

National Foundation for Credit Counseling: Member Quality Standards

To become and to remain a member of the National Foundation for Credit Counseling (NFCC), credit counseling agencies must adhere to the NFCC Member Quality Standards, which include:

- **Accreditation:** In order to ensure the highest quality and level of consumer service NFCC member agencies must obtain and maintain accreditation by the Council on Accreditation (“COA”), an independent third party accrediting organization.
- **Non-Profit Status:** To be a member of the NFCC, an agency must be operated as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code.
- **Access and Availability:** NFCC Member Agencies must provide services at times convenient to the public for anyone regardless of age, race, creed, religion, employment, marital status, or financial status.
- **Financial Literacy:** In keeping with the NFCC’s mission, member agencies must provide consumer financial literacy programs on money management, budgeting and the responsible use of credit and other financial tools.
- **Counseling Sessions:** In order to ensure the quality of counseling provided by NFCC Member Agencies, counselors must be trained and certified. Counselors must provide comprehensive, one-on-one money management counseling interviews and provide a written assessment and action plan to clients as applicable to the service provided.
- **Counselors:** Counselors are prohibited from receiving incentives based on establishing client Debt Management Programs (“DMPs”).
- **Debt Management Plans:** NFCC member agencies may establish DMPs only when appropriate and predicated upon client needs and preferences to assist in achieving financial goals and objectives.
- **Model Member Agency Dual Role Disclosure:** In any materials that discuss DMPs, NFCC member agencies must disclose the dual role which NFCC’s members serve in responding to the needs of consumers and creditors when setting up a DMP.
- **Model Member Agency DMP Duration Disclosure:** NFCC Member Agencies must provide a written estimate of the length of time it will take to complete the program to each client enrolling in a DMP.
- **Fiscal Integrity:** NFCC Member Agencies must have internal controls to protect the assets of the organization from acts of fraud, misrepresentation, or misallocation.
 - **Client Trust Accounts:** NFCC Member Agencies must maintain separate client trust accounts.
 - **Annual Financial Audit:** All financial books and records of an NFCC member agency must be audited annually by an independent Certified Public Accountant.
 - **IRS Forms 990 and 990-T:** Member agencies must file accurate and timely 990 and 990-T forms to the Internal Revenue Service and also must provide full copies to the NFCC.

- **Governance/Board of Trustees:** To ensure broad-based, nondiscriminatory community representation, NFCC member agencies must have a diverse governing board comprised of at least 10 members. No more than 10 percent of the voting members may be persons directly or indirectly compensated by the Member Agency. No family members of the personnel of the Member Agency may serve on the board.
- **D&O, E&O and Fidelity Insurance:** NFCC Member Agencies must carry insurance and/or bonding on all employees with any access to agency and/or client funds.
- **Fair Fees Guideline:** Any fees charged to customers or clients must be kept as low as possible and at no time should a person be refused counseling due to an inability to pay.
- **Ethical Practices and Conduct:** NFCC Member Agencies must follow the highest ethical standards in governing their organizations and conducting all activities to avoid harming, misleading, confusing, or undermining consumers, clients, volunteers and employees.
- **Advertising:** NFCC Member Agencies may not engage in deceptive, misleading, or false advertising, and must adhere to the highest standards of honesty and fairness.
- **Compliance with Federal, State, and Local Laws:** NFCC Member Agencies must comply with all federal, state, and local laws. Member Agencies must be appropriately licensed and/or registered as required by law.
- **Grievances:** NFCC Member Agencies must establish written procedures to provide consumers and clients with a formal mechanism for expressing and resolving complaints and grievances. Member Agencies must have a written appeals process and ensure the timely resolution of issues.
- **Private Inurement and Private Benefit:** NFCC Member Agencies must not be organized or operated for the benefit of private interests. No part of the net earnings of member agencies may inure to the benefit of any private shareholder or individual.