

City of Lawrence
Social Service Agency
Bi-annual Report
2012
Submitted by HCCI on March 7, 2013

Reports on activity should be submitted electronically to Casey Toomay, Budget Manger at ctoomay@lawrenceks.org. Reports on activities from January to June are due on ~~July 15th~~. Due on July 30, 2012. Reports on activities from July through December are due on February 15th.

Agency Name: Housing and Credit Counseling, Inc. (HCCI)

Reporting period: **January - June** **July - December**
(deadline ~~July 15~~ July 30, 2012) (deadline February 15)

1. Give a brief narrative of the activities that were funded with City funds over the reporting period checked above.

The purpose of HCCI's Tenant-Landlord Program is to counsel and educate both tenants and landlords regarding their rights and responsibilities based on the Kansas Residential Landlord and Tenant Act, local codes and ordinances, other federal laws that affect landlord and tenant relationships, including fair housing law.

HCCI's Tenant-Landlord Program helps people help themselves to secure safe, affordable and equitable rental housing through counseling, education and collaboration with other agencies. Historically, about 90% of clients served by this program report they have very low to low-moderate income.

HCCI's Tenant-Landlord Counseling services are available by phone Monday-Friday from 8:00 AM -5:00 PM.

HCCI's Tenant Handbooks and forms are available to tenants at no charge. There is a small charge to Landlords and Property Managers for HCCI's Landlord Handbook.

2. Provide specific detail (and supportive documents, if needed) to demonstrate progress made toward your goals/objectives.

Outcomes results for the last half of 2012 are down due to staffing changes in the HCCI's Tenant-Landlord Counseling Program in August-September 2012. HCCI expected to serve 360 unduplicated consumers during the time period January through December 2012. This number (360) includes counsels and persons attending Tenant-Landlord education programs. A total of 186 unduplicated Lawrence/Douglas County families and individuals were actually served through counseling for the time period January through December 2012.

Regarding Tenant-Landlord Unmet Counseling Goals:

HCCI retains two FTE staff for this program. Requirements for HCCI's Tenant-Landlord Counselors include previous experience in property management, teaching adult education classes, and/or experience implementing local or state housing programs. Preference is given when hiring to individuals who are renters themselves or have past experience as a renter. Preference is given for persons with experience implementing state and federal grant funded programs, and persons who have been landlords. HCCI staff serving as Tenant-Landlord Counselors must be able to research questions and respond to callers within 24 hours, as renters and landlords typically are dealing with issues that either require -- or are perceived to require -- action in a timely manner. Therefore, it is important that HCCI counselors be knowledgeable about federal, state, and local law and codes. This work requires counselors that can respond to callers in a professional, courteous manner while also researching answers to questions, counseling in a timely manner, and documenting their work.

Effective August 1, 2012, the two staff persons HCCI had employed in the Tenant-Landlord Program since 2007, resigned to pursue personal interests and other work goals. HCCI was extremely fortunate to hire two highly capable and experienced individuals effective September 6, 2012.

Bios for Lisa Jewsome and Miosha (Yosh) Wagoner are attached. Both Lisa and Yosh are Lawrence residents and both are working from the Lawrence HCCI office as well as the Topeka HCCI office. HCCI was very pleased to recruit and hire Lisa and Yosh. Lisa was formerly the Director of Section 8 Housing for the Lawrence-Douglas County Housing Authority and she has extensive experience implementing federal and state funded housing grant programs. Yosh was previously an Academic Coordinator for Haskell Indian Nations University where she implemented the Upward Bound Program. Yosh has experience counseling and teaching at the post-secondary level.

Since September, HCCI has only required these two new employees (Lisa and Yosh) to learn their roles as counselors and do the necessary research required to provide counseling for persons with immediate Rental Issues needs. HCCI has extensive educational information regarding tenant and landlord issues on the HCCI website. Callers who had less urgent needs were referred by other HCCI staff (who answer initial calls for Lisa and Yosh) to HCCI's website. Some of these callers were able to find answers to their questions on the Frequently Asked Questions page. Lisa and Yosh returned calls to people that did not find the answers they needed on HCCI's website.

By November, Lisa and Yosh were able to respond within 24 hours to almost all of the calls coming to HCCI's Tenant and Landlord counseling line. While Lisa and Yosh were mastering the knowledge and skills needed to provide counseling, HCCI did not require these two new employees to also develop and provide educational classes for the period September through December 2012. Therefore, no education classes were presented August through December 2012. A total of 186 unduplicated persons were counseled but this number (186) does not include any persons attending education classes. In summary, the number of persons actually served in 2012 was about 50% less than HCCI expected because (1) HCCI had a change of staffing and (2) because education classes were not offered for the last part of the year while new staff was being fully trained to provide counseling and do the extensive research necessary to provide counseling.

A note about HCCI's Tenant and Landlord Website Pages

HCCI could have counted the number of persons served through its Tenant and Landlord website. HCCI did not count Tenant and Landlord website visitors because HCCI staff did not make follow-up calls with persons choosing to use the website and therefore no measurement of their outcome results was documented. HCCI estimates approximately two persons per day – or 200 persons – were served through HCCI's Tenant-Landlord website pages during the period August through December 2012. [2 per day x 20 work days per month = 40 per month x 5 months (Aug-Dec 2012) = 200 served through the website] **If the 200 persons served through HCCI's Tenant and Landlord website pages were added to the 186 persons counseled by phone, the total served in 2012 would have been 386.**

While the HCCI website resources for Tenant and Landlord issues are valuable, they do not replace the benefit of direct telephone counseling where HCCI staff are able to respond to the client's direct question and, as importantly, engage the caller in a dialogue that enables the HCCI counselor to better understand the client's particular circumstance and give viable options, based on the Kansas Residential Landlord and Tenant Act, for their particular problem/s.

Regarding Tenant-Landlord Unmet Education Goals:

HCCI predicted about 20% of the 360 unduplicated persons HCCI expected to serve in 2012 would be through group education classes. HCCI expected to serve about 72 participants (20% of 360) through classes at Lawrence Douglas County Housing Authority, Salvation Army, USD 497 and other community groups.

