

Annual Report 2015

Housing and Credit Counseling, Inc.

A local nonprofit you can trust.

HCCI services are approved by HUD (Housing and Urban Development), accredited by the Council on Accreditation and regulated by the Office of the State Bank Commissioner



Mission: to counsel and educate all people to achieve their personal housing and financial goals.

Services and Programs

Consumer Credit Counseling Serves:

- People who want to get ahead - stay ahead – and be financially stable.
- Families and individuals working hard to make ends meet.
- Teens and young adults concerned about student loan debt.
- Individuals filing bankruptcy when there is no other way out.
- Mortgage default and mortgage foreclosure.
- People age 62 and older with questions about reverse mortgages.

... And people like you. People who want a plan to meet their current and future financial goals.

Demographics

Average Age: 45

Average Income: \$30,193

Average Amount of Debt: \$25,940



Reasons for Financial Counseling



65% of clients paid down debt.

46% of clients took pro-active steps towards their goals.

50% of clients began saving for the future.

Amount paid back to creditors in 2015: \$1,117,154

Amount paid back to creditors 2010 - 2015: \$ 12,954,896

SUCCESS STORY

Jim, an Army vet, was denied a Small Business Loan to open his own café. He had good work experience, a drive to succeed and family members willing to help. When Jim contacted HCCI in 2013, he also had a credit score of 610, two over extended credit cards and a collection agency calling him often. Jim was slowly paying down the credit cards but the interest on unpaid balances kept compounding. At HCCI, Jim learned he could start a Debt Management Plan (DMP) for a \$5 set up fee. HCCI helped Jim contact his creditors, negotiate lower interest rates on his credit cards, and set up one monthly payment to HCCI that in turn made monthly payments on his behalf to his creditors. Two years later, Jim has raised his credit score, established solid banking connections and should be eligible to apply for a Small Business Loan within six months. Good news for a hard working guy that paid down \$14,000 in debt in two years.

In Topeka, HCCI's HOPE Program is a model that can be replicated in other communities.

HOPE provides financial counseling and mentoring by trained volunteers to working families who are struggling to get ahead.

SUCCESS STORY

Sarah, a recently divorced mother of two, called HCCI to ask for guidance about her debt of \$65,000 in student loans and \$3,300 in unsecured debts. She has a Master's degree and a good job, but in her words, "I'm drowning in student loan debt because it took me so long to land a job. I love my work now but I can't get ahead." By carefully following a budget plan developed with her HCCI Counselor, and with help from parents with childcare, Sarah was able to find \$200 of "wiggle room" in her budget each month to pay debts. Sarah says, "I've learned to sacrifice over the past 6 months and I can now breathe again. My mentor has been amazing."



Primary Sponsor of HOPE:



Rental Housing Counseling Serves Renters and Landlords who have questions about:

- Maintenance issues.
- Lease questions.
- Noisy neighbors and guests that don't leave.
- Security and pet deposits.
- Bedbugs, mold, roaches and spiders.
- Rent delinquency, the eviction process, and more.

Demographics

Average Age: 27
Average Income: \$24,367
Average rent: \$555

98% of clients feel more confident to solve their issue.
86% of clients took action following HCCI counsel.
93% of clients reported they maintained rental housing.



HCCI counsels renters, landlords, property managers and concerned neighbors about their rights and responsibilities based on the Kansas Residential Landlord and Tenant Act, Fair Housing Law and city codes.

Reasons for Rental Counseling

Lease disputes: 30%
Evictions/Early Termination: 28%
Maintenance Issue: 23%
Security Deposits: 14%
Other: 5%



Sponsored by grants from:

- Kansas Housing Resource Corporation
- United Way Agencies
- Cities of Topeka, Lawrence, Manhattan, Olathe

SUCCESS STORY

Santiago and Milay (pseudonyms) called HCCI in a panic saying their landlord claimed he was evicting them because they had not paid rent on time and in full. They paid rent in cash but always got a receipt. They suspected the real reason the landlord wanted to evict was because they complained about bugs and needed repairs. They had already received a court summons and were frightened. HCCI's Counselor determined they had a 6 month lease. The couple had receipts for all rent payments. HCCI counseled that typically, a judge will ask the tenant if he agrees, disagrees or pleads "no contest" to a charge that rent is owed. If the tenant says he does not owe rent, then he may be given a court date to explain his case. HCCI instructed the couple to take their lease and paid rent receipts with them to the initial eviction hearing. Follow up: Milay was very happy when she told HCCI the judge dropped the eviction charge when he saw the paid rent receipts. This appears to be a case of landlord retaliation for complaining about needed repairs. This young couple was smart to maintain records. They now are more confident to act on their rights as tenants thanks to extensive information provided by HCCI.

