down 4%), which has historically been the most frequently cited reason.

- This release also dedicates a considerable amount of space to analyzing the difference between clients who made their first three payments in a timely fashion, and therefore were deemed suitable DMP enrollees, and those who failed to meet this benchmark. Factors considered in this analysis include the number of accounts, the percentage of conforming creditors, the benefits extended by the consumer's creditors, the fees being charged by Cambridge, and the estimated enrollment term.

- A new section has been created to examine the long-term savings benefits of a DMP. Expanding upon the regularly reported savings information (for instance, fourth quarter enrollments reduced the client's interest rates by 14.68% over pre-DMP amounts), four different payment scenarions show a projected savings of at least $3777 over the term of the average plan.

- The report also presents a more detailed account of the effects of the counseling process. The section expands upon the traditionally reported data, which includes the number of new clients who began to develop a budget (86.3% this quarter), tracked expenses (86.3% this quarter), and planned to build savings (73.1%). It now includes an explanation of personalized recommendations, including data on the most popular suggestions.

- Data related to program completion is also examined, as any information that can be derived from successful clients can be instrumental in producing similar outcomes for more consumers. Roughly half (46.7%) of the enrollees from the reporting period (the fourth quarter of 2006) completed their DMP, and another 25% of the remaining enrollees from that period are nearing completion. Details are also provided about those clients who failed to complete their plan.

- The report concludes with a report on Counseling (97.6%) and Client Support (98.5%) satisfaction levels and a review of Cambridge's community outreach initiatives.

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 points and would be inconsistent with the goals and intentions of the Transparency Project. To secure consumer confidence in the debt relief profession, all data must be presented.

Reasons consumers seek credit counseling

A pattern has developed since the first Performance and Satisfaction Report was released a year ago. The financial condition of the average consumer at the time they first reach out for help has become more precarious, likely due to a prolonged period of hardship. This trend has progressed, despite a modest turnaround in the nation's economic condition.

The first indication of this pattern can be found in the consumer's stated rationale for seeking assistance. As Chart 1 illustrates, every category experienced an increase. The average credit counseling-seeking consumer indicated 3.4 concerns in the fourth quarter of 2011. This is one more concern than was reported by their counterparts in 2010. This fact is helpful for counselors trying to understand the mindset of the consumer seeking help; they are more concerned about a number of aspects of their personal finances.

Also revealing are those responses that increased the most: *Inability to build savings,* up 30.8% since 2010; and *Anxiety about the rising cost of living*, up 19.1%. Both indicate an uneasy state of mind. Inability to build savings also references experience – the consumer has tried to save and failed. When these factors are combined with an understandable concern about rising household costs, also something they have either witnessed or experienced first-hand, these consumers may feel they have no chance for financial success.

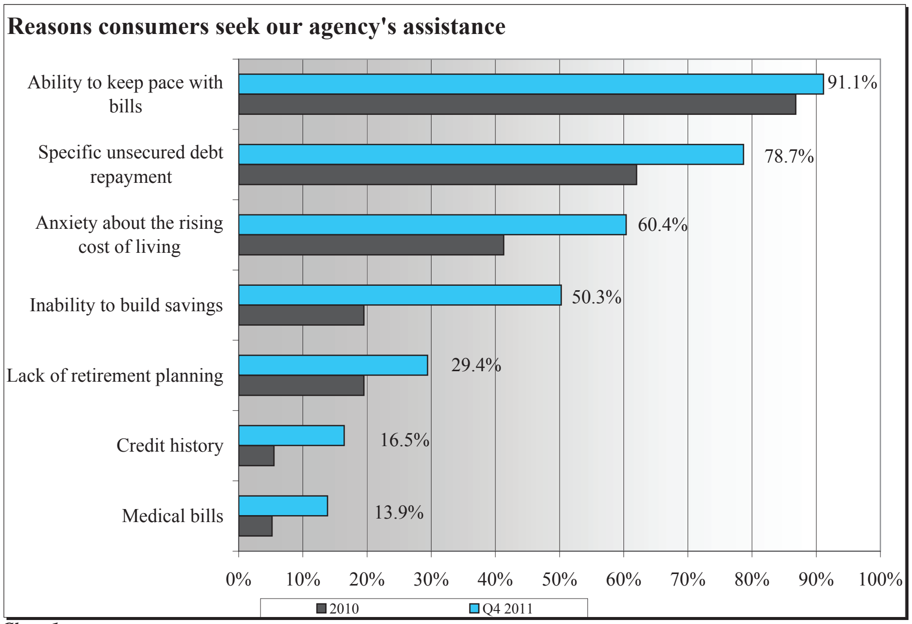


Chart 1

Despite experiencing a more modest increase, *Ability to keep pace with bills* (up 4.3%) appeared as a concern on nine out of every ten action plans. While it makes sense that this issue is a concern of nearly every consumer who contacts a credit counseling agency, further examination of this point may be warranted. With the exceptions of *Credit History* and *Lack of Retirement Planning*, the consumer's inability to meet their debt obligations is actually the logical extension of most of the other reasons. In other words, each of these consumer's other problems (no savings, rising costs, lack of financial planning) plays a role in making the client's debt burden feel unbearable.

THE INITIAL COUNSELING EXPERIENCE

Root cause analysis of consumer's situation

The data in this section, like the previous one, is culled from client action plans – documents that are developed by each consumer's counselor to accurately portray their situation and present appropriate options. Critical in this process is the identification of all relevant factors that may have contributed to the consumer's hardship. While the areas of concern discussed in the previous section are based upon the client's perception of their situation, here the counselor must make an effort to determine any other factors that may actually be contributing to the problem.

As Chart 2 indicates, nearly every factor increased beyond 2010 levels. This fact supports the data previously presented; if there are more areas of concern, there are likely to be corresponding increases in citations of the factors causing the troubles. As shown above, the largest factor is now *Lack of Planning* (69.4%)

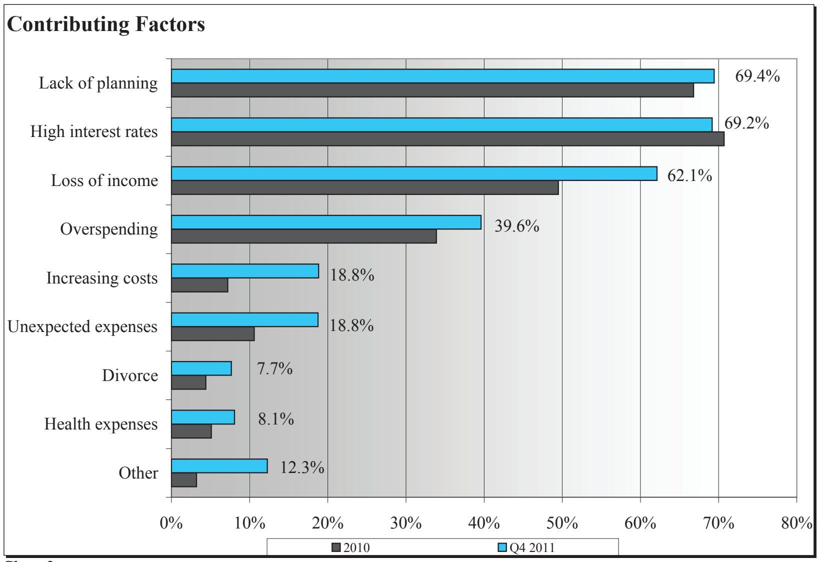


Chart 2

Factors experiencing the greatest rate of increase include *Loss of Income* (up 12.6% to 62.1% of all consumers) and *Increasing Expenses* (up 11.6%). *Loss of Income* is the most significant and perhaps the least surprising. It does not necessary represent a complete loss of employment. In many cases, the factor merely signifies workers whose salaries were reduced and/or who had lost the opportunity to work overtime. It also does not necessary mean the situation is current. Many of these individuals suffered the reported reductions earlier, and during the extended period of reduced income they depleted their savings and assets. Some un- and under-employed Americans will temporarily resort to the use of credit to maintain their lifestyle, while others do so out of necessity to provide for their families.

It is also noteworthy that the one factor which did not increase was *High Interest Rates* (down 1.5%). While it only diminished slightly, it is generally considered the traditional reason that consumers seek credit counseling. While the factor is still cited by roughly 7 out of 10 consumers, it is rarely cited to the exclusion of other reasons. On average, the 2010 consumer reported 2.51 factors contributing to their hardship. Their typical Q4 2011 counterpart reported that 3.05 issues had influenced their situation.

In the end this data presents a picture of the changing debt relief landscape. While some of the features most often witnessed remain unchanged, the altered characteristics of a sizable portion of the consumer population are unmistakable. The next section will examine how this translates into the reasons why consumers enroll in a Debt Management Plan (DMP).

Reasons a consumer chooses to enroll in a DMP

Cambridge regularly surveys a random segment of its client population to ensure it has an accurate picture of how the services we provide are perceived. The first survey question asks the client to rank their reasons for joining a DMP.