In 2012, HCCI served 40 participants through education classes for Tenants and Landlords.

HCCI's Tenant and Landlord Counselors are now fully trained and HCCI anticipates Rental Housing Education classes in 2013 and 2014 will be offered again as they have been in past years.

Lisa Wagoner has been invited to serve on the Steering Committee for the Kansas Housing Resources Corporation's annual "Bringing Kansas Home" Conference that is scheduled in Lawrence in Fall 2013. Yosh Wagoner is scheduling HCCI to provide Tenant-Landlord education classes in 2013 through her connections at Haskell Indian Nations University. Lisa is scheduling HCCI to provide classes for USD 497 students at Lawrence High and Free State High through her connections with administrators and educators as a parent and community volunteer.

Although fewer persons were served in 2012, HCCI anticipates that in 2013, approximately 360 persons will be counseled and educated through the HCCI Tenant-Landlord Program.

Regarding Tenant-Landlord Affiliation with Other Community Groups:

HCCI Counselors, Lisa and Yosh, have made contact with and are partners with other community groups including: Lawrence Douglas County Housing Authority, Tenants to Homeowners, and Salvation Army to counsel individuals and families who are in transition from homelessness to subsidized housing and/or to permanent housing. As mentioned above, Lisa and Yosh are scheduling educational programs through the Lawrence Douglas County Housing Authority, Haskell, and USD 497.

3. How have you impacted the citizens of Lawrence?

HCCI's counseling by two capable counselors and the extensive resources on HCCI's website are a valuable resource for Lawrence renters and landlords. The attached narratives of client situation case studies are examples of HCCI counseling for Lawrence renters. The primary reasons renters contact HCCI is about poor maintenance and unlawful entry by landlords. The primary reasons landlords contact HCCI is about their rights to pursue eviction notices due to non-payment of rent. Attached:

Client Situation #1: neighbor helps disabled person resolve air condition issue in rental housing

Client Situation #2: concern about bed bugs researched – Tenants and Landlords educated

4. What barriers, if any, have you encountered?

As described above, HCCI experienced the loss of two staff in August 2012 but was able to employ two equally qualified and very experienced staff in September 2012. The orientation and training of these two "new" staff persons has been very successful and HCCI expects the Tenant and Landlord Program will progress well and meet goals in 2013.

HCCI's Tenant and Landlord Counseling is very effectively provided by phone. Caller's questions are entered into a call log and HCCI counselors typically return calls within 24 hours. An HCCI counselor returns the call immediately if the caller (tenant or landlord) has an issue that they describe as a situation related to a court action involving an eviction.

The primary barrier for this program is that the telephone number of some callers is discontinued before HCCI can return their call within 24 hours. Most often these are persons who are experiencing severe financial hardship. HCCI counselors are able to return calls to the majority of renters seeking counseling within 24 hours.

5. Review the line-item budget you provided in your application. How much of your allocation has been spent?

During the time period January 1 – December 31, 2012, 100% of the funding was spent.

Attachments:

- Bios for Lisa Pennington-Jewsome and Misha (Yosh) Wagoner
- Client Situation stories
- HCCI 2012 Annual Report

For immediate release
October 2, 2012
Contact: HCCI – 785-234-0217 x 330



Lisa Pennington-Jewsone, Counselor, joined the staff of Housing and Credit Counseling in September 2012. She previously was employed as a Housing Manager with the Kansas Department of Commerce and Housing. She was responsible for administering five separate housing programs in six Kansas communities. She has experience providing oversight of Emergency Shelter Grant Programs in 25 communities.

At HCCI, Lisa will provide Rental Crisis Counseling for both renters and landlords in Douglas and surrounding counties. There is no charge for this HCCI community service. Lisa was the Director of Section 8 Rental Housing for the Lawrence Housing Authority for nine years. In that role, she was certified by HUD to provide supervision of the Section 8 staff and to document outcomes for that agency. Her responsibilities included briefings with both tenants and participating landlords and presentations at semiannual housing conferences. Lisa also has work experience in the area of maintaining medical records and outcomes and providing direct patient care.

Lisa attended the University of Kansas. She lives in Lawrence with her husband, Jeffery, and their four children.

Housing and Credit Counseling, Inc. was founded in 1972 and serves a 22 county area in NE Kansas with offices in Topeka, Lawrence and Manhattan. HCCI is approved by HUD, certified by COA, and licensed and regulated in Kansas by the Kansas Bank Commissioner.

For immediate release
October 2, 2012
Contact: HCCI – 785-234-0217 x 330



Miosha Wagoner, Counselor, joined the staff of Housing and Credit Counseling, Inc. in September 2012. She previously was the Academic Coordinator for Haskell Indian Nations University Upward Bound Program where she was responsible for tutoring students, monitoring and documenting academic progress, and coordinating the work of Upward Bound Personnel participating in five federal grant programs.

At HCCI, Miosha will provide Rental Crisis Counseling for both renters and landlords in Riley County. There is no charge for this HCCI community service.

Miosha is a graduate of Baker University with a Masters of Arts in Conflict Management and Dispute Resolution. She received her BA from Haskell Indian Nations University. Miosha has extensive experience providing a wide range of administrative and support duties related to collaborative partnerships and coalition building for the Bureau of Indian Education, the Office of Minority Health in Rockville, Maryland, and Haskell Indian Nations University.

Miosha (Yosh) is a member of the Navajo/Dine nation and lived in Gallup, New Mexico and Whitecone, Arizona before moving Kansas.

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Lawrence Client Story: no maintenance (no air conditioning in July)

July 13, 2012

The #1 reason renters contact Housing and Credit Counseling, Inc. is to seek help with maintenance issues. HCCI Counselors do not mediate and they do not provide legal advice but they can and do provide valuable information regarding the rights and responsibilities of landlords and tenants as defined by the Kansas Residential Landlord Tenant Act (KRLTA). HCCI also provides very helpful booklets and sample forms and HCCI Counselors educate tenants and landlords about the options that may be taken to resolve issues.

