

U.S. Department of JusticeExecutive Office for United States Trustees

**APPLICATION FOR APPROVAL AS A NONPROFIT BUDGET
AND CREDIT COUNSELING AGENCY**

Introduction. In accordance with 11 U.S.C. § 111, as implemented by *Application Procedures and Criteria for Approval of Nonprofit Budget and Credit Counseling Agencies by United States Trustees*, 28 C.F.R. §§ 58.12 - 58.24 (the “Rule”), a nonprofit budget and credit counseling agency (an “Agency”) seeking approval by the United States Trustee shall submit an application to the Executive Office for United States Trustees (“EOUST”) in the form described below and in the accompanying Instructions. The Agency shall provide all information and documents required by the EOUST or the United States Trustee responsible for each judicial district in which the Agency seeks approval. Unless otherwise stated, the application and appendices shall be typewritten¹ using the space provided on the form, as well as attachments if necessary.

An application is complete when all sections of the application have been addressed and copies of the documents requested in the application are attached. Failure to submit a complete application may result in processing delay or denial of the application. If additional space is required to complete a response, attach a separate page with the name of the Agency, the federal tax identification number, and the item number indicated on the top, right-side of the page.

Except where a “No Change” (“NC”) box appears, complete all items in the application, even if the requested information has not changed since the most recent application. **Do not leave any items blank.** If the Agency has no information to provide, state “N/A” with respect to the relevant item. Please see the accompanying Instructions for detailed guidance on completing the application.

New Applicants. Check the box marked “New Applicant” in item 1.1. Complete every item in the application. Do not check any of the “NC” boxes. Where an item provides alternatives for new applicants and returning applicants, respond as directed for new applicants only.

Returning Applicants. Check the box marked “Returning Applicant” in item 1.1. Where an item provides alternatives for new applicants and returning applicants, respond as directed for returning applicants only.

Statement of No Change for Returning Applicants. Where a “NC” box appears beside an item, if the Agency’s response to that item is identical to its response in the most recent application, the Agency may check the “NC” box indicating no changes have occurred and continue to the next item. If an item does not offer the option of checking a “NC” box, then the Agency must complete the item even if its response has not changed since the previous application.

Burden Statement. Respondents are not required to complete this form unless it contains a valid OMB number. The public reporting burden for this application is estimated to average ten hours for an initial application and four hours for a re-application, including time for reviewing instructions, gathering information, and completing the application. Comments regarding this burden estimate or any other aspect

¹ “Typewritten” includes completion of the online fillable PDF form, or completion of the form using a word

processing application or a typewriter.

of this application, including suggestions for reducing the burden, should be directed to the Executive Office for United States Trustees, Credit Counseling Application Processing, 441 G Street, N.W., Suite 6150, Washington, D.C. 20548.

Section 1. General Information Concerning the Agency

1.1 Check only one box.

☐ **New Applicant.** Continue to item 1.2.

☐ **Returning Applicant.** Check here and provide the United States Trustee assigned Agency number: _____

1.2 Name of Agency: _____

1.3 Federal Tax Identification Number of Agency: _____

1.4 Additional names currently being used, including any d/b/a:

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1.5 Primary business address:

Street address:

Mailing address: (if different)

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1.6 Telephone No.: _____ Fax No.: _____

Website(s): _____

1.7 Principal contact for the Agency:

Name: _____	Title: _____
Email address: _____	
If different from primary business address:	
Telephone No.: _____ Fax No.: _____ Mailing address:	

- 1.8 Agency is: ☒ Corporation ☐ Institute of Higher Education
☐ Partnership ☐ Limited Liability Partnership
☐ Limited Liability Corp. ☐ Other: _____

1.9 State of organization: _____ Date of organization: _____

Section 2. Status as a Nonprofit Organization

2.1 Nonprofit status.

NC ☐ (a) Is the Agency organized as a nonprofit entity pursuant to state law in the state of organization?

- ☐ Yes.
☐ No.

NC ☐ (b) Has the Agency received a tax-exempt determination from the Internal Revenue Service?

- ☐ Yes. Provide the date and basis (*e.g.*, section 501(c)(3)) for the determination here and continue to item 2.1(c).

- ☐ No. Skip to item 2.1(d).

(c) Attach a copy of the most recent IRS Form 990, Return of Organizations Exempt From Income Tax.

NC ☐ (d) State the Agency's nonprofit purpose.

NC ☐ 2.2 List all **former names, f/k/a, and mailing addresses** used by the Agency other than those listed on items 1.2 and 1.4.