THE INITIAL COUNSELING EXPERIENCE

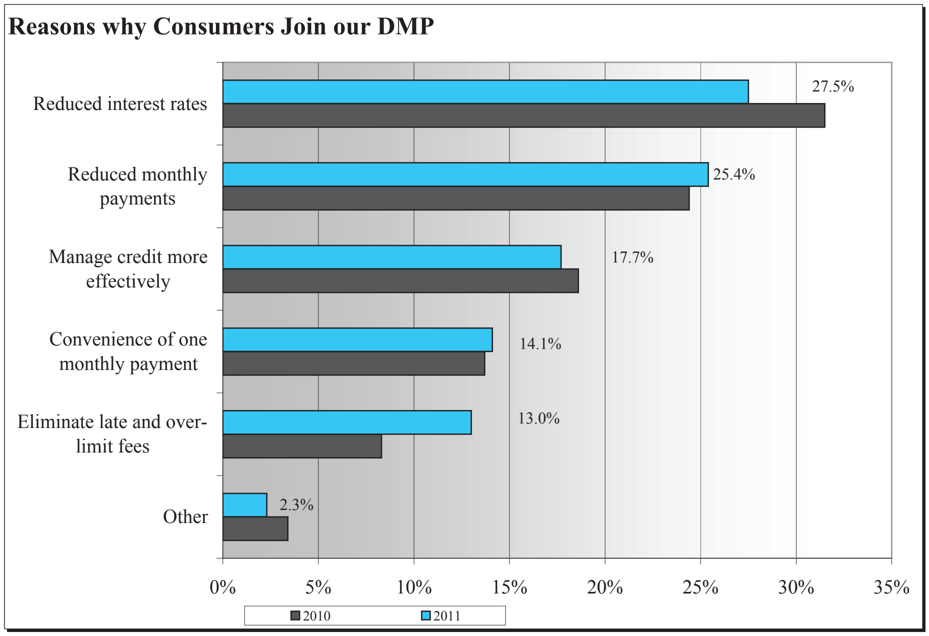


Chart 3

Chart 3 presents the results from surveys taken in 2010 and 2011. Perhaps the most notable item is the decrease in the number of clients indicating *Reduced interest rates* as the reason for their enrollment. It is still the top reason for enrolling in the DMP, but it has slipped slightly.

Two factors indicative of the shifting priorities of the 2011 debt-relief-seeking consumer appear to have filled this void. First, *Reduced monthly payments* is now considered nearly as important as lower interest rates. Making the payment affordable is slightly more important now than it was just a year ago. The second factor, *Eliminate late and over-limit fees* rose more dramatically (a 4.7% increase). It can be deduced from this surge that more clients are responding negatively to the fees being charged by their creditors. It also seems to indicate a greater reliance on credit and the consumer's inability to meet even the minimum requirements established by their lenders.

It should be reiterated that the survey is merely a sample of Cambridge's total client base. In fact, more than 17% of the client population who were enrolled at the end of 2011 had actually joined prior to September 2008, the worst month of the recession. Only 21% of the population enrolled in 2011. Therefore, the responses received will likely incorporate a certain percentage of clients who did not originally contact Cambridge with the same characteristics that were observed in the previous two sections and discussed at length in this and earlier reports.

SECTION II:
DMP ENROLLMENT

Qualification

In the fourth quarter of 2011, 15.8% of those consumers who contacted the agency enrolled in a debt management plan. As illustrated in Chart 4, the DMP option was only presented to 27.8% of those individuals who contacted Cambridge.

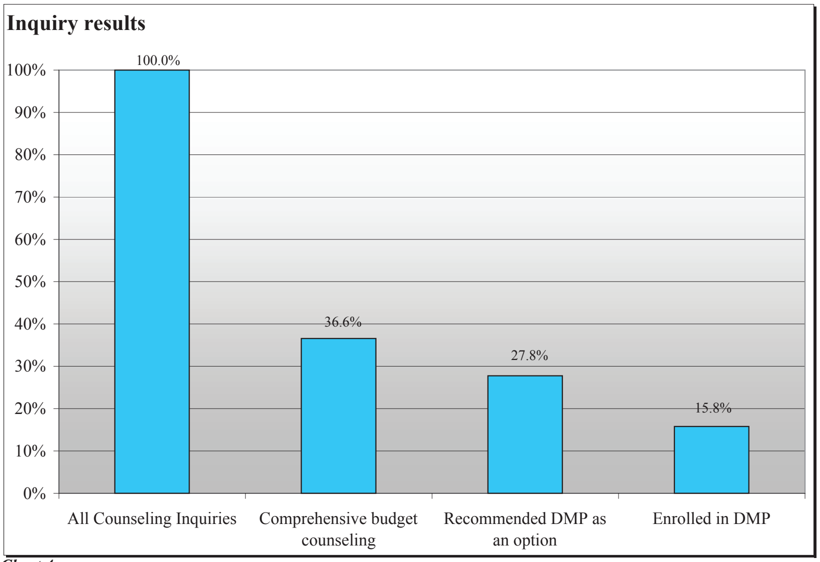


Chart 4

The data indicate that 56.8% of those who were presented with the option of a DMP actually enrolled. At first this may seems as if a significant number of consumers ignored the recommendation of their counselor; that perhaps the advice did not connect with the consumer and they left the counseling session without receiving any benefit. This is not the case, however. A counselor presents options, and most consumers would have been presented with several possible courses of action in addition to the DMP.

In 2010, 23% of all inquiring consumers enrolled in a DMP, a figure only slightly higher than the percentage recorded during the fourth quarter of this year. The DMP option was presented to 38.2% of inquiring consumers in 2010, 10% more consumers than in the fourth quarter of 2011.

Suitability

The DMP option is presented only after the completion of a review of the individual's budget, including income, assets and expenses, and after an analysis of the benefits that could be expected from the particular creditors involved. The consumer is presented with this information prior to signing a contract, allowing them to make an informed decision.

While there are any number of factors that could delay or prevent the client from completing their DMP, some of these problems originate in the earliest months of enrollment. Cambridge carefully monitors this crucial period and has developed a suitability metric based on early program payments. Data indicates that clients who make their payments in the first three months of enrollment are deemed "Suitable." This means that a client had sufficient funds available to meet the demands of their budget, and to pay whatever fee might have been assessed under the terms of the DMP. Over the past four quarters, this metric has declined. For details, please see Chart 5.

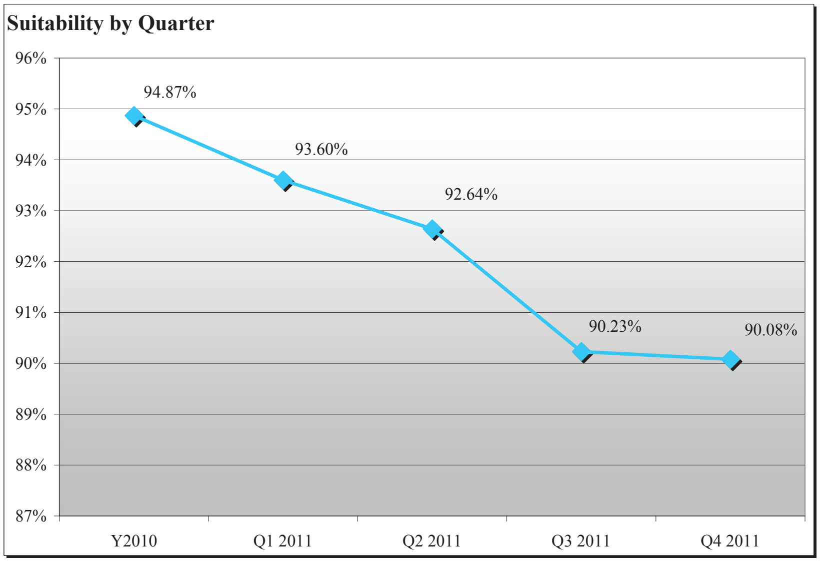


Chart 5

This is a disturbing trend, one that calls into question the suitability protocols that Cambridge has established for offering the debt management plan option. It could also be another example of the changing characteristics of the consumers seeking help, or a natural consequence of the unpredictable economy, especially in a time of widespread unemployment. Since this decline has been occurring over the course of a year, however, the one thing that can be ruled out is the possibility that it is an anomaly. The fairly steady decline warrants an in-depth examination of enrollees who initially met, and later failed to cross the suitability threshold.

The numbers should first be given some historical perspective. Chart 6, below, displays suitability data gathered since 2008. With these results in mind, it appears that the data provided in Chart 5 indicates that suitability numbers are actually returning to the historic norm. The 90% rates experienced in the past two quarters seem to mirror percentages seen in 2009, and, in fact, are much higher than the results gathered in 2008. Two factors need to be acknowledged, however. First, 2008 data, in general, has been difficult to analyze – the worst months of the great recession created a great deal of uncertainty. Cambridge experienced several declining metrics during this period, some of them very unusual. For example, satisfaction levels dipped into the low 90's during the second half of that year. Second, in 2009 Cambridge enacted several enhancements, including training and supporting materials, to help ensure client success. These measures were proven effective by suitability increases recorded in 2010.

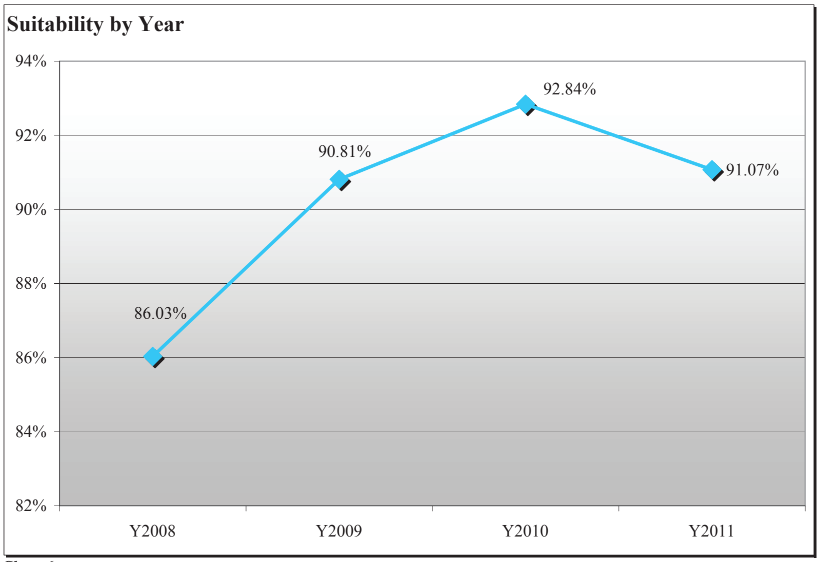


Chart 6

It might be helpful to isolate and examine data gathered during the fourth quarters of the last two years.