Nan N. contacted HCCI on behalf of her neighbor, a mentally disabled person we will call Susan who has rented her home from the same landlord for seven years. Susan lives on a limited disability check in subsidized housing. The landlord receives subsidized funding from HUD. Susan is unable to fully advocate for herself but she had complained to her landlord on June 27, 2012 that the air conditioning unit in her apartment was not working. The inside temperature had been in the high 90's for several days in a row. The windows in her rental unit had been painted shut and she was unable to get any relief from the heat.

The landlord told Susan that Kansas law does not require landlords to provide an air conditioner. The landlord said their maintenance person had recently quit and they could not fix her air conditioner at this time. Susan was exhausted and in tears. She didn't know who to call or what to do. Nan, her neighbor, called HCCI.

HCCI counselors know that disabled persons are most fearful of losing their current housing so they are often afraid to ask for repairs even when their health and safety are at risk. HCCI counseled Nan to help her neighbor by completing a written request for maintenance and submitting it to the landlord. HCCI gave her a sample form to use and counseled her to keep a copy of everything she submitted to the landlord. HCCI told Nan that while Kansas law does not require that landlords provide an air conditioning unit, the law says that if the landlord does provide air conditioning, he must also maintain it (statute 58-2553 of the Kansas Residential Landlord and Tenant Act – KRLTA). Therefore it could be considered a breach of lease if the landlord does not maintain the air conditioner.

A satisfactory ending: Nan was very willing to help Susan once she had received counseling from HCCI about the appropriate steps she could take as a neighbor/advocate to help her friend. Nan completed the form HCCI gave her and hand delivered it to the landlord. She told the landlord she was keeping a copy of the form for Susan. That very day the landlord installed another window air conditioner.

Ultimately the community has been served as the landlord took responsibility to meet the needs of their tenant under Kansas law. HCCI serves as a trusted resource for both landlords and renters. There is never a charge to tenants for HCCI's Rental Housing Counseling and Education Program. The counseling HCCI provides keeps people in their homes.

A number of renters have contacted HCCI over the past year asking their rights as tenants if bed bugs are found in their rental dwellings. HCCI counselors have researched this question with the Kansas State Department of Health and Environment and with Washburn School of Law. These two trusted sources reconfirm the general information that HCCI gives regarding the prevention of and eradication of pests in general (such as rodents and insects) applies to bed bugs too.

In short, if the unit has been free of pests (including rodents, insects, and bed bugs) when the tenant took possession, then the responsibility to eradicate the pests is the tenant's responsibility. However, the wise and conscientious landlord will want to protect his property and will be vitally interested in eradicating pests before they spread to adjoining units. The landlord can charge the cost to eradicate pests to the tenant's deposit.

A wise and conscientious landlord will be sure the rental property is free of pests at the time he leases to a new tenant. The landlord will be careful to seal any water leaks that draw pests and clean thoroughly to remove any food stain or other waste that are attracting pests. To assure the rental is pest free it is the responsibility of the landlord to also apply a reliable pest control product or contract with a company to provide this service so that pests are eradicated. Using routine pests treatments is especially important if the dwelling is one of several units that are joined together with common hallways and entry areas.

Once the landlord has determined the premises are free of pests (rodents and insects), he has the right to indicate in the lease agreement that the rental unit is pest free and that it is the responsibility of the tenant to engage a pest control service if the unit becomes infected with pests. The landlord will often advise tenants about preventive measures they can take to avoid attracting pests such as keeping pet foods sealed in plastic containers and not leaving food and dirty dishes in the sink.

Some landlords choose to continuously provide pest management service and charge the cost along to their tenants. In this way they are more confident that pests will be kept under control.

Should pests, such as bed bugs, develop during the course of the lease, it is most likely that the resident – or a neighboring resident – introduced the pests to the rental unit. It is then the tenant's responsibility to pay the expense of eradicating the pests.

In reality, should a bed bug problem arise it is in the landlord's best interest to pay to have the pests controlled and deduct that charge from the tenants deposit. It is far better to nip a problem early than to have it spread to adjoining units.

HCCI Counselors do not mediate and they do not provide legal advice but they can and do provide valuable information regarding the rights and responsibilities of landlords and tenants as defined by the Kansas Residential Landlord Tenant Act (KRLT). HCCI also provides very helpful booklets and sample forms and HCCI Counselors educate tenants and landlords about the options that may be taken to resolve issues.

Housing and Credit Counseling, Inc.

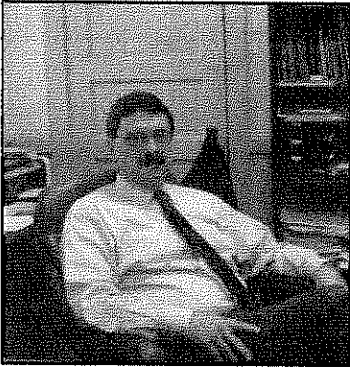
2012

Annual Report

40 Years

A NONPROFIT COMMUNITY SERVICE AGENCY

A Message from our President/CEO



The year 2012 was a year of challenges and great rewards for HCCI. Our greatest challenges involved counseling families and individuals who are struggling to stay afloat as the economy is slow to recover from the recession. HCCI's certified counselors are keeping people in their homes as they counsel homeowners behind on their mortgages and families unable to pay rent as they cope with reduced work hours or unemployment and increasing costs for fuel, groceries and healthcare. Our client's personal economic challenges are outlined in the statistical data in this report and reflect a troubling nationwide trend of more families slipping from their once middle class standing into the ranks of the working poor. It may be surprising to some readers to know that medical debt is a contributing factor in 70% of the households HCCI counsels. But it will also be encouraging to note that 62% of clients counseled by HCCI for consumer credit issues have

been able to reduce their overall debt after they received counseling with HCCI and established a plan of action to meet their financial goals.

The year 2012 was a year to celebrate. Significant accomplishments in this report include:

- January – HCCI was selected to serve as the Lead Agency for the HOPE Financial Stability Program launched in partnership with Kansas Legal Services and the United Way of Greater Topeka.
- April – Spring marked the celebration of our 400th TOTO Homebuyer. TOTO is an award winning low-income, first-time homebuyer program. HCCI partners with the City of Topeka and Capitol Federal to implement TOTO.
- June – HCCI was also selected as the Lead Agency for the JOBS Financial Stability Program launched in partnership with Topeka Workforce Center, Heartland Works, YWCA and the United Way of Greater Topeka.
- October – HCCI and clients, Francine and Jim Bostick, were selected as “National Debt Management Clients of the Year” and “National Debt Management Counseling Agency” of the year.

