

UNITED STATES BANKRUPTCY ADMINISTRATOR
DISTRICT OF _____

APPLICATION FOR APPROVAL AS A NONPROFIT BUDGET
AND CREDIT COUNSELING AGENCY

An application package is complete if all questions/items have been responded to and original or conformed copies of the documents requested in the application are attached. Failure to file a complete application may result in the delay or denial of the application. Responses to the questions on this application are continuing and the applicant must promptly notify the Bankruptcy Administrator of any circumstances that would cause an answer to any question to change. If additional space is required to complete an answer, attach a separate page with the name of the organization, the federal tax identification number, and the question number indicated at the top, right-side of the page.

Section 1. General Information Concerning the Organization

1.0 Agency is seeking: (a) _____ Initial Approval (b) _____ Re-approval*
(c) _____ Amends Application dated _____*

*If seeking re-approval or submitting an amendment, the Agency must designate any changes in its previous responses with an asterisk.

1.1 Agency is a (n): _____ Corporation _____ Unincorporated Association
_____ Partnership _____ Limited Liability Partnership
_____ Limited Liability Corp. _____ Other _____

1.2 Name(s) under which the Agency conducts business, including any d/b/a:

1.3 Primary business address (include street and mailing address):

1.4 State of organization _____ Date of organization: _____

1.5 Federal Tax ID No.: _____ Telephone No.: _____ Fax No.: _____

Website: _____ Email: _____

- 1.6 Name, street address, telephone number, Email address, and fax number of the principal contact for the Agency.
- 1.7 Name, street address, telephone number, Email address, and fax number of the registered agent for the Agency.
- 1.8 The date on which the board of directors or other governing body passed or authorized a resolution authorizing the filing of this application.
- 1.9 List all judicial districts for which the Agency has requested approval and the status of the application.
- 1.10 List all locations of branch and satellite offices, if any. For each office that serves clients, provide the mailing address, street address, telephone number, fax number, business hours, Email address, Internet website, and number of personnel employed at the location.
- 1.11 Will the Agency administer debt management plans? _____ Yes _____ No

Section 2. Status as a Nonprofit Organization

- 2.1 Identify the Agency's basis for nonprofit status (e.g., Section 501(c)(3) status under the Internal Revenue Code) and complete and attach Appendix C.
- 2.2 State all names, including any d/b/a, a/k/a, f/k/a, and street and mailing address(es) the Agency has used in the last three years.

- 2.3 Identify each officer, director, or trustee who served within the last three years, and provide their term of office, street address, principal occupation, employment experience, and state whether they have ever been convicted of a crime involving fraud, dishonesty, or false statements.
- 2.4 Identify each agent or independent contractor who performs credit counseling services on behalf of the Agency or that regularly refers clients to the Agency. Provide each agent's or independent contractor's street address, mailing address, telephone number and fax number, Email address, and Internet website, if any.
- 2.5 Identify all affiliated businesses or subsidiaries of the Agency within the last three years, including those persons identified as owners, officers, directors, partners, and trustees of those affiliated business or subsidiaries; whether organized for profit or not for profit; and the location and the nature of the business of each such affiliate business or subsidiary.
- 2.6 Provide the names of all businesses with which the Agency conducts business in which an officer, director, employee, or insider of the Agency holds, directly or by nominee, a 20 percent ownership or financial interest.

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 How many clients have been counseled by the Agency within the last 12-month period?

- 3.4 If offering debt management plans, how long has the Agency offered debt management plans: _____Years _____Months
- 3.5 Disclose any memberships with credit counseling associations.
- 3.6 Disclose any accreditation(s) or certification(s) by accrediting or certifying organization(s) (e.g., the Council on Accreditation).
- 3.7 If, at any time, the Agency's accreditation or certification was revoked or suspended, or lapsed, within the last five years, disclose when and why.
- 3.8 List each state in which the Agency is licensed to conduct business as a credit counselor.
- 3.9 List all legal actions, proceedings, investigations, arbitrations, mediations, audits by federal or state agencies, and potential bond or other claims in which the Agency is a party, pending or adjudicated, within the last three years, and the outcomes.
- 3.10 Disclose any prior or ongoing disciplinary or enforcement action by an applicable licensing, registration, or certification authority, court, or regulatory body against the Agency, or any officer, director, trustee, employee, or agent, of the Agency, within the last three years.

- 3.11 If the Agency does not meet the two year business requirement and desires to meet the requirement by substituting educational or experience equivalents, provide description of such education or experience, and dates of courses, certifications and employment.

Section 4. Counseling Services and Reasonableness of Fees

- 4.1 Identify the types of counseling services to be provided.

In Person: _____ Telephonic: _____ Internet: _____

Phone Number(s): _____ URL(s): _____

- 4.2 State the average length of time spent briefing a client. _____

- 4.3 If providing telephonic or Internet counseling services, describe the Agency's experience and proficiency in providing credit counseling via the telephone and/or Internet.