Table 1 looks at two factors – the number of accounts enrolled on a DMP, and the type of accounts. (The average number of accounts is shown because it is possible for a client to be disheartened by the failure of a counseling agency to secure benefits for one of their accounts – an effect that would be more pronounced if the individual had just a few accounts.) While suitability does not necessarily equate with cancellation, there is certainly a relation. For clients who reached the suitability period in the fourth quarter of 2011 (which would mean they enrolled in the third quarter), more than half (52.73%) of the unsuitable clients had already left the DMP by the time this data was gathered. The data in Table 1 would suggest that the number of suitable/unsuitable accounts does not predict success, however, as the numbers don't vary significantly.

Number and Type of Bills

	Q4 2011		2010	
Category	Suitable	Not Suitable	Suitable	Not Suitable
Average number of accounts	5.57	5.27	5.46	5.43
Percentage of conforming creditors	89.20%	69.64%	93.77%	74.95%

Table 1

DMP ENROLLMENT

The percentage of conforming creditors, meaning creditors known to extend benefits, does appear to be a key factor. Here the data indicates a roughly 20% decrease in the percentage of accounts that belong to conforming creditors. This means that an unsuitable enrollee's creditors, on average, include more collections accounts, medical bills, payday loans, and other loans taken out with creditors that don't make concessions to accountholders in distress. The numbers in this table also indicate that roughly 5% more of the clients who enrolled in the 4th quarter of 2011 held accounts belonging to non-conforming creditors than their counterparts who enrolled in 2010.

Table 2 is a breakdown of the impact that the type of benefits extended by the client's creditors had on three-month suitability metrics. As explained in the last report, there are three tiers of benefits extended by most of the major creditors, generally based on the degree of hardship being suffered by the client. Tier 1 includes standard debt management plan benefits, while tiers 2 and 3 include lower payment amounts and even lower interest rates.

Benefits Extended

	Q4 2011		2010	
Category	Suitable	Not Suitable	Suitable	Not Suitable
Tier 1 Benefits	55.09%	71.21%	53.44%	59.40%
Tier 2 Benefits	5.18%	6.06%	4.71%	3.85%
Tier 3 Benefits	39.73%	22.73%	41.85%	36.75%
Average DMP Interest rate	6.05%	3.14%	5.71%	2.55%
Average DMP Interest rate reduction	13.12%	9.75%	14.26%	13.51%

Table 2

The data presented here shows that clients receiving Tier 2 and Tier 3 benefits, despite their greater hardship, met the suitability metric more often than those who received standard benefits. The difference for Q4 2011 clients was dramatic: suitable clients were 16.12% more likely to be receiving enhanced benefits. In the fourth quarter of 2010, the difference was only 5.96%. This effect is most likely not due to a decline in the number of clients meeting the hardship standard, but rather the result of one major creditor eliminating the extended benefits option.

Table 2 also displays the various interest rate reductions gained through a DMP. Such reductions are far more likely to be granted by conforming creditors than non-conforming creditors. Non-conforming creditors are also less likely to be charging high rates of interest, as in the case of many collections accounts and medical bills. The results shown here seem logical: the interest rate reductions for suitable clients were greater than for those clients who failed to meet this benchmark.

Again, this statistic has a bearing on the client's perception of their program's potential benefit. If a significant percentage of their creditors don't make interest rate concessions, they may be more likely to abandon the program early, despite concessions made by other creditors that may still be beneficial. It is important to remember that unsuitability does not equal failure, but there is certainly a relationship.

Not all suitability measures are dependent on creditor behavior or participation. The data in Table 3 presents three data points related to fees and length of enrollment. The first two rows show the average initial and monthly fees for fourth-quarter clients in 2010 and 2011. As one might predict, the program fees paid by suitable clients were higher than those paid by non-suitable clients. Cambridge calculates fees based on a number of factors, including statutory guidelines and, more important, the consumer's particular circumstances. Monthly maintenance fees can be based on the number of creditors enrolled, or on a percentage of the monthly payment. Having seen previously that clients enrolled nearly an identical number of accounts, the difference in fees paid during these periods must

Plan Factors

	Q4 2011		2010	
Category	Suitable	Not Suitable	Suitable	Not Suitable
Average Initial Fee	$36.04	$27.59	$44.82	$36.61
Average Monthly Fee	$24.28	$12.68	$24.63	$19.64
Average Months of Enrollment	50.74	46.05	53.13	46.39

Table 3

be related to the size of the average payment. In fact, the average unsuitable client's payment was roughly $120.00 less than the average payment made by suitable clients ($313.39 non-suitable versus $433.45 for suitable).

Finally, there is length of enrollment. Clients who were later classified unsuitable were presented with estimated payoff periods of 46.05 months in the fourth quarter of 2011, nearly 5 months less than for those who were suitable. Nearly the same differential was recorded in 2010. The only conclusion that can be drawn from this is that the length of enrollment does not seem to predict whether a consumer would miss a payment.

While Cambridge is strongly opposed to screening clients based on these observations, actions should be taken to improve this measure. For instance, a better job may need to be done explaining the consequences of missing payments to clients who enroll a higher percentage of non-conforming debt.

Creditor proposal acceptance

The common creditor proposal acceptance percentage dropped again this quarter, the second straight month of decline. The acceptance percentage is now a full 5% below the level (91.1%) recorded for the same group of creditors in 2010.

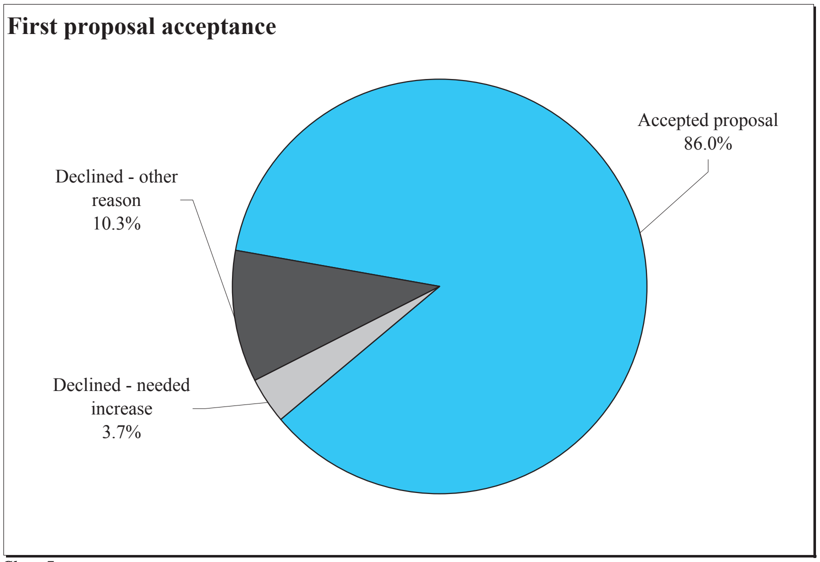


Chart 7

Table 4, below, details the major reasons for this decline. The most significant factor involves creditors that require a larger payment before account concessions will be made. This can greatly influence the success of a debt management plan. A higher payment to even a single creditor has the potential to disrupt the consumer's budget before they even have an opportunity to enact it.

A proposal declined/needed increase can be caused by several factors. The most obvious involves simple miscalculation, usually the result of misreported balances. Although account balances are verified during the enrollment process, some consumers use a card after agreeing to enrollment but prior to proposals being sent. Another growing factor is credit protection insurance. Some creditors will allow a client to keep their credit protection insurance while enrolled in a DMP, but their payment will need to be increased to accommodate the fee. Cambridge attempts to handle this proactively, but, since all creditors name their insurance differently and, indeed, bill it differently (some monthly, some quarterly, some annually) some clients are unaware that they enrolled in their creditor's insurance program. Because this trend is increasing, Cambridge intends to take action to better determine which accounts have such insurance.

A proposal declined/needed increase could also be considered among those factors contributing to a decline in the 2011 suitability measures discussed in the last section. While this cannot be ruled out, it is important to note that the percentage of proposals declined for this reason was actually higher in 2010, a year with the highest suitability level on record.

The data in Table 4 indicate that nearly all decline reasons are up; however, it is prudent to examine the trends with the greatest level of increase. The single reason that grew the most was Account set up on promo plan (up 1.26% over 2010). The increase in this reason can be viewed as less concerning than others because these accounts will eventually be established on the client's DMP. In most cases the promotional rates the client is currently paying are lower than the rates they are eligible for under a debt management plan. Once the promo rate expires, the account often becomes eligible for the DMP, and a new proposal is submitted at that time. It is distressing to note that the growth of this reason most likely indicates that an increasing number of consumers are unable to meet their obligations even under "promotional" conditions – usually 0% interest and low payments. It also indicates that extending DMP-like benefits on a single account is often an insufficient remedy. For most consumers, a holistic approach, as occurs with budget counseling and a DMP, proves more effective.

Denial Reason	2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Difference since 2010
Creditor needs increase	**4.03%**	3.16%	2.50%	3.26%	**3.70%**	-0.33%
Previously extended benefits	**2.00%**	2.73%	2.25%	1.84%	**2.32%**	0.32%
Account set up on promo plan	**0.58%**	1.28%	1.59%	1.35%	**1.84%**	1.26%
Account previously on another DMP/In-House Plan	**0.26%**	1.14%	0.63%	0.34%	**1.48%**	1.22%
Short-term benefits previously granted, more review needed	**0.00%**	0.98%	1.09%	1.16%	**0.54%**	0.54%
Account is in legal status	**0.50%**	0.60%	1.34%	0.94%	**1.17%**	0.67%
Various	**1.46%**	2.40%	3.34%	3.11%	**2.95%**	1.49%

Table 4

The decline reason that experienced the next highest level of growth is Account previously on another DMP/In-House Plan, a category that is closely related, though not identical, to Previously extended benefits. When combined, these reasons make up a greater percentage of total fourth-quarter proposal responses than declined/needed increase (3.79% to 3.70%). This data represents consumers who have tried other avenues of debt relief prior to coming to Cambridge but have failed. In 2011, some major creditors enacted more stringent policies regarding the re-enrollment of accounts, reducing the number of eligible accounts.