I think you will enjoy reading about this remarkable couple. The Bostick's story is one of amazing commitment to repay debts they compiled over a period of several years. They are but one example of the many families HCCI is currently counseling through Debt Management Plans to repay creditors.

I want to especially thank the HCCI Board of Directors and our Advisory Council Members for their dedicated leadership in 2012. HCCI is fortunate to have the combined expertise of community leaders, educators, community volunteers and past clients. Together we thank our many financial contributors for their commitment to support the extensive work HCCI does to counsel and provide financial literacy education for over 10,000 people annually in the communities we serve. A list of our many sponsors and grant sources is included in this report. HCCI sincerely appreciates the extensive base of contributors that have helped HCCI grow over the past 40 years to a strong nonprofit that continues to evolve following a carefully designed strategic plan to meet the changing needs of the people we serve.

As HCCI begins its 41st year of service, we are launching a media campaign in 2013 to actively encourage people struggling with debt and housing issues to seek counseling early. With counseling from HCCI, these individuals can avoid predatory lending practices. They can balance their financial obligations, improve their credit scores, and regain hope to get back on track to meet their financial and housing goals. Taking the first step is always a very difficult thing to do and HCCI is glad to give a “hand up” as a trusted, local resource for the people who want to become financially stable to position themselves for a brighter future.

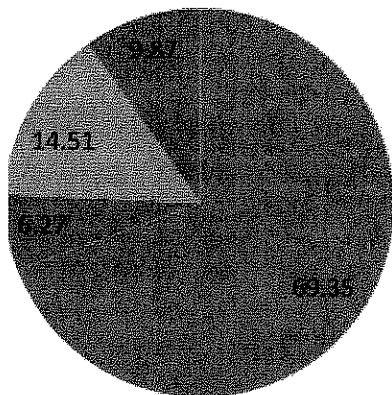
Who We Are

Mission Statement: HCCI counsels and educates all people to achieve their personal housing and financial goals.

Housing and Credit Counseling, Inc. (HCCI) is a nonprofit that began as a grass-roots community service organization in 1972 to advocate for the rights of low-income tenants in rental property. HCCI has grown into a one million dollar HUD approved counseling and financial literacy education agency serving 22 counties in Northeast Kansas with offices in Topeka, Lawrence and Manhattan. HCCI is a financially strong agency as a result of continuous and successful fundraising efforts to secure funding through grants, contributions, program underwriting, client fees, and events.

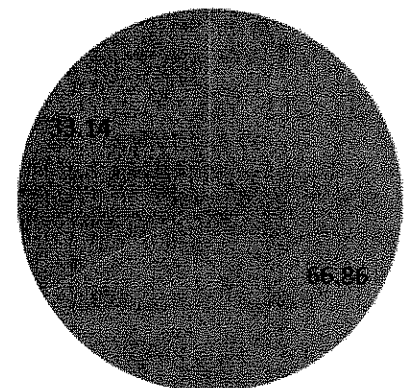
Core Programs

- ❖ **CONSUMER CREDIT** – HCCI counsels and educates people about budgeting, debt repayment, credit building, bankruptcy, mortgage and rent delinquency, reverse mortgages for seniors, and student loan repayment and rehabilitation options.
- ❖ **HOMEBUYER** – HCCI counsels and educates people who are hoping to realize the “American Dream” by buying their first home.
- ❖ **RENTAL HOUSING** – HCCI counsels and educates renters and landlords who are dealing with immediate issues related to rental housing.
- ❖ **Education** – Classes addressing finances, rental issues, student loan repayment, home ownership and credit building are provided for adults and young adults in workplaces, schools and community settings.



INCOME

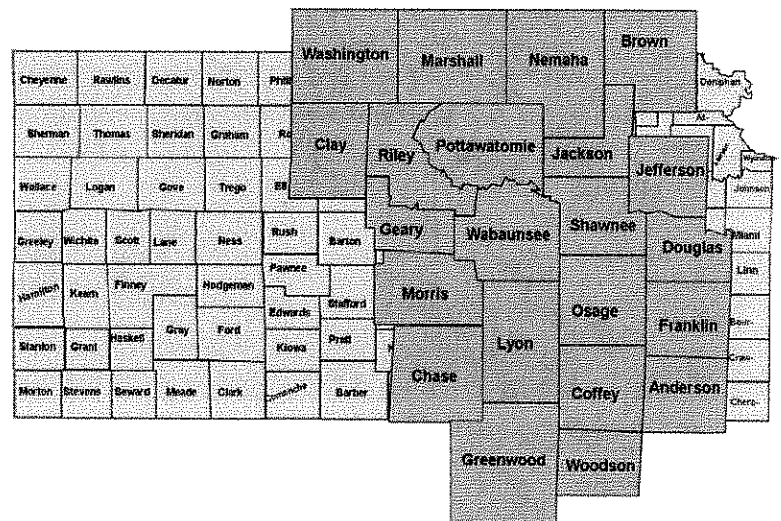
- Grants – 69.35%
- Contributions & Fundraising – 6.27%
- Fees & Program Revenue – 14.51%
- Creditor Contributions – 9.87%



EXPENSES

- Salaries & Fringe: 66.86%
- Operations – 33.14%

Serving Area Counseling Service Area



CLIENT TESTIMONIAL - “We came to HCCI ready to file bankruptcy because we just couldn’t get ahead. At our first meeting our counselor pointed out that we were spending over \$600 a month that we could not immediately identify.

The truth is that cost was for fast food because we were too exhausted to prepare meals. I am now a stay-at-home mom working only on Saturdays when my husband is off. We’re saving child care and meal costs and we took in a student as a boarder who is helping with the kids. HCCI helped us contact our creditors. The budget we made with HCCI shows a better picture for us in 18 months if we stay on track.”

Awards

Kansas Couple Receives 2012 National Client of the Year Award Working Through Housing and Credit Counseling, Inc.

THEIR STORY...