New Applicants: Supply the requested information for the most recent three years.
Returning Applicants: Supply the requested information for the most recent year.

NC ☐ 2.3 Identify the **current officers** and provide his or her: 1) title; 2) principal occupation; 3) employer name; 4) whether he or she has ever been convicted of a felony or a crime involving fraud, dishonesty, or false statements; and 5) amount of direct or indirect

compensation (including deferred compensation and other financial benefits). Attach a resume for each officer who has served less than one year.

- NC ☐ 2.4 Identify the **current directors and trustees** and provide his or her: 1) title; 2) principal occupation; 3) employer name; 4) whether he or she has ever been convicted of a felony or a crime involving fraud, dishonesty, or false statements; and 5) amount of direct or indirect compensation (including deferred compensation and other financial benefits). Attach a resume for each director or trustee who has served less than one year.

2.5 **Material management changes.**

New applicants: Have any of the officers, directors, or trustees of the Agency changed in the last three years?

Returning applicants: Have any of the officers, directors, or trustees of the Agency changed since the last application?

- ☐ Yes. Complete items 2.6 and/or 2.7.
- ☐ No. Continue to item 2.8.

- 2.6 Identify individuals who previously served as **officers**, but are no longer officers, and provide his or her: 1) title; 2) term(s) in office; 3) the reason why he or she is no longer an officer; and 4) whether he or she has ever been convicted of a felony or a crime involving fraud, dishonesty, or false statements. State the amount of direct and indirect compensation (including deferred compensation and other financial benefits) for each individual.

New Applicants: Supply the requested information for the most recent three years.

Returning Applicants: Supply the requested information for the most recent year.

- 2.7 Identify individuals who previously served as **directors or trustees**, but are no longer directors or trustees, and provide his or her: 1) title; 2) term(s) in office; 3) the reason why he or she is no longer a director or trustee; and 4) whether he or she has ever been convicted of a felony or a crime involving fraud, dishonesty, or false statements. State the amount of direct and indirect compensation (including deferred compensation and other financial benefits) for each individual.

New Applicants: Supply the requested information for the most recent three years.

Returning Applicants: Supply the requested information for the most recent year.

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- 2.8 Identify individuals who currently serve as **directors or officers**, but also have direct or indirect financial or operational control in any other approved non-profit and budget credit counseling agencies or approved providers of a personal financial management instructional course, and provide his or her: 1) name; 2) title; 3) scope of involvement; and 4) amount of direct and indirect compensation (including deferred compensation and other financial benefits).

New Applicants: Supply the requested information for the most recent three years.

Returning Applicants: Supply the requested information for the most recent year.

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2.9 **Contracts and Referrals.**

(a) **Referrals to the Agency.** Identify each individual or entity that regularly refers clients to the Agency, and provide the following: 1) the individual or entity's mailing address, telephone number, e-mail address, and web address; 2) whether the referrals are made pursuant to a fair share agreement, 3) whether referred clients receive a discount from the Agency's ordinary counseling fee; and 4) copies of any written contracts or agreements. This includes all oral and written agreements with attorneys who refer clients to the Agency.

New Applicants: Supply the requested information for the most recent two years.

Returning Applicants: Supply the requested information for the most recent year.

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(b) **Referrals by the Agency.** Identify each individual or entity to whom the Agency regularly refers or has referred clients, and provide the following: 1) the individual or entity’s mailing address, telephone number, e-mail address, and web address; 2) whether the referrals are made pursuant to a fair share agreement; 3) whether referred clients receive a discount from the Agency’s ordinary counseling fee; and 4) copies of any written contracts or agreements. Include referrals for negotiation of alternative repayment schedules pursuant to 11 U.S.C. § 502(k).

New Applicants: Supply the requested information for the most recent two years.
Returning Applicants: Supply the requested information for the most recent year.

(c) **Contracts.** To the extent the Agency has engaged in transactions with its officers, directors, shareholders, affiliates, subsidiaries, or related individuals or entities, identify the individual or entity and provide the following: 1) the individual or entity’s mailing address, telephone number, e-mail address, and web address; and 2) copies of any written contracts or agreements.

New Applicants: Supply the requested information for the most recent two years.
Returning Applicants: Supply the requested information for the most recent year.

NC ☐ 2.10 **Independent contractors.** Identify each independent contractor that performs counseling services on behalf of the Agency or has access to, possession of, or control over client funds. Provide the following: 1) the contractor’s mailing address, telephone number, e-mail address, and web address; and 2) copies of any written contracts or agreements.