Cambridge has countered these trends by altering the way benefits are presented to the consumer, both prior to enrollment and during the earliest period of their plan. Being as thorough as possible with the consumer about the nature of the benefits they may receive is crucial to establishing the trust that is the foundation of the counseling relationship.

Benefits Verification

Increasingly difficult creditor requirements have made three elements of DMP delivery critically important. First, communication with the newly enrolled client must be comprehensive and timely in order for trust to be maintained. Second, the agency's reaction to the declined proposal must be swift and appropriate. To accomplish this, a complete understanding of all major creditors' (conforming and non-conforming) policies is essential. Finally, and perhaps most important, a suitable review of the entire account must be performed to ensure that all possible benefits have been established and that the account is running smoothly.

Cambridge performs these reviews, called benefit verification audits, during each client's fourth month of enrollment. Though not all program benefits may have been established at this point (for instance, in the case of accounts denied due to existing promotional rates), an audit in the fourth month allows for the majority of agency corrections to be made and also allows for creditor-related delays that occur from time to time.

Chart 8 shows the percentage of accepted proposals for common creditors by the time of the benefits verification audit. As indicated, the percentage has declined slightly from 2010 levels. This makes sense when the figure is compared with the initial proposal decline rate. In fact, Cambridge has improved its ability to rectify declined proposals at a slight higher rate than 2010. There was a 6.9% difference between the 2010 initial proposal acceptance rate (91.1%) and the date by the time of the audit (98%). For the fourth quarter of 2011, that difference improved by 8.3% *(NOTE: Because the audits conducted in the fourth quarter were primarily for clients who enrolled in the third quarter, the acceptance percentage of 88.0% was used to calculate the difference)*.

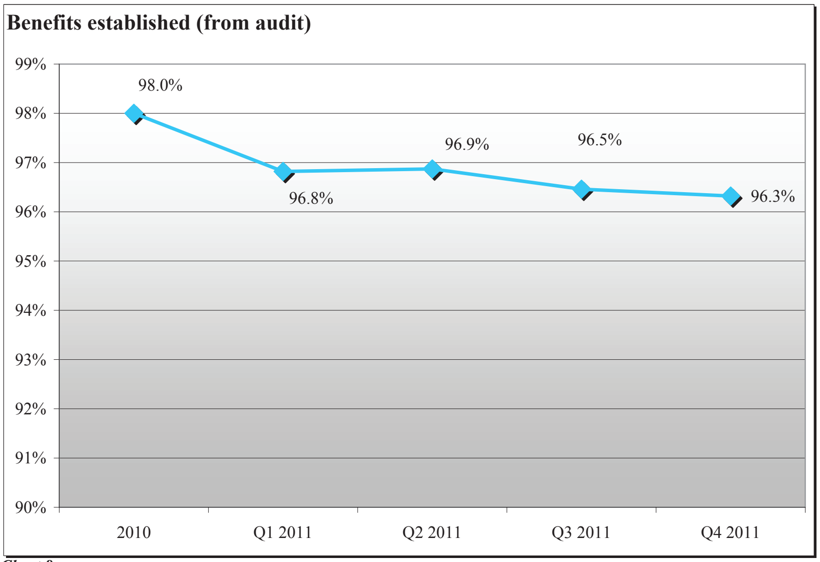


Chart 8

Still, the fact that almost four-percent of common creditor accounts are not currently receiving benefits signifies room for improvement. While some will eventually receive benefits (roughly an additional 1% of accounts have a re-submission date at some point in the future), clients usually keep these accounts enrolled for the sake of convenience. After those creditors that make concessions have been paid in full, more of the client's payment can be allocated to the balance of the non-benefit granting creditors.

The benefits verification audit also considers two other important facts: whether an account displays a delinquency status; and whether any fees are being assessed. Alarmingly, for the fourth quarter of 2011, 43.15% of all accounts audited were, at some level, past due. Even more worrisome, 56.23% of these accounts were past-due more than thirty days, and were therefore more likely to appear as delinquent on the client's credit reports. Some creditors will eventually "re-age," or bring an account current, and more will become current as a result of their enrollment. Still, the need to clearly explain the past-due status to the client is critical for their success on a DMP. They must know what their creditors' policies are in this area.

Two facts can be used to help build trust when discussing such issues. The first was mentioned earlier but bears repeating: the vast majority of these delinquent accounts are still receiving benefits, per the accepted proposal Cambridge would have on file. Second, these accounts are seldom being assessed fees. Fewer than 3% of all accounts audited during the fourth quarter of 2011 were receiving fees due to being late or exceeding the client's credit limit.

Even if fees are not being assessed and the client has received account concessions, Cambridge will continue to work toward returning the account to a current status. As mentioned earlier, several accounts will return to this status as a condition of the enrollment, but Cambridge will still work with the client to make additional payments, if possible, to eliminate an account's past-due status.

SECTION III:
ACCOUNT BENEFITS

Savings through a DMP

2011 survey data showed that consumers typically enroll in a debt management plan for Reduced Interest Rates and Reduced Monthly Payments. As Table 5 indicates, clients generally receive both a reduction in interest rates (14.68% lower) and in their overall payment amount (29.03% lower).

Category	On own	Through DMP	Reduction/Savings
Annual Percentage Rate	21.83%	7.15%	14.68%
Average monthly debt payments*	$557.25	$395.49	$161.76
Average monthly interest charged	$295.79	$96.88	$198.91
*Note: Average Monthly debt payment through DMP includes average monthly fee			

Table 5

The Through DMP column includes Cambridge's fee with the monthly payment. 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. For the fourth quarter of 2011, Cambridge's average fees per-client were less than half those amounts:

- The average initial fee was just $32.71
- The average monthly fee was just $24.97

In addition, Cambridge's fee structure allows for each fee to be further reduced or even waived based on the client's level of hardship. During the fourth quarter of 2011 Cambridge waived or reduced:

- Initial fees for 32.18% of new clients
- Monthly fees for 39.2% of new clients

Once again, the necessity of making such reductions is evidence of the greater hardship of the consumers inquiring about debt relief. An additional 5% of DMP enrollees received a reduced or waived initial fee in the fourth quarter of 2011 than their counterparts in 2010 (26.7% to 32.18%). The monthly fee reductions are even more dramatic. There was a 12.7% increase in reductions due to economic hardship during the fourth quarter of 2011 (26.5% to 39.2%).

Total Savings for Clients Completing Plan vs. Paying on Own

Table 5 shows the average projected savings for a client at the time of enrollment, but what are the actual savings over the term of the typical client's debt management plan? That's the first thing many people want to know when they ask about our services. The information below illustrates the potential savings over a typical client's full term of enrollment.

There are several ways to approach the calculation of debt repayment. For the examples below, Cambridge chose to take an "apples-to-apples" approach. In simplest terms, we calculated what would happen if the consumer paid the same amount as their Cambridge payment - including our agency's fee - to their creditor on their own each month. This scenario assumes that the consumer could gain similar interest rate and fee concessions on their own. In reality, given the original balances, most major creditors wouldn't accept a payment this low outside of a DMP. We've used Q4 2011 client data to perform the necessary calculations.

Please note that we also needed to make several assumptions, specifically, that the monthly payments remain constant throughout the repayment term and that all payments are made on time. In the scenarios in which consumers make payments on their own, we also had to assume that they didn't accumulate any additional debt during the pay-off period.

ACCOUNT BENEFITS

		On Own			Through DMP			Total Saved	
	Original Balance	Original Interest rate	Months	Total Paid	Cambridge Interest Rate	Months	Total Paid	**Months**	**Total**
Current at Cambridge pmnt	$18,801.48	21.24%	83	$36,183.02	8.00%	55	$22,503.67	**28**	**$13,679.35**
Delinquent at Cambridge payment	$16,059.30	23.18%	65	$28,329.97	8.56%	46	$18,892.85	**19**	**$9,437.12**

Table 6

While in each scenario a significant amount of savings is realized by enrollment in a DMP, the table makes it appear as though delinquent consumers who enroll in a plan will save less time and less money than consumers who were current on their accounts prior to enrollment. This is generally untrue. Missing payments will likely have caused the delinquent consumer to be receiving late fees, and quite possibly over-limit fees, as well. Fees are almost always eliminated through a DMP, but because each creditor has a different fee policy and it's impossible to predict consumer payment patterns, those additional savings haven't been included in our calculations. In addition, the average balance of Cambridge clients with delinquent accounts ($16,059.30) was smaller than the average balance of clients who were current on their accounts at enrollment ($18,801.48).

The savings figures shown here should be considered at the low end of the spectrum; actual realized savings could be much higher. For example, consumers who are delinquent are being charged an average late fee of $25.00[1] for each late or missed payment. These fees are for each of their creditors. Cambridge's average client enrolled 5.11 accounts in the fourth quarter of 2011. If the consumer was behind by as little as one month on each account, the total monthly late fee charge would be $127.75. That amount would continue to be charged each month thereafter while the accounts are delinquent.

The unfortunate truth is that most delinquent consumers contact Cambridge after falling *two or more months behind*. Prior to enrollment, the late fees they were paying would have decreased the amount going toward their account balances. Depending on their creditors' policies, these consumers would have needed to make up any missed payments, including these fees, to prevent *additional* fees from being assessed. This often results in a cycle of debt in which the consumer is unable to catch up, and their balances keep growing.

As stated earlier, none of these fees are calculated into the savings figures displayed in Table 6. It also bears repeating that more than 97% of Cambridge's DMP clients receive no fees whatsoever on their accounts by the time of their Benefits Verification Audit, typically conducted at the fourth month of enrollment.