After years of worry and on the brink of losing their home, their car and their dignity, the Bosticks came to HCCI for counseling in 2006. HCCI totaled their debt—a whopping \$118,000 owed to 13 credit card companies. Jim and Francine want you to know how HCCI helped them.

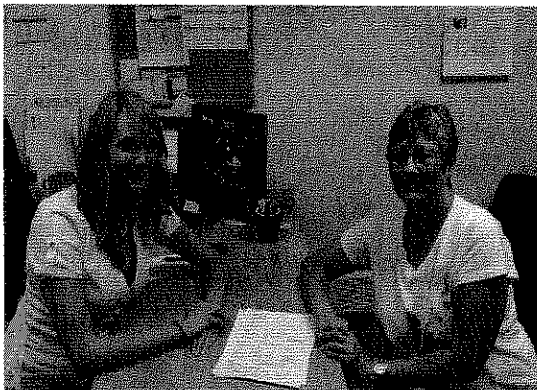
How does this happen?

They are good people who have worked hard all their lives, paid their bills on time but never really used a budget and saved for the things they wanted.

Francine and Jim both worked full time as Supervisors at Kansas State University. They worked hard and wanted to enjoy life, travel, buy things for their kids and their home. Credit cards were easy to get. Offers came weekly. Some of the offers included checks to “spend as you like.” They did. Francine paid bills each month being careful to always send at least the minimum amount due on each of the credit cards so they could avoid late fees but they simply couldn’t get ahead. Jim and Francine realized they had reached the end of their rope when they started using credit cards to pay utility bills and buy groceries. By this time the kids were grown. Friends told them about HCCI. They knew about out-of-state companies that counsel by phone, set up debt management plans, but skim off a hefty fee upfront, leaving very little to pay off the debt.



From left to right, Francine Bostick, with family and Bob Mackey, HCCI CEO.



HCCI Counselor, Chelsy Parsons, and Francine, reviewing the Bosticks’ excellent credit score.

They wanted someone local they could trust, so they came to HCCI.

TODAY...

Jim and Franny are debt free and they have an excellent credit score. And because of this amazing story the National Foundation for Credit Counseling selected the Bosticks as National Clients of the Year for 2012.

Hard work and dedication. When the Bosticks met with their HCCI counselor in 2006, they said the last thing they wanted to do was file bankruptcy. They said they had created the debt and they felt that they wanted to pay what they owed. They made payments of \$2,500 a month, or \$30,000 a year, for five years. Today the Bosticks are debt free, saving to travel with their grandchildren, and giving back to their church and community through local donations. Franny’s new favorite pastime is going online to check the growing balance of their saving and checking accounts.

Housing and Credit Counseling, Inc. congratulates Jim and Francine Bostick for achieving their goals through their continued hard work.

To see a video story please go to www.hcci-ks.org.

Consumer Credit Counseling

Total Counseled 3,549

Inquiries/Referral to Other Agencies 893

Outcomes

- *Paid down debt* 62%
Family reduced overall debt within 6 months of counseling
- *Built assets* 33%
Family was able to save in addition to paying debt
- *pro-active steps taken* 30%
Family was able to take active measures to achieve financial stability.

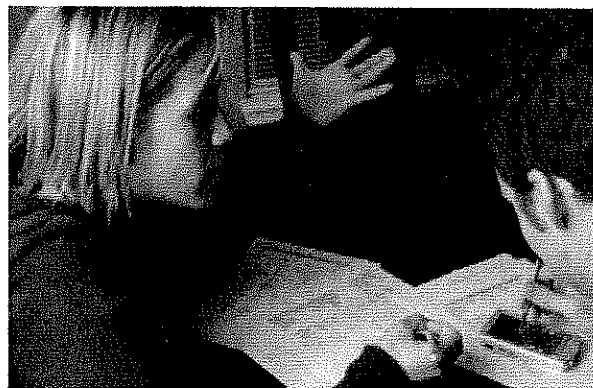
Active measures can include increasing income, eliminating an expense, downsizing housing costs.

Demographics

- *Average Age* 44
- *Average Household Income* \$29,539
- *Average number of creditors* 7
- *Average amount of unsecured debt* \$23,500

Reasons for Counseling

- *Unemployment* 9%
- *Divorce or Domestic Conflict* 9%
- *Medical or Disability* 23%
- *Reduced Work Hours* 25%
- *Overspending* 34%



328 Active Debt Management Plan Clients
66 New Debt Management Plans
\$2,161,170 Returned by HCCI to Creditors

Observation of Trends

It is commendable that 62% of clients counseled were able to reduce their overall debt by applying flexible income to paying down debt. They accomplished this goal by carefully following a budget – many for the first time in their lives. Every client counseled by HCCI walks away with a personalized, itemized budget they have developed with their counselor based on their actual income and expenses. This budgeting process is enlightening and empowering for clients who have only a vague concept of their monthly and non-monthly expenses.

It is remarkable that 33% of families counseled have started saving given the increasing costs of living and the extremely difficult financial challenges for many of HCCI's low and moderate income clients. As these families learn and use good budgeting skills they also serve as good role models for their children. Generational attitudes are shaped when families pass the good financial skills they have mastered along to future generations.

Fees

Consumer Credit Clients are charged a one-time nominal fee of \$45 for up to six months for the same issue. The fee, which is a small portion of the overall cost of counseling, encourages active engagement. No one is ever turned away if they cannot pay this one-time fee. Grants, program underwriting and donations help HCCI cover the full costs of counseling.

Homebuyer Counseling



Total counseled 174

Short-Term Counsels & Referrals 458

Outcomes

- Purchased housing in 2012 17
- Mortgage Eligible Long Term 67%
- Mortgage Eligible within 180 days 33%

Demographics

- Average age 30
- Average household income \$21,424
- Average number of persons in the household 2
- Single 45%
- Married 33%
- Divorced 22%
- First-time buyer 100%

Observation of Trends

Owning a home of one's own is still a strong goal for young families and for single individuals too as the data shows. Mortgage lenders offered exceptionally low interest rates in 2012 and buyers with credit scores in the 720 to 750 range instantly qualify for these low scores.