☐ If the Agency lists independent contractors with access to, possession of, or control over client funds, check this box and complete section 7.

Section 3. Quality, Experience, and Background in Providing Credit Counseling Services

3.1 How long has the Agency been in business? _____ Years _____ Months

3.2 How long has the Agency provided credit counseling services?
_____ Years _____ Months

3.3 If the response to item 3.2 is less than 2 years, complete this item. Otherwise, check the “N/A” box and continue to item 3.4.

☐ N/A

For each location that serves clients, does the Agency employ at least one office supervisor with experience and background in providing credit counseling services for no fewer than two of the last five years?

☐ Yes.

☐ No.

Attach the following to the application:

- (a) A business plan;
- (b) The current year’s pro forma financial statements and cash flow projections (including balance sheets, profit and loss statements, and statements of cash flow); and
- (c) Identify the individual who will serve as the supervisor for each office offering credit counseling services and attach a resume describing that individual’s experience and educational background.

Names: _____

☐ **Documents are attached.**

NC ☐ 3.4 List the Agency’s memberships, if any, with credit counseling associations. Do not list accreditation or counselor certifications here. List accreditations in item 3.5 and counselor certifications on Appendix D.

NC ☐ 3.5 List the Agency’s accreditation by accrediting organizations. Do not list counselor certifications here. List those on Appendix D.

- NC ☐ 3.6
- If the Agency’s accreditation was revoked, suspended, or lapsed at any time during the last five years, state the dates and circumstances. If any counselor’s certification was revoked, suspended, or lapsed at any time during the last five years, identify the counselor and state the dates and circumstances.

New Applicants: Supply the requested information for the most recent five years.
Returning Applicants: Supply the requested information for the most recent year.

- NC ☐ 3.7
- List each state in which the Agency is licensed or certified to conduct credit counseling services. For each state identified, also identify the state regulatory body that issued the license or certificate and the license or certificate number, if any.

- 3.8
- (a) Attach the annual audited financial statements prepared in accordance with generally accepted accounting principles. Only new applicants that have not yet commenced operations and have no audited financial statements as of the application date may provide unaudited financial statements, including balance sheets, statements of income and retained earnings, and statements of changes in financial condition.
- (b) Attach the most recent federal income tax return. If the Agency is a tax-exempt organization, attach the most recent IRS Form 990, Return of Organizations Exempt From Income Tax.

New Applicants: Attach the requested documentation for the most recent two years.
Returning Applicants: Attach the requested documentation for the most recent year.

☐ **Documents are attached.**

- NC ☐ 3.9
- List all legal actions, proceedings, investigations, arbitrations, mediations, and potential bond or other claims, whether pending or adjudicated, in which the Agency, any affiliate listed in the response to item 2.9(c), or any officer, director, trustee, employee, or agent of the Agency is a party, and the outcomes of any such actions.

New Applicants: Supply the requested information for the most recent three years.
Returning Applicants: Supply the requested information for the most recent year.

NC ☐ 3.10 List all audits, disciplinary or enforcement actions by any applicable tax, oversight, licensing, registration, or certification body against the Agency, any affiliate listed in

the response to item 2.9(c), or any officer, director, trustee, employee, or agent of the Agency, and the outcomes of any such actions.

New Applicants: Supply the requested information for the most recent three years.

Returning Applicants: Supply the requested information for the most recent year.

NC ☐ 3.11 List and provide any written correspondence between the Internal Revenue Service and the Agency, or any affiliate listed in the response to item 2.9(c), that addresses issues relating to the determination of the Agency's tax-exempt status, examination, compliance or audit.

New Applicants: Supply the requested information for the most recent three years.

Returning Applicants: Supply the requested information for the most recent year.

3.12 **Continuing obligation to update.** If any action described in items 3.6, 3.9 or 3.10 occurs while the application is pending, or the status of any existing action described in items 3.6, 3.9 or 3.10 changes while the application is pending, the Agency must promptly notify the United States Trustee at the address identified in the Instructions. In addition, if the Agency or an affiliate sends or receives any correspondence described in item 3.11 while the application is pending, the Agency shall provide that correspondence to the United States Trustee.

☐ I certify that I will update the United States Trustee under the circumstances described above.

Section 4. Credit Counseling Methods and Curriculum Counseling

Methods:

In-Person:	Telephone:	Internet:
☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
Languages Offered:	Languages Offered:	Languages Offered:

- NC ☐ 4.1 State the average duration of a credit counseling session in hours and minutes.