Another factor that would increase savings realized by the consumer through the DMP is the general creditor practice of reducing minimum required payments as the balance owed diminishes. This practice would dramatically extend the repayment term for a consumer paying on their own, increasing the total amount of interest charged.

[1] Average Late Fee from Forbes.com article *How the Credit CARD Act Impacts your Finances Today.*
http://www.forbes.com/sites/investopedia/2011/10/18/how-the-credit-card-act-impacts-your-finances-today/

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 some creditors. For every monthly client payment disbursed in the third quarter of 2011, an average fair share donation of $14.31 was received. During the year, Cambridge remained 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. Cambridge received just 29.57% of its revenues from fair share funds.

SECTION IV:

ALTERING CONSUMER SPENDING & SAVINGS HABITS

Newly enrolled clients

While clients may enroll in a DMP primarily for the savings and budget relief, the chief benefit is the financial education provided and reinforced during the client's enrollment. Previous reports have detailed how clients who commit to budgeting practices recommended by the counselor are more successful on a debt management plan. This report examines the education and advice delivered during the initial counseling sessions.

It is important to begin by looking at the agency's current performance on basic budgeting measures, which are captured within Counselor Efficiency survey data. The results were mixed this quarter, with declines witnessed in the Developing a budget and Plan to build savings categories, and a solid increase in the Tracking expenses response.

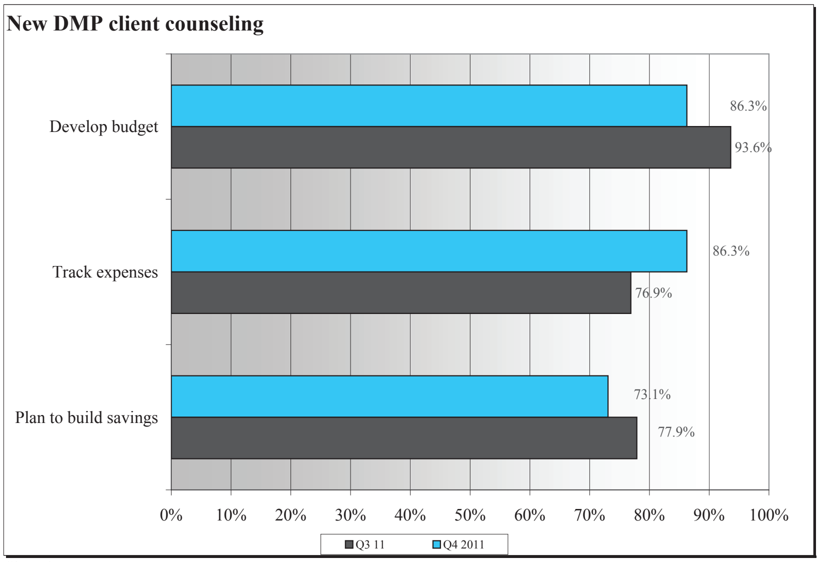


Chart 9

From a historical perspective, these numbers seem fairly consistent; in 2010 Develop a budget was 88.4%, Tracking expenses 86.2%, and Plan to build savings 75.5%. For 2011, the rates were very comparable:

- Develop a budgeting – 89.1% (up 0.7%)
- Tracking expenses – 86.5% (up 0.2%)
- Plan to build savings - 77.8% (up 2.3%)

These statistics do not necessarily present a complete picture of the counselor's effectiveness, however, as they were recorded a relatively short time after the counseling sessions were held. When long-term financial behavior is to be altered, the consumer must understand and appreciate the benefits of these activities.

To determine this, Cambridge asks a variety of follow-up questions concerning budgeting and expense tracking. In 2011, the results indicate that:

- More than 95% of clients who had incorporated recommended budgeting practices felt the activity helped them improve their ability to manage their finances.

- More than 95% of clients who had begun using the expense-tracking techniques recommended by their counselor felt the activity helped them improve their ability to manage their finances.

- More than 86% of expense-tracking clients identified methods they could use to reduce their expenses as a result of the activity.

Educating consumers about fundamental financial practices is a feature of most counseling sessions, as few consumers regularly budget or track expenses, but a great deal of more situation-specific advice is also provided by the counselor after they perform a comprehensive review of the consumer's financial circumstances. These recommendations are incorporated into the Action Plan developed and delivered during the counseling process. Chart 10, below, lists the top five budgeting recommendations provided to consumers in their Action Plan. (The numbers shown indicate the percentage of consumers who received that particular recommendation.)

The fact that such recommendations were made does not necessarily mean they will be accepted by the consumer. For this reason, Cambridge reinforces its Action Plan advice during the post-counseling period. Three post-counseling sessions are conducted during each client's first four months of enrollment, and at least one additional session is held within 45 days' of the initial contact for each consumer who does not become a client.

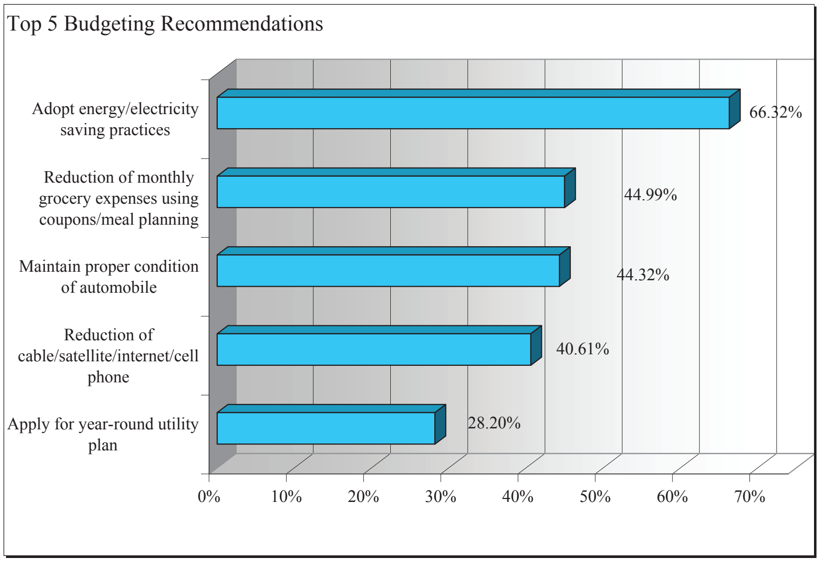


Chart 10

According to the Counselor Efficiencies surveys, 92.74% of 2011 respondents indicated that they had incorporated or followed through on at least some of the advice provided in their Action Plan.

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.

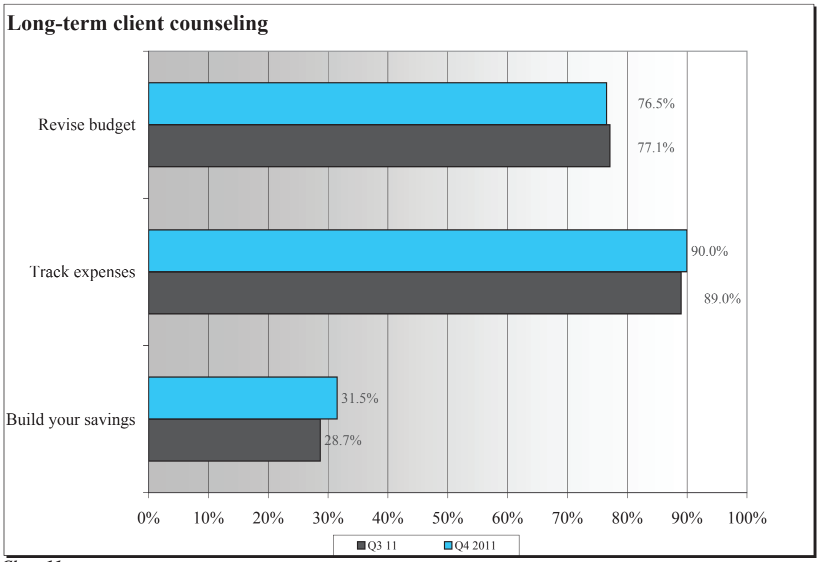


Chart 11

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.

Length of DMP enrollment

Cambridge estimated the repayment term for clients who enrolled in the fourth quarter of 2011 to be 47.96 months. This was several months fewer than was recorded for any of the immediately preceding quarters (50.26 for the 3rd quarter and 51.32 for the second.).

The actual length of enrollment is a different matter, as the data must accommodate clients who completed their program in five years, as well as those who abandoned their plan within the first year. The data we'll examine comes from 2006, allowing enough time for most clients who enrolled during that year to complete their DMP.

The statistics indicate that clients who enrolled during the fourth quarter of 2006 remained on the program for an average of 30.28 months. This is slightly longer than the actual terms of clients who enrolled in any of the preceding three quarters of 2006. This number is significant for several reasons. As the third year of enrollment approaches and the most significant accounts have been paid off through the plan, many long-term clients decide to handle their bills on their own, due to an improved financial situation.

Clients whose finances improve can also choose to pay off their accounts faster by sending extra funds. From the same 2006 period, clients who completed their plan did so in an average of 42.07 months, a figure that is less than the term predicted at the time of enrollment. Many clients send additional funds when possible, such as after receiving a sizable tax refund. This will shorten their enrollment and reduce the amount of interest they would be charged over the projected term.

Completing the DMP

From a consumer's perspective, particularly one who is already having difficulty keeping pace with their bills and is worried about rising costs, the prospect of making a fixed payment for 50 months can seem daunting. It is the counselor's responsibility to help new clients understand the importance of becoming disciplined, and to show them that they have the financial resources to complete their plan (otherwise, the option wouldn't have been presented). Cambridge requires its client support staff to maintain the same independent certification as the agency's credit counselors. This allows the support team to promote the same principles espoused by the client's counselor.