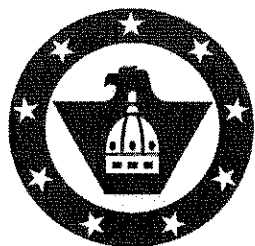
Three primary factors kept people from qualifying to purchase homes in 2012

1. Credit scores: lenders prefer scores at the 650 to 700 range and higher. The majority of persons counseled were near the 570 range. HCCI provides counseling to help prospective homebuyers increase their credit score.
2. Debt to income ratio: many counseled had student loan debt of \$40,000 and more. While incomes and credit scores were satisfactory, their high debt (due to student loans) to income ratio was a roadblock.
3. Employment status: lenders prefer a minimum of two-years in the borrower's current work position. Some persons counseled who found new jobs after being unemployed had not been with their current employer long enough to qualify for a loan.

Fees: Clients are not charged fees for the Homebuyer Program.

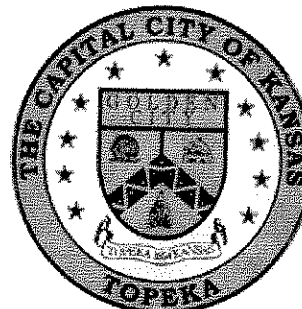
CLIENT TESTIMONIAL - "We came to HCCI in 2010 – as part of our New Year's Resolution to buy a house. After working with Chris for two years we were able to improve our credit score and save enough for a down payment on our first home. We got a great home in a neighborhood we love and at a really low interest rate. In the Homebuyer Class we learned what questions to ask when choosing a real estate agent and we got great tips about what to watch for when we started looking at homes on the market. Our kids are eight and six now and they each have a room of their own and the dog finally has a yard. Thank you, HCCI, for helping us make our dream home come true."

HCCI's Homebuyer Education Program is sponsored by

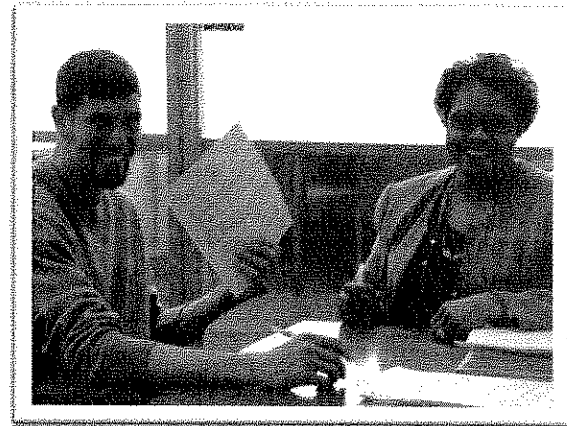


**Capitol
Federal**

True Blue® for over 115 years



TOTO



Austin with Paulean Carter, Loan Officer, Capitol Federal – closing TOTO Home #400.

a collaboration among:

- Housing and Credit Counseling, Inc.
- Capitol Federal
- City of Topeka Neighborhood and Housing Development Department
- FHLBank of Topeka
- Capital City Bank
- CoreFirst Bank & Trust

TOTO - Topeka Opportunity To Own Program

The Kansas Housing Resource Corporation gave HCCI and the City of Topeka the coveted Ad Astra Award to recognize the outstanding partnership of the TOTO Program.

Homeownership is the American Dream for most people. Owning your own home is a sign of financial stability and pride in your community. Getting the most for our housing dollars requires good budgeting skills, extensive research about the housing market, instinctive knowledge about your personal life style, and professional help.

Since 1992, HCCI and the City of Topeka have helped 400 families and individuals buy their first TOTO home. TOTO is a very successful collaborative effort between Housing and Credit Counseling, Inc., as the lead nonprofit agency, the City of Topeka Neighborhood Development Department, and local financial institutions.

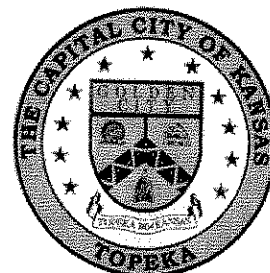
The maximum purchase price of a TOTO home is \$65,000. Eligible participants may receive up to \$20,000 subsidy and up to \$30,000 subsidy if they purchase within one of the four Opportunity Areas. All TOTO homebuyers personally make a \$500 down payment. TOTO loans are available through the partnership HCCI has with three local banks: Capitol Federal, Capital City Bank, CoreFirst Bank and Trust. Loans are for 30 years at current fixed rate interest.

The TOTO program is currently operating on a generous multi-year grant from the FHLBank of Topeka of \$145,261 that serves as “pass through” funds to help TOTO homebuyers with their loan closing costs. The program also receives generous grants of about \$88,000 annually from the City of Topeka Housing and Neighborhood Development Department to provide counseling, education and manage the program.



Capitol[®] Federal

True Blue[®] for over 115 years



Rental Counseling

Total Counseled 1,206

- Tenants 78%
- Landlords 12%
- Others 10%

(Others include social service providers, family members, and law and code enforcement officers.)

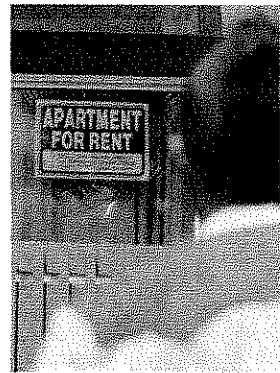
Inquiries/Referral to Other Agencies 1,015

Printed Publications Distributed 536

Outcomes

In follow-up surveys (after counseling):

- 100% of persons counseled reported they understood their rights and responsibilities after talking to an HCCI counselor, and
- 82% reported they were able to take potential action steps outlined for them by HCCI.



Demographics

- Average Age 36
- Average Household Income \$24,850
- Average rent paid per month \$480
- Household with one or more disabilities 28%

Reasons for Counseling

- Small Claims Court procedure questions 20%
- Maintenance issues 17%
- Rent delinquency / Security Deposits 8%
- Lease questions / Contract Disputes 49%
- Fair Housing/ Other 6%

Observation of Trends

The majority of renters seeking counseling are living in low to moderately priced rental units. They cannot afford to pay an attorney when things go wrong. Many do not have a written lease agreement from their landlord. They are reluctant to relocate due to the cost of deposits for utilities and a deposit for a new rental unit. The majority of landlords seeking counseling are unsure of their rights and responsibilities regarding occupancy standards and eviction processes. They often are requesting clarification of their rights and sample forms.