In-person:	Telephone:	Internet:

- NC ☐ 4.2 List all other counseling services that the Agency provides.

- NC ☐ 4.3 List the number of referrals of clients or potential clients for counseling based on limited English proficiency, and identify the languages, other than English, requested by such clients or potential clients.

New Applicants: Supply the requested information for the most recent two years.

Returning Applicants: Supply the requested information for the most recent year.

Sections 4.4 - 4.6: Counseling Methods and Procedures

Please see the Instructions before completing this section for required information and guidelines.

New Applicants: Complete each applicable item. Supply responses on a separate attachment. An Agency that seeks approval to provide more than one delivery method shall provide a complete response for each delivery method.

Returning Applicants: If the Agency has made no changes to its counseling methods or procedures since the previous application was approved, check the “NC” box where applicable and proceed to item 4.7. **The Agency shall not unilaterally change its counseling methods or procedures without prior United States Trustee approval.**

- NC ☐ 4.4 In-person counseling. Describe the counseling process, beginning with the process of providing information to or obtaining information from a client or potential client, and ending with certificate issuance. Include the following elements:

- (a) The process of obtaining client information and providing mandatory disclosures;
- (b) The substance of the counseling services; and
- (c) The certificate issuance process, including the timing of certificate issuance and the Agency’s policies concerning which personnel may issue certificates.

- NC ☐ 4.5 Telephone counseling. Describe the counseling process, beginning with the process of providing information to or obtaining information from a client or potential client, and ending with certificate issuance. Include the following elements:
- (a) The process of obtaining client information and providing mandatory disclosures;
 - (b) The substance of the counseling services;
 - (c) The Agency's experience and proficiency in providing counseling services over the telephone;
 - (d) The Agency's client identity verification processes;
 - (e) The criteria by which the Agency determines that the client has completed the counseling as it was designed. If the Agency provides automated telephone counseling, describe the process by which the client engages in interaction with a counselor;
 - (f) How and when the Agency delivers the written analysis of the client's current financial condition to the client;
 - (g) A complete response to items 4.5(d), (e), and (f) as to spouses receiving joint counseling; and
 - (h) The certificate issuance process, including the timing of certificate issuance and the Agency's policies concerning which personnel may issue certificates.

- NC ☐ 4.6 Internet counseling. Describe the counseling process, beginning with the process of providing information to or obtaining information from a client or potential client, and ending with certificate issuance. Include the following elements:
- (a) The process of obtaining client information and providing mandatory disclosures;
 - (b) The substance of the counseling services;
 - (c) The Agency's experience and proficiency in providing counseling services over the Internet;
 - (d) The Agency's client identity verification processes;
 - (e) The criteria by which the Agency determines that the client has completed the counseling as it was designed, including the process by which the client engages in interaction with a counselor;
 - (f) How and when the Agency delivers the written analysis of the client's current financial condition to the client;
 - (g) A complete response to items 4.6(d), (e), and (f) as to spouses receiving joint counseling;
 - (h) The certificate issuance process, including the timing of certificate issuance and the Agency's policies concerning which personnel may issue certificates; and

- (i) An explanation of any modification or change to any part of the online content or program or mandatory interaction, if any, since the previous application was approved.

NC ☐ 4.7 Attach copies of written standards, manuals, procedures, or guidelines, if any, the Agency supplies to its counselors relating to the matters set forth in sections 4.4 through 4.6.

Section 5. Fees and Fee Waivers

5.1 Fees.

- (a) List all fees and contributions paid by the client in connection with credit counseling services. Specify all fees for single or joint counseling and each delivery method.

- (b) List any reduced rates and the reason for such reduction, including discounts or special rates for clients referred by any attorney or law firm, for spouses who take the counseling jointly, or any other reduction based on criteria other than ability to pay. **The Agency shall not unilaterally decrease its fee without prior notice to the United States Trustee.**

- (c) List all attorneys or law firms from whom the Agency directly or indirectly accepts, or to whom the Agency provides reduced rates or discounts (including coupons) in connection with credit counseling services.

- (d) Describe how the Agency discloses to clients its fees and reduced rates or discounts identified in (a), (b), and (c) and describe the timing of such disclosures.

- (e) If the Agency seeks fees in excess of \$50 per client, describe the basis for the fee increase and provide a cost-based justification. Please see the Instructions. **The Agency shall not unilaterally increase its fee without prior United States Trustee approval.**

5.2 **Fee waivers.**

(a) Describe any and all fee waiver and fee reduction policies based on the client's ability to pay.