Earlier Performance and Satisfaction reports explained the link between adoption of budgeting and saving practices and DMP success. Chart 12 displays the results of this philosophy. The rate of clients who Complete in full remains between 46% and 50% every quarter over the course of two years. For those who were Complete/Near Completion, the rate remains between 57% and 61%, with the lone anomalous quarter reported for Q1 2006 enrollments.

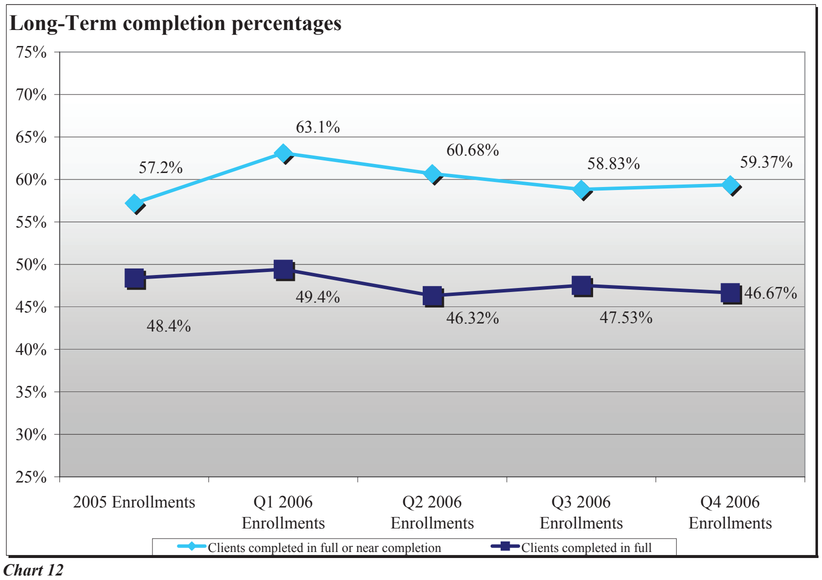


Chart 12

This consistency is also noteworthy because these enrollments were concurrent with some of the worst economic years in our nation's history. Clients who enrolled in 2005 took an average of 41 months to complete the program, roughly 3.4 years. On average, then, these clients completed their term of enrollment between the first half of 2008 and the first half of 2009, for many areas of the country the worst period of the Great Recession. In particular, unemployment did not truly spike until the first months of 2009. Clients who enrolled in 2006 completed their plan at nearly an identical rate as their 2005 counterparts, despite being at greater risk of income reduction earlier in their enrollment. Similarly, the Complete/Near completion numbers recorded by 2006 enrollees were higher than for 2005 enrollees during corresponding quarters.

Clients leaving incomplete

Unfortunately, not all clients successfully complete their debt management plan. While some reasons for this are positive, such as someone reaching a point where they feel they can handle their obligations independently, too often these clients left because of additional financial difficulty.

Cambridge pays close attention to the reasons why clients leave their program and to the characteristics of the client's particular circumstances. While credit counseling is unable to prevent emergencies or reductions in income from eliminating an enrollee's chance for success, it needs to recognize all factors that contributed to the failure and use the experience to improve its service wherever possible.

In the fourth quarter of 2011, 3.4% of Cambridge's clients left their debt management plan. Chart 13 displays the various reasons cited by these clients for failing to complete their enrollment term. One unfortunate fact showcased here is that nearly two-thirds leave without providing a reason. For the most part, these individuals simply discontinue making payments to Cambridge. Surveys have been sent to capture this critical information, but, to date, the response rate has been poor. Cambridge is currently reviewing its account closure procedures in an effort to eliminate this information gap.

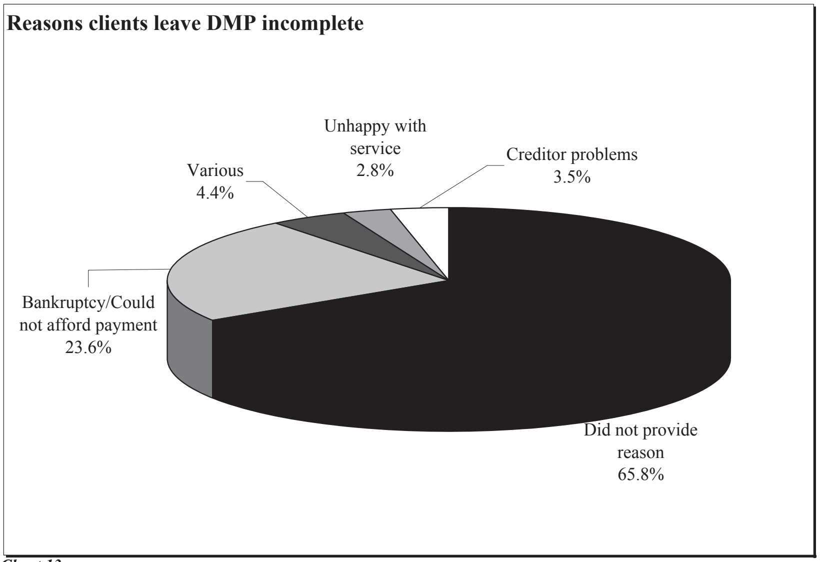


Chart 13

The remaining picture represents a bookend to the data discussed earlier. Financial hardship accounts for the bulk of these closures, far more than Creditor problems (3.5%), Unhappy with service (2.8%), and miscellaneous reasons (4.4% - anything from state requirements to the death of the client). Clients who filed for bankruptcy protection did so after making an average of 15.75 program payments. Clients who left because they were no longer able to afford the payment did so after an average of 24 payments. Both of these numbers presumably indicate that, on average, the payment was suitable for a year or more and then something occurred that made the arranged payment unmanageable.

Meanwhile, clients who left because of creditor-related problems only made an average of 3.33 payments to the agency. This may indicate that the client did not make additional payments because they were dissatisfied with the concessions made, or not made, by their particular creditors. The figure could also be the result of tighter creditor standards and/or the availability of creditor-administered plans.

SECTION VI:

CREDIT COUNSELING AND DMP SUPPORT SATISFACTION

Counseling Satisfaction

Cambridge recognizes the importance of measuring a client's satisfaction with the services provided to them. Satisfaction can only be achieved by recognizing what the client expects from the agency, and then working with the client to fulfill those expectations. Satisfaction can only be hindered by deceptive practices, such as misleading the consumer as to the benefits they will receive, the savings they can achieve, or by omitting the items they will be responsible for as a partner in the process.

The first time Cambridge gauges the client's perceived satisfaction with their counseling experience is with the Counselor Efficiency survey, which is sent during the client's fourth month of enrollment. Chart 14 shows the satisfaction and excellence rates recorded between the second and fourth quarters of 2011.

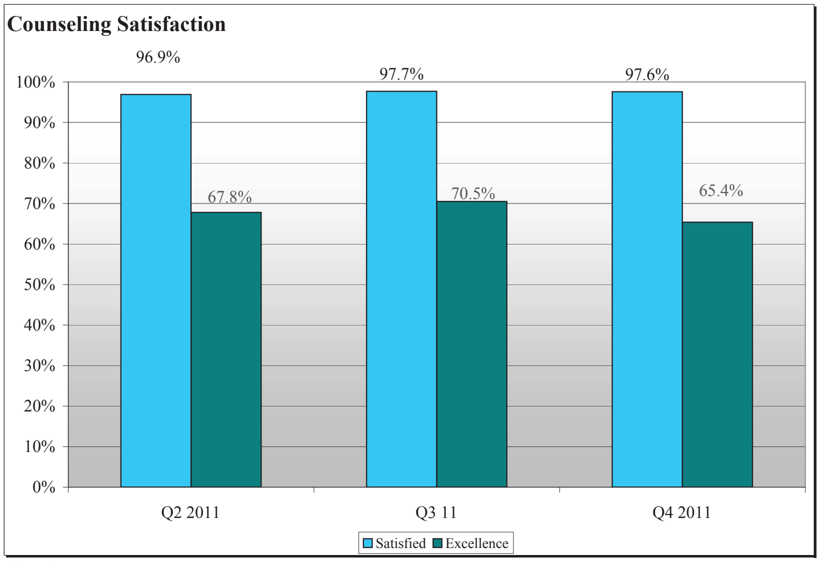


Chart 14

Experience has shown that there is a direct link between the client's perception of the service and their adoption of counseling recommendations. For example, for all 2011 counselor efficiency survey respondents who rated their overall counselor experience as "Excellent:"

- 92.36% continued to work on their budget
- 88.30% started tracking their expenses
- 80.23% created a plan to start building savings

Compare this with those who rated their counselor experience as "Fair" or "Poor:"

- 64.71% continued to work on their budget
- 61.11% started tracking their expenses
- 66.67% created a plan to start building savings

Cambridge also captures satisfaction data from long-term clients on its Quality Survey, which is sent to a random group of clients each quarter. Employing this methodology means that responses could come from clients enrolled just six months earlier, or from those nearing the end of their enrollment term. The purpose of measuring satisfaction this way is to determine whether the client's perception of their initial counseling experience changes over time, and whether there are any corresponding changes in behavior. The results for all of 2011 are very consistent with new client responses: 97.18% report "Satisfaction," and 64.40% continue to rate their initial experience as "Excellent."

CREDIT COUNSELING AND DMP SUPPORT SATISFACTION

DMP Support Satisfaction

The importance of providing strong support for DMP enrollees cannot be overstated. For instance, many creditor policies require explanation. Failure to explain these policies in a consistent and honest manner would erode the trust the counselor built with the client. In light of this fact, Cambridge has trained its support staff to respond appropriately to each potentially troubling situation, whether due to receipt of a denied proposal from a creditor or a client calling in because they cannot afford to make their payment. The members of the support team are also independently certified credit counselors; therefore, they can provide knowledgeable advice in the client's best interest.