HCCI is the only nonprofit providing this specialized counseling at no cost to both tenants and landlords. HCCI has developed an extensive website that answers many questions for both renters and landlords. In 2012, there were 61,360 hits to the Tenant and Landlord pages of HCCI's website.

Fees

Tenant and Landlord clients are not charged for counseling. Landlords are charged a nominal fee for printed booklets and forms. Grants from the City of Topeka and City of Lawrence help fund the Rental Counseling Program.

No Heat for This Renter – A Client's Story

Susan G. called Housing and Credit Counseling, Inc. on the second day she had been without heat during an extreme cold spell. She was unable to get the property management company that oversees her rental house for the property owner to fix the furnace. The property company had provided space heaters to the tenant and the owner felt that was a sufficient alternative. Susan told HCCI that on her very limited income she was fearful she would not be able to pay her electric bill and she was unable to heat her basement and other parts of the house adequately and she was worried that pipes would freeze causing even more damage.

Often low-income persons are most fearful of losing their current housing so they are afraid to ask for repairs even when their health and safety are at risk. HCCI recognizes that low-income families are often more worried about the cost related to finding other housing than they are about the lack of maintenance. They also worry about being evicted if they complain.

A satisfactory ending - Susan's anxiety was immediately reduced when she learned her rights as a tenant. The law says landlords are required to provide satisfactory heating equipment between October and May. Susan used the form HCCI gave her to submit her formal request for maintenance to the property management company. She called HCCI to happily report that a new furnace was installed within 24 hours. Susan says there are still many maintenance issues with the rental but she now feels empowered to deal with those issues.

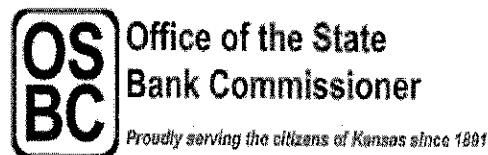
Education

The office of the Kansas State Bank Commissioner is a primary supporter of HCCI's Financial Literacy Education Programs. Other sponsors are listed on the contributor page.

A total of 297 classes were presented for 8,609 participants.

Financial Literacy Education Classes are Sponsored by:

	Classes	Participants
<i>HCCI Overview Classes</i>	68	2,277
<i>Consumer Credit Classes</i>	143	2,680
<i>Tenant & Landlord Classes</i>	17	372
<i>Homebuyer Classes</i>	17	190



Youth Financial Literacy Education Classes

76 classes were presented for a total of 2,025 youth and young adults attending.

Women & Money Series



The 2012 Women and Money Series of seven financial literacy classes developed by women for women was presented in September and October for 125 women in Topeka, Lawrence, and Manhattan. An additional 13 women participated as guest speakers. A total of 44 scholarships were provided.

Surveys show 70% of women are the sole decision makers about their family's finances. HCCI's Women and Money Series is designed for women of all ages, education and income levels. HCCI Counselors and other expert speakers present the first four sessions about budgeting, banking and credit building that include discussion groups led by trained facilitators. The last three classes about investments, retirement planning, wills and trusts are presented by attorneys and other staff from the Kansas Securities Commissioner's Office and other speakers with expertise about Social Security, law, retirement planning, investing, wills and trusts. These classes give women the information they need to make good financial decisions that will have a far reaching impact on the financial stability of their families for years to come.



2012 Women & Money

2012 Facilitators

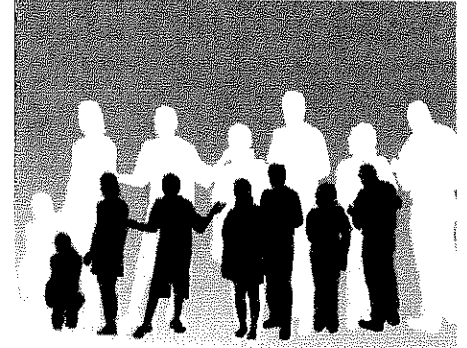
Lee Ann Curtis
Dara Montclare
Tawny Navarro
Brenda Shupe
Linda Stephens
Kathleen Urbom
Terri Miller

Not Pictured: Amy Strathman

New Programs in 2012

HOPE (Helping Ourselves to Prosper Economically)

HOPE is specifically intended for families who are working hard but still struggling to get by paycheck to paycheck. HCCI staff provide HUD approved counseling to help families develop a budget, balance their financial obligations, and set goals to be self-sufficient and financially stable. Families have support and encouragement from HCCI counselors and also from trained volunteer mentors. In 2012, 41 families were counseled through the HOPE Program. HCCI collaborates with Kansas Legal Service to provide the HOPE Program that is funded by the United Way of Greater Topeka.



A young, single mother of two entered the HOPE Program and received financial counseling that included a personal budget she developed with help from her HCCI counselor. She was then matched with a personal mentor. The young woman, her HCCI counselor and her mentor worked together to identify ways she could begin to reduce her expenses and begin to get things back on track. They also worked to find ways to build her credit score. This young mother worked full-time and was not able to work a second job because she needed to spend time with her children and she could not afford the additional expense of child care. By gradually reducing her spending she learned how to live within her budget and began to save. During her first six months in the program, she was able to save \$1,000 and she improved her credit score to 644. She is a good role model for her children and she now has hope that she can successfully meet her goals to be financially self-sufficient and stable."

JOBS - Family Sustaining Employment



JOBS counsels Topeka workers who want to increase their work and/or education skills so they may qualify for positions that pay wages and offer benefits that will support a family. JOBS connects workers with opportunities for positions with major manufacturers, private enterprise, the Kansas State Highway Department and the health care industry. This program is a partnership between HCCI, Topeka Workforce Center, YWCA, Baker School of Nursing and Washburn Tech and is funded by the United Way of Greater Topeka.