Homebuyer Counseling Serves

- First-time buyers and former home owners.
- Anyone who wants to raise their credit score to get the very best mortgage rate possible.

Demographics

Average Age: 37
Average Income: \$24,752
Average Household Size: 2

Purchased a house in 2015:	13
Expect to be mortgage eligible within 12 months:	5
Expect to be mortgage eligible long term:	20



Owning a home is still a strong goal for young families and for single individuals too. Mortgage lenders offered exceptionally low interest rates in 2015 and buyers with credit scores in the 720 to 740 range plus a good work history were pre-approved to purchase.

SUCCESS STORY

"Thanks, HCCI. We came for financial counseling in 2013 as part of our New Year's Resolution to buy a house. We now qualify for a TOTO home. It's like a dream come true." Anna and Edwin

TOTO - Topeka Opportunity to Own

- Helping Topeka first-time homebuyers since 1992.
- Maximum purchase price of a TOTO home is \$65,000.
- 30 year fixed mortgage.



TOTO is a collaboration with:

- City of Topeka: \$20,000 subsidy for home repairs and up to \$30,000 if home is located within one of four Topeka Opportunity Areas.
- HCCI: financial reviews and counseling to help people raise their credit scores to pre-qualify for a mortgage loan.
- Capitol Federal: primary business partner and lender for TOTO mortgage loans.
- Federal Home Loan Bank Topeka: helps with closing costs for each TOTO Homebuyer.



Financial Literacy Education

Giving back through education.

Fees are never charged for any of the public education classes HCCI provides.

- Spending/Consumer Credit/Debt Management
- Rental Housing Issues
- Homebuying
- Life After Bankruptcy



Primary Sponsor: Office of the State Bank Commissioner

HCCI comes to you. Ask about special classes and counseling at your workplace, public library and school.

**351 Classes with
5,153 participants
in 2015**



Serving the Business Community - Employee Financial Wellness Check-Ups

Follow the lead of Stormont Vail HealthCare and other major employers offering a valuable benefit of financial counseling and brown bag learning sessions from HCCI. For details go to www.hcci-ks.org for details.

Women & Money

A community collaboration with the Johnson County Library and the Topeka and Shawnee County Public Library. In 2015, 112 women enrolled and attended classes about credit building, banking, budgeting, investing and life planning.

Primary Sponsor: Office of the Kansas Securities Commissioner



Revenue

United Ways	\$196,704.00	20%
Federal & State Gov't	\$168,075.00	17%
Local Gov't	\$171,375.00	17%
Private Foundation Grants	\$67,011.00	7%
Corporate Grants	\$130,315.00	13%
Business Contributions & Events	\$42,805.00	4%
Fees for Service	\$158,453.00	16%
Interest & Dividends	\$27,987.00	3%
Individual Contributions	\$23,202.00	2%
Total	\$985,927.00	

Expenses

Salary & Benefits	\$753,281.00	73%
Operations	\$281,123.00	27%
Total	\$1,034,404.00	

**Not Audited*

Agency Milestones

Rental Housing Counseling	43 years
Consumer Credit Counseling	30 years
Homebuyer Counseling	23 years
Reverse Mortgage Counseling	12 years
Bankruptcy Counseling	10 years
Targeted Student Loan Repayment	6 years

It all starts with a budget. That's what HCCI Counselors tell people every day. HCCI practices what it preaches. Careful oversight by HCCI's Board of Directors and Administrators has kept this agency growing and strong since 1972.

Paying forward. HCCI charges very modest fees of \$45 for a full six months of Consumer Credit and Debt Management Counseling. A one-time fee of \$45 was paid by 75% of people counseled in 2015. People using HCCI's services value the expertise HCCI offers and the continuing contact face-to-face and by phone and e-mail. It actually cost HCCI about \$130 to counsel a family for six months of visits so people that can pay \$45 are contributing about 35% to the total \$130 counseling cost. No one is ever turned away if they cannot pay a fee.