As Chart 15 shows, Client Service satisfaction is maintained at the same level as the counseling scores. These results are also derived from the Quality Surveys sent to a random set of clients each quarter. All responses are either entered online through a website operated by a third party, or, if mailed to Cambridge, manually logged into the same third-party site (with the physical survey copies retained appropriately for verification).

Chart 15

SECTION VII:
COMMUNITY OUTREACH

Community seminars

Cambridge is dedicated to promoting a more knowledgeable and financially responsible society. While many people need personalized, one-on-one counseling, others can benefit from the financial literacy seminars that Cambridge conducts in its local community. Independently certified counselors conduct seminars for such diverse groups as:

- Veterans entering transitional housing
- High school and college students
- Inmates participating in pre-release programs
- Residents of local family homeless shelters
- Residents of low-income rental units

During the fourth quarter of 2011, Cambridge conducted 101 seminars for 910 individuals and families. For the year, Cambridge performed 555 seminars for 6,296 area residents. This marks a 25% increase in the number of seminars performed over 2010 (416).

Where appropriate, Cambridge administers an entrance and exit exam for seminar participants to gauge their comprehension and absorption of the material. Fourth quarter test-takers scored an average 27.9 points higher after participating in the seminar series. For the year, the average score increased by 26.30 points.

Financial Wellness Center

Cambridge maintains the majority of its online education resources on a separate website, www.goodpayer.com. During the fourth quarter of 2011, 5,557 unique visitors accessed the site, which contains articles on a wide variety of financial topics, as well as links to helpful resources, financial calculators, and free downloadable guides and worksheets. Cambridge tracks the downloading of these items as well as the perception of the wellness center itself. Chart 16 indicates the materials most frequently downloaded from the goodpayer.com website.

In all, more than 40,000 education items were downloaded during 2011. In addition, Quality Survey results indicate a 97.99% satisfaction rate for clients who have visited the site.

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 reported above.

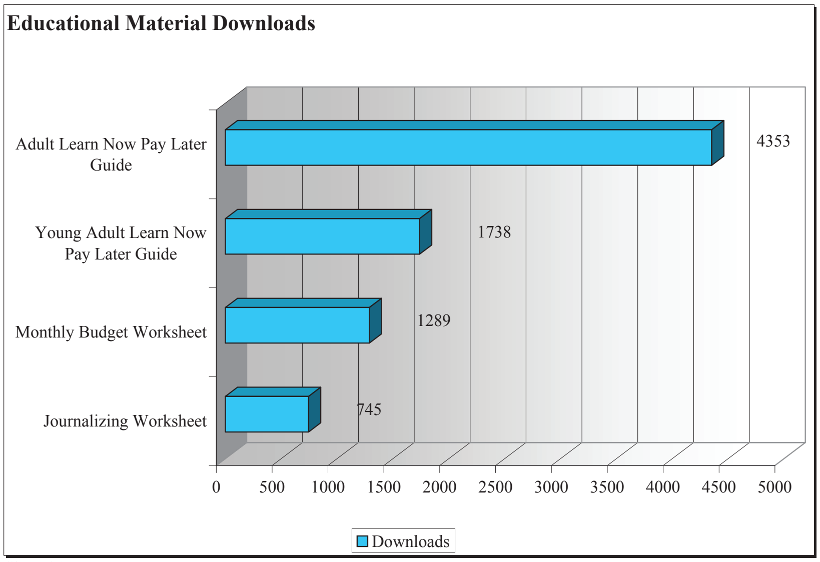


Chart 16

Your Money 2.0

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

Chart 17 displays the most-viewed videos among those released during the fourth quarter of 2011. According to Quality Survey results, 97.94% of viewers found the information covered in the Your Money 2.0 series to be informative.

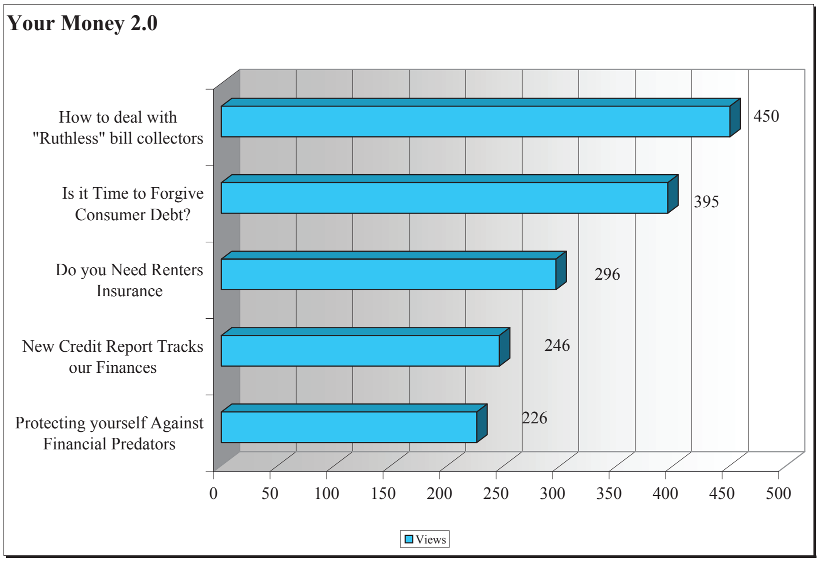


Chart 17

CONCLUSIONS

Cambridge initiated the Transparency Project in an effort to present an honest and unfiltered view of our agency's performance capabilities. It was designed to clarify some areas of benefit, and to dispel misconceptions about the work we and our peers perform each day for the public. All of our agency efforts, whether provided in the form of outreach initiatives for the community or personalized one-on-one credit counseling sessions, are designed to improve the financial health, stability and knowledge of the individuals who contact us.

We have emphasized a number of data points in this edition. First, we've illustrated the importance of fully understanding the condition and concerns of consumers seeking debt relief. Recognition of their actual reasons for hardship is essential to returning them to a financially stable condition. The counselor must be cognizant of the consumer's concerns and have the knowledge necessary to present appropriate solutions.

This report also highlighted the fact that successful credit counseling requires support services that are in lockstep with the initial counseling experience. This support needs to be honest, comprehensive, and must also consider the client's concerns and needs.

The third area of emphasis involved the long-term benefit for those who enroll in a debt management plan, displaying the savings that an average consumer can expect when enrolled. The data clearly indicate that a DMP can save clients money and time, while allowing Cambridge to provide crucial financial education.

Finally, as shown in the Suitability and the Long-Term Benefits sections, and, indeed, throughout this release, the various account concessions made by creditors are seen as significant factors in the enrollee's success. Simply put, better benefits translate into more satisfied and successful clients, because when clients remain committed to their plan, Cambridge has a greater opportunity to reinforce its education and advice.

Cambridge is committed 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 that the credit counseling profession plays in the lives of millions of consumers nationwide can only help build the trust agencies need to be successful. Transparency is also critical to identifying whatever shortcomings need to be addressed for the benefit of the consumers we serve. Anyone with questions about the material presented here is encouraged to contact Cambridge at (888) 694-7491, or at transparency@cambridgecredit.org.