- 4.4 Attach originals or conformed copies of the following to the application:

- Any forms used in relation to the counseling services, including a budget analysis form.
- A sample of the contract entered into with clients for counseling services or debt management plans, if applicable.
- Fee schedule or suggested contribution schedule for all fees and contributions to be paid by client.

Section 5. Qualifications of Counselors

- 5.1 Complete and attach Appendix B, Employee Qualifications Matrix, for each location that will be staffed by counselors providing credit counseling services to clients. Enter the counselor's name and other identifying information in the employee box and complete the information as instructed. Place the Agency's name, address, and federal tax identification number on each matrix submitted.

- 5.2 Attach originals or conformed copies of the following to the application:

- Any written standards, procedures, or guidelines provided to employees who provide credit counseling services.

Section 6. Administration of Debt Management Plan and the Safekeeping and Payment of Client Funds (To be completed only by Agencies offering debt management plans)

6.1 Disclose the total number of debt repayment plans serviced within the last 12-month period and the amount of distributions the applicant paid to creditors through those debt repayment plans.

6.2 Will the Agency administer all plans? _____ Yes _____ No

If the answer to this question is “no,” disclose the name, street address, telephone number, email address, and fax number of the entity that will administer the plans; the full name of all principals of the entity; and attach a copy of the debt management services agreement/contract between the Agency and the provider of the services.

6.3 List the names and addresses of each bank or financial institution at which the Agency maintains an operating account(s) and trust account(s) in which clients’ funds will be deposited and withdrawn to pay respective creditors.

6.4 List the names, addresses, and telephone numbers of the independent audit firms that performed the Agency’s last two annual audits.

6.5 Attach originals or conformed copies of the following to the application (this applies only to Agencies offering debt management plans):

- Annual audited financial statements prepared in accordance with generally accepted accounting principles for the preceding two years.
- Proof of adequate employee bonding or fidelity insurance.
- If applicable, any debt management services agreement/contract between the Agency and the provider of the debt management services.

- If the Agency fails to meet the two-year business requirement, but currently employs in each office location that serves clients at least one office supervisor with experience and background in providing credit counseling for a no less than two of the last three years, the Agency must provide:
 - a business plan, including a feasibility study and market analysis;
 - the current year’s pro forma financial statements and cash flow projections, including, but not limited to, balance sheets, profit and loss statements, and statements of cash flow; and a year-to-date budget versus actual comparison, including all underlying assumptions; and
 - a financial statement for the prior 12 months, if available.

Section 7. Acknowledgments, Agreements, and Declarations

- 7.1 Attach an originally executed Appendix A, Acknowledgments, Agreements, and Declarations in Support of Application for Approval as a Nonprofit Budget and Credit Counseling Agency.
- 7.2 Attach originals or conformed copies of the following to the application:
 - Disclosure forms that will be provided to clients.

Section 8. 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. I believe that all representations are true and correct to the best of my knowledge, information, and belief.

Signature of President, Chairman, Trustee, or other
Authorized Official

Type or Print Name of Signor

Type or Print Title of Signor

Date

Appendix A

(Application for Approval as a Nonprofit Budget and Credit Counseling Agency)

Acknowledgments, Agreements, and Declarations in Support of Application for Approval as a Nonprofit Budget and Credit Counseling Agency

Name of Agency: _____

The Agency hereby assures and certifies compliance with all applicable federal statutes, regulations, policies, guidelines, and requirements including, but not limited to, 11 U.S.C. §§ 109(h) and 111. The Agency also specifically assures, certifies, and agrees that:

1. It is in compliance with all applicable laws and regulations of each state of the United States in which the Agency seeks approval from the U.S. Bankruptcy Administrator.
2. It is organized and operated as a nonprofit entity and has an independent board of directors, board of trustees, or other governing body the majority of which (i) are not employed by such Agency, and (ii) do not directly or indirectly benefit financially from the outcome of the counseling services provided by such Agency.
3. It will not engage in any conduct or transaction that generates or creates the appearance of generating a private benefit for any individual or group.
4. It will comply with the policies and directives of the U.S. Bankruptcy Administrator and the Administrative Office of the U.S. Courts, as may be issued from time to time.
5. It will make all records relating to the Agency's compliance with 11 U.S.C. § 111 available to the U.S. Bankruptcy Administrator upon request and cooperate with the U.S. Bankruptcy Administrator for any scheduled or unscheduled on-site visits and customer service audits.
6. No member of the board of directors or trustees, officer, manager, employee, counselor, or agent is a U.S. Bankruptcy Administrator Program employee, a panel or standing trustee, a federal judge, a federal court employee, a certified public accountant that performs audits of the Agency's trust account, or a person with a financial or familial connection to the U.S. Bankruptcy Administrator Program.