Giving back. HCCI waives fees for people who are struggling and cannot pay. Fees are never charged for HCCI's Rental Housing and Homebuying counseling – that are funded 100% through generous donations and grants.

Go to www.hcci-ks.org to find out more about:

HCCI's special Employee Assistant Program through employers

HCCI's Homebuyer 101 Workshops

HCCI's Women & Money classes

HCCI Contributors

HCCI 2015 Board of Directors

Michael Kongs, Chair

Stormont Vail HealthCare

Robert Washatka, Vice Chair of Programs and Services

The Great Game of Business

Todd Butler, Vice Chair of External Affairs

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Eric Deitcher, Transportation Specialist

Michelle Goacher, Hallmark Cards

Arianne Gross, Blue Cross & Blue Shield of KS

Ron Harbaugh, Community Volunteer

Anthony Martinez, Security Benefit

John Olsen, Westar Energy, Inc.

Dan McPherron, UMB Bank

Jason Pickerell, Equity Bank

Chad Taylor, District Attorney

Ben Tenpenny, Capital City Bank

Stephanie Thompson, US Bank

Kathleen Urbom, Urbom Law

Curtis Waugh, Washburn University School of Law



A message from the Board and HCCI's President/CEO



It has been very rewarding for me to serve on HCCI's Board of Directors since 2012. HCCI provides counseling and financial literacy education classes for about 10,000 people each year. A majority of the people served are facing daunting financial challenges of unemployment or underemployment in a challenging economy. They struggle with rising costs for basic needs – food, housing, transportation. Some are simply overspending while others cope with life challenges such as poor health, divorce, and lack of opportunity.

The economy is slowly recovering but, unfortunately, not everyone is getting ahead. HCCI is very concerned about the increasing numbers of families that are falling into poverty. Labeled "the working poor," they are often working two jobs – but they can't make ends meet and many are losing hope of ever being financially self-sufficient again. HCCI offers these struggling households practical

budgeting guidance, help with setting financial goals, and straight talk about realistic steps they can take to get back on a solid financial track again.

HCCI's HOPE Program, sponsored by the United Way of Greater Topeka, is a shining example of an innovative program HCCI developed in 2012 that is helping working families' budget to meet their monthly expenses, reduce debts and save for emergencies.

It is especially rewarding for the HCCI Board to hear the progress clients make with continuing guidance from HCCI's staff of highly qualified counselors. All of us on the HCCI Board of Directors are proud to talk about how HCCI gives a "hand up" for people who want to become financially stable. We help people have a brighter future when they achieve their personal housing and financial goals.

A handwritten signature in cursive script that reads "Mike Kongs".

Mike Kongs, Board President

In 2016, HCCI will be celebrating its 44th year of service. What began as a grassroots project by VISTA volunteers to help low income Topeka families secure safe and decent housing has grown into a powerful organization helping thousands of people each year reach their housing and financial goals through dynamic education and compassionate counseling.

The epicenter of HCCI operations remains Topeka, where the majority of our professional team works in the historic Buchanan Center. Early in 2016, HCCI plans to invest in improvements to our longtime headquarters near downtown, that will make counseling and education services in Topeka even more inviting. HCCI is also very much an active participant in the social service networks in Manhattan and Lawrence, where we provide comprehensive services from our branch offices in those communities. Through the many partnerships we have cultivated, HCCI delivers financial education services in communities throughout eastern Kansas. Thanks to our partnership with the Kansas Housing Resources Corporation, HCCI provides rental housing counseling and education services throughout the state of Kansas.

This is a different world than when HCCI first opened its doors in 1972. For instance, 70% of the people we counseled in 2015 had student loan debt. Our professional team works hard to understand the financial and housing challenges our clients face in today's world. One constant that HCCI has maintained throughout the years is the determination of the entire HCCI team to arm everyone who seeks our help with the direction they need to achieve their financial and housing goals.

The people who turn to HCCI for help come from all walks of life, but share a common bond. They all desire to be financially self-sufficient, have safe and decent housing, and a realistic plan to reach their goals. We sincerely appreciate the dedicated work of HCCI volunteers, who serve on our Board of Directors and Advisory Councils, help us with fundraising events, and share their expertise in HCCI programs. We invite you to learn more about HCCI at www.hcci-ks.org.



A handwritten signature in cursive script that reads "Terry Leatherman".

Terry Leatherman, President & CEO