(b) Describe how the Agency discloses to the client its fee waiver or fee reduction policies based on the client's ability to pay, and describe the timing of disclosures.

Section 6. Disclosures

Attach copies of all disclosure form(s) that will be provided to clients. Please see the Instructions for a complete list of mandatory disclosures.

☐ **Disclosure documents are attached.**

Section 7. Administration of Debt Repayment Plans (DRPs) and the Safekeeping and Payment of Client Funds

Please see the Instructions before completing this section for required information and guidelines.

7.1 Check the box describing the Agency's DRPs:

- ☐ The Agency currently offers DRPs. Complete the rest of section 7.
- ☐ The Agency has ceased offering DRPs to new clients who receive credit counseling from the Agency but continues to service DRPs that are existing as of the date of this application. **State the date on which the Agency ceased offering DRPs to new clients** _____ and complete items 7.3 through 7.9.
- ☐ The Agency does not offer DRPs and does not service DRPs on behalf of any

clients. Skip to section 8.

7.2 How long has the Agency offered DRPs?
_____years, _____months

7.3 State the number of DRPs serviced within the last 12 months:

7.4 State the amount of funds distributed by the Agency to creditors within the last 12-month period: \$ _____

NC ☐ 7.5 Does the Agency use any independent contractors to administer or process any aspect of its DRPs?

☐ Yes. Continue to item 7.6.

☐ No. Skip to item 7.8.

NC ☐ 7.6 Provide the name, address, telephone number, and e-mail address of the independent contractor(s).

NC ☐ 7.7 **Independent contractor status.**

For each independent contractor listed in response to item 7.6, check **one** box concerning the independent contractor's status.

☐ The independent contractor performs only electronic fund transfers on the Agency's behalf, and no other functions.

☐ The independent contractor holds funds for transmission for 5 days or less.

☐ The independent contractor is an approved Agency.

☐ The independent contractor is covered under the Agency's surety bond.

☐ None of the above.

NC ☐ 7.8 List the names and addresses of each bank or financial institution at which the Agency maintains an operating account or trust account in which client funds will be deposited and withdrawn to pay respective creditors. **Trust accounts must be denominated as trust or fiduciary accounts.**

7.9 Attach the following to the application:

- (a) Original surety bond payable to the United States of America, if not previously provided, and copies of any state bonds, including any renewals;

- (b) Calculations used to determine the appropriate level of all required bonds;
- (c) Proof of adequate employee bonding or fidelity insurance, and any renewals;
- (d) If the Agency identified an independent contractor in item 7.6, please see the Instructions to identify what documents must be attached for item 7.9(d);
- (e) If the Agency listed an independent contractor in item 7.6, attach a copy of any service agreements or contracts between the Agency and each independent contractor; and

NC ☐

- (f) The first page of the most recent bank statement for each trust account identified in item 7.8. If the Agency's bank account information has not changed since the most recent application was approved, check the "NC" box and do not include an attachment.

☐

Required documents for item 7.9 are attached.

Section 8. Appendices (to be completed and attached to the application)

New applicants: Complete Appendices A, B, C, and D. Do not complete Appendix E.

Returning applicants: Complete Appendices A, B, C, D, and E.

- 8.1 Appendix A: Acknowledgments, Agreements, and Declarations in Support of Application for Approval as a Nonprofit Budget and Credit Counseling Agency.
- 8.2 Appendix B: Judicial Districts.
- 8.3 Appendix C: Business Locations.
- 8.4 Appendix D: Matrix of Current Counselors. For each location listed on Appendix C that will be staffed by counselors providing credit counseling services to clients, enter the counselor's name in the employee box and complete the information as instructed.
- 8.5 Appendix E: Activity Report for Approved Credit Counseling Agencies. If the Agency has never been approved to provide counseling services, do not complete Appendix E.

☐

Documents are attached.

Section 9. Certification and Signature

I declare under penalty of perjury that I am authorized to complete this application on behalf of the above named organization; I have examined the contents of the application, enclosures, and other accompanying documents; the application does not falsify, conceal, cover up by any trick, scheme or device a material fact; the application does not make any materially false, fictitious or fraudulent statement or representation; the documents provided with this application are authentic, complete, and accurate and do not make any materially false, fictitious or fraudulent statement or representation; and all representations are true and correct to the best of my knowledge, information, and belief.

Signature of President, Chairman, Trustee, or Other
Authorized Representative

Type or Print Name of Signer

Type or Print Title of Signer

Date