APPENDIX

APPENDIX A

	On Own			Through DMP		
Payment	Balance	Payment	Total Cost	Balance	Payment	Total cost
1	$18,801.48	$435.94	$435.94	$18,801.48	$410.97	$410.97
2	$18,698.33	$435.94	$871.88	$18,515.85	$410.97	$821.94
3	$18,593.35	$435.94	$1,307.82	$18,228.32	$410.97	$1,232.91
4	$18,486.51	$435.94	$1,743.76	$17,938.87	$410.97	$1,643.88
5	$18,377.78	$435.94	$2,179.70	$17,647.50	$410.97	$2,054.85
6	$18,267.13	$435.94	$2,615.64	$17,354.18	$410.97	$2,465.82
7	$18,154.51	$435.94	$3,051.58	$17,058.90	$410.97	$2,876.79
8	$18,039.91	$435.94	$3,487.52	$16,761.66	$410.97	$3,287.76
9	$17,923.28	$435.94	$3,923.46	$16,462.43	$410.97	$3,698.73
10	$17,804.58	$435.94	$4,359.40	$16,161.21	$410.97	$4,109.70
11	$17,683.78	$435.94	$4,795.34	$15,857.98	$410.97	$4,520.67
12	$17,560.84	$435.94	$5,231.28	$15,552.73	$410.97	$4,931.64
13	$17,435.73	$435.94	$5,667.22	$15,245.45	$410.97	$5,342.61
14	$17,308.40	$435.94	$6,103.16	$14,936.11	$410.97	$5,753.58
15	$17,178.82	$435.94	$6,539.10	$14,624.72	$410.97	$6,164.55
16	$17,046.95	$435.94	$6,975.04	$14,311.25	$410.97	$6,575.52
17	$16,912.74	$435.94	$7,410.98	$13,995.68	$410.97	$6,986.49
18	$16,776.15	$435.94	$7,846.92	$13,678.02	$410.97	$7,397.46
19	$16,637.15	$435.94	$8,282.86	$13,358.24	$410.97	$7,808.43
20	$16,495.69	$435.94	$8,718.80	$13,036.32	$410.97	$8,219.40
21	$16,351.72	$435.94	$9,154.74	$12,712.26	$410.97	$8,630.37
22	$16,205.21	$435.94	$9,590.68	$12,386.04	$410.97	$9,041.34
23	$16,056.10	$435.94	$10,026.62	$12,057.64	$410.97	$9,452.31
24	$15,904.35	$435.94	$10,462.56	$11,727.06	$410.97	$9,863.28
25	$15,749.92	$435.94	$10,898.50	$11,394.27	$410.97	$10,274.25
26	$15,592.75	$435.94	$11,334.44	$11,059.26	$410.97	$10,685.22
27	$15,432.80	$435.94	$11,770.38	$10,722.02	$410.97	$11,096.19
28	$15,270.02	$435.94	$12,206.32	$10,382.53	$410.97	$11,507.16
29	$15,104.36	$435.94	$12,642.26	$10,040.77	$410.97	$11,918.13
30	$14,935.77	$435.94	$13,078.20	$9,696.74	$410.97	$12,329.10
31	$14,764.19	$435.94	$13,514.14	$9,350.42	$410.97	$12,740.07
32	$14,589.58	$435.94	$13,950.08	$9,001.78	$410.97	$13,151.04
33	$14,411.88	$435.94	$14,386.02	$8,650.82	$410.97	$13,562.01
34	$14,231.03	$435.94	$14,821.96	$8,297.53	$410.97	$13,972.98
35	$14,046.98	$435.94	$15,257.90	$7,941.87	$410.97	$14,383.95
36	$13,859.67	$435.94	$15,693.84	$7,583.85	$410.97	$14,794.92
37	$13,669.04	$435.94	$16,129.78	$7,223.44	$410.97	$15,205.89
38	$13,475.04	$435.94	$16,565.72	$6,860.62	$410.97	$15,616.86
39	$13,277.61	$435.94	$17,001.66	$6,495.39	$410.97	$16,027.83
40	$13,076.69	$435.94	$17,437.60	$6,127.72	$410.97	$16,438.80
41	$12,872.20	$435.94	$17,873.54	$5,757.61	$410.97	$16,849.77
42	$12,664.10	$435.94	$18,309.48	$5,385.02	$410.97	$17,260.74
43	$12,452.32	$435.94	$18,745.42	$5,009.95	$410.97	$17,671.71
44	$12,236.78	$435.94	$19,181.36	$4,632.38	$410.97	$18,082.68
45	$12,017.43	$435.94	$19,617.30	$4,252.29	$410.97	$18,493.65
46	$11,794.20	$435.94	$20,053.24	$3,869.67	$410.97	$18,904.62
47	$11,567.02	$435.94	$20,489.18	$3,484.50	$410.97	$19,315.59
48	$11,335.82	$435.94	$20,925.12	$3,096.76	$410.97	$19,726.56
49	$11,100.52	$435.94	$21,361.06	$2,706.43	$410.97	$20,137.53
50	$10,861.06	$435.94	$21,797.00	$2,313.51	$410.97	$20,548.50
51	$10,617.36	$435.94	$22,232.94	$1,917.96	$410.97	$20,959.47
52	$10,369.35	$435.94	$22,668.88	$1,519.78	$410.97	$21,370.44
53	$10,116.94	$435.94	$23,104.82	$1,118.94	$410.97	$21,781.41
54	$9,860.07	$435.94	$23,540.76	$715.43	$410.97	$22,192.38
55	$9,598.66	$435.94	$23,976.70	$309.23	$311.29	$22,503.67
56	$9,332.61	$435.94	$24,412.64			
57	$9,061.86	$435.94	$24,848.58			
58	$8,786.32	$435.94	$25,284.52			
59	$8,505.89	$435.94	$25,720.46			
60	$8,220.51	$435.94	$26,156.40			
61	$7,930.07	$435.94	$26,592.34			
62	$7,634.49	$435.94	$27,028.28			
63	$7,333.68	$435.94	$27,464.22			
64	$7,027.55	$435.94	$27,900.16			
65	$6,716.00	$435.94	$28,336.10			
66	$6,398.93	$435.94	$28,772.04			
67	$6,076.25	$435.94	$29,207.98			
68	$5,747.86	$435.94	$29,643.92			
69	$5,413.66	$435.94	$30,079.86			
70	$5,073.54	$435.94	$30,515.80			
71	$4,727.40	$435.94	$30,951.74			
72	$4,375.14	$435.94	$31,387.68			
73	$4,016.64	$435.94	$31,823.62			
74	$3,651.79	$435.94	$32,259.56			
75	$3,280.49	$435.94	$32,695.50			
76	$2,902.61	$435.94	$33,131.44			
77	$2,518.05	$435.94	$33,567.38			
78	$2,126.68	$435.94	$34,003.32			
79	$1,728.38	$435.94	$34,439.26			
80	$1,323.03	$435.94	$34,875.20			
81	$910.51	$435.94	$35,311.14			
82	$490.69	$435.94	$35,747.08			
83	$63.43	$435.94	$36,183.02			

APPENDIX A

	On Own			Through DMP		
Payment	Balance	Payment	Total Cost	Balance	Payment	Total Cost
1	$16,059.00	$435.94	$435.94	$16,059.30	$410.97	$435.94
2	$15,933.27	$435.94	$871.88	$15,762.89	$410.97	$846.91
3	$15,805.10	$435.94	$1,307.82	$15,464.36	$410.97	$1,257.88
4	$15,674.47	$435.94	$1,743.76	$15,163.70	$410.97	$1,668.85
5	$15,541.30	$435.94	$2,179.70	$14,860.90	$410.97	$2,079.82
6	$15,405.57	$435.94	$2,615.64	$14,555.94	$410.97	$2,490.79
7	$15,267.21	$435.94	$3,051.58	$14,248.80	$410.97	$2,901.76
8	$15,126.19	$435.94	$3,487.52	$13,939.47	$410.97	$3,312.73
9	$14,982.43	$435.94	$3,923.46	$13,627.93	$410.97	$3,723.70
10	$14,835.90	$435.94	$4,359.40	$13,314.18	$410.97	$4,134.67
11	$14,686.54	$435.94	$4,795.34	$12,998.18	$410.97	$4,545.64
12	$14,534.30	$435.94	$5,231.28	$12,679.93	$410.97	$4,956.61
13	$14,379.11	$435.94	$5,667.22	$12,359.41	$410.97	$5,367.58
14	$14,220.93	$435.94	$6,103.16	$12,036.61	$410.97	$5,778.55
15	$14,059.69	$435.94	$6,539.10	$11,711.50	$410.97	$6,189.52
16	$13,895.34	$435.94	$6,975.04	$11,384.07	$410.97	$6,600.49
17	$13,727.81	$435.94	$7,410.98	$11,054.31	$410.97	$7,011.46
18	$13,557.05	$435.94	$7,846.92	$10,722.19	$410.97	$7,422.43
19	$13,382.98	$435.94	$8,282.86	$10,387.70	$410.97	$7,833.40
20	$13,205.56	$435.94	$8,718.80	$10,050.83	$410.97	$8,244.37
21	$13,024.70	$435.94	$9,154.74	$9,711.56	$410.97	$8,655.34
22	$12,840.36	$435.94	$9,590.68	$9,369.87	$410.97	$9,066.31
23	$12,652.45	$435.94	$10,026.62	$9,025.73	$410.97	$9,477.28
24	$12,460.91	$435.94	$10,462.56	$8,679.15	$410.97	$9,888.25
25	$12,265.68	$435.94	$10,898.50	$8,330.09	$410.97	$10,299.22
26	$12,066.67	$435.94	$11,334.44	$7,978.54	$410.97	$10,710.19
27	$11,863.82	$435.94	$11,770.38	$7,624.48	$410.97	$11,121.16
28	$11,657.05	$435.94	$12,206.32	$7,267.90	$410.97	$11,532.13
29	$11,446.28	$435.94	$12,642.26	$6,908.78	$410.97	$11,943.10
30	$11,231.45	$435.94	$13,078.20	$6,547.09	$410.97	$12,354.07
31	$11,012.46	$435.94	$13,514.14	$6,182.82	$410.97	$12,765.04
32	$10,789.24	$435.94	$13,950.08	$5,815.96	$410.97	$13,176.01
33	$10,561.72	$435.94	$14,386.02	$5,446.47	$410.97	$13,586.98
34	$10,329.79	$435.94	$14,821.96	$5,074.35	$410.97	$13,997.95
35	$10,093.39	$435.94	$15,257.90	$4,699.58	$410.97	$14,408.92
36	$9,852.42	$435.94	$15,693.84	$4,322.13	$410.97	$14,819.89
37	$9,606.80	$435.94	$16,129.78	$3,942.00	$410.97	$15,230.86
38	$9,356.43	$435.94	$16,565.72	$3,559.15	$410.97	$15,641.83
39	$9,101.22	$435.94	$17,001.66	$3,173.56	$410.97	$16,052.80
40	$8,841.09	$435.94	$17,437.60	$2,785.23	$410.97	$16,463.77
41	$8,575.93	$435.94	$17,873.54	$2,394.13	$410.97	$16,874.74
42	$8,305.65	$435.94	$18,309.48	$2,000.24	$410.97	$17,285.71
43	$8,030.14	$435.94	$18,745.42	$1,603.54	$410.97	$17,696.68
44	$7,749.32	$435.94	$19,181.36	$1,204.01	$410.97	$18,107.65
45	$7,463.07	$435.94	$19,617.30	$801.62	$410.97	$18,518.62
46	$7,171.29	$435.94	$20,053.24	$396.37	$399.20	$18,917.82
47	$6,873.88	$435.94	$20,489.18			
48	$6,570.72	$435.94	$20,925.12			
49	$6,261.70	$435.94	$21,361.06			
50	$5,946.72	$435.94	$21,797.00			
51	$5,625.65	$435.94	$22,232.94			
52	$5,298.38	$435.94	$22,668.88			
53	$4,964.79	$435.94	$23,104.82			
54	$4,624.75	$435.94	$23,540.76			
55	$4,278.14	$435.94	$23,976.70			
56	$3,924.84	$435.94	$24,412.64			
57	$3,564.72	$435.94	$24,848.58			
58	$3,197.64	$435.94	$25,284.52			
59	$2,823.46	$435.94	$25,720.46			
60	$2,442.06	$435.94	$26,156.40			
61	$2,053.30	$435.94	$26,592.34			
62	$1,657.02	$435.94	$27,028.28			
63	$1,253.09	$435.94	$27,464.22			
64	$841.35	$435.94	$27,900.16			
65	$421.66	$423.68	$28,323.84			