Recently, a couple with three young children were referred to JOBS by the Topeka Workforce Center. She is participating in the JOBS Program as a full-time student enrolled in a two semester Nursing Program at Washburn Tech. This was a big decision for her to resign her job as a Certified Nursing Assistant at a local nursing home and take a loan to complete course work toward a nursing degree. She is maintaining a 4.0 GPA and expects to receive a certificate of completion and licensure as a LPN in May 2013. She is a candidate for designation as a National Honor Society Student. She has worked as a Certified Nurse Assistant for six years. Her goal is to advance her nursing skills and she expects to earn \$16 per hour as an entry-level LPN. She has a job offer for a full-time LPN position effective May 2013.

He works in commission sales so his income fluctuates month to month. The couple arrange their work and school schedules as much as they can to care for their children but the cost of daily care for the two youngest children has been a big expense. A small scholarship from the JOBS program helped them meet childcare expenses for a few weeks until she was able to receive her next financial aid award. This young couple's dedication to work hard and sacrifice for the short-term to successfully meet their career goals is commendable. Together they expect to be financially stable by December 2013.

Events

4th Annual Great Topeka Bed Race

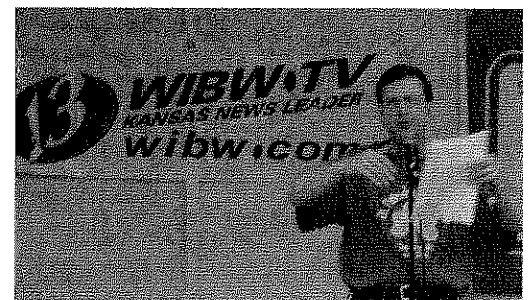
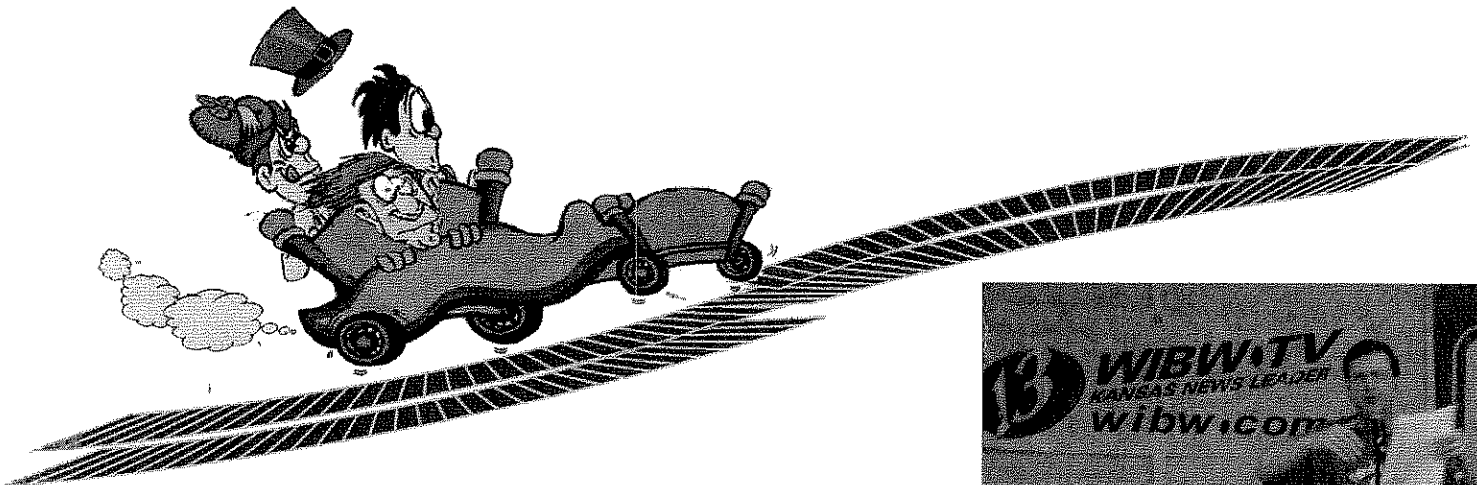
The 4th Annual HCCI Great Topeka Bed Race was staged on St. Patrick's Day prior to the big parade in downtown Topeka. Ralph Hipp, WIBW News Anchor, was the Honorary Chair of the Bed Race. A total of 23 teams raced in 2012 with Fed Ex winning the first place trophy and BNSF Railroad coming in a very close second. Skydive Kansas, Treanor Architects, and Washburn Tech Welding Students won Best Decorated trophies.



Capital City Bank – Lead Sponsor



2012 First Place Winners – Fed Ex



Ralph Hipp, WIBW-TV - announces winners

Proceeds from the Great Topeka Bed Race help support HCCI's counseling programs. This is a fun event for the whole family and was attended by over 1,000 people in 2012.

HCCI Board of Directors

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- Kristy Archuleta – Kansas State University
- Chris Bundy – Wells Fargo Home Mortgage
- Sarah Eckstein – Behavioral Health & Consultation Services
- Summer Hamil – Hallmark Homes
- Jenni Riffel – Community Volunteer
- Dick Wertzberger – Landmark Bank
- Jennifer Wilson – Riley County Extension



In 2012, volunteers donated 1,197 hours to help HCCI meet its mission. Volunteers serve on the HCCI Board of Directors and Advisory Councils. Volunteers make the HCCI Great Topeka Bed Race an annual event that is fun for everyone. They serve as guest speakers for Homebuyer Education classes and as breakout facilitators and guest speakers for the Women and Money Series.

Volunteers don't just do the work - they make things work.

2012 Contributors

Grants / Underwriting

Bank of America
Barclay Card
Blanche Bryden Foundation
Capital City Bank
Capitol Federal Foundation
Citi Bank
City of Lawrence
City of Topeka
Conklin Hussey Charitable Trust
CoreFirst Bank & Trust
Cox Communications
Douglas County Community Foundation
Educational Credit Union
Envista Credit Union
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FHLBank Topeka
FINRA Foundation
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Kansas Housing Resources Corporation
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Famous Dave's BBQ
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HCCI has made every effort to record each contribution. We sincerely apologize if your name is listed incorrectly or inadvertently omitted. Please advise us at hcci@hcci-ks.org or call 1-800-383-0217. Thank you.

Celebrating 40 Years
1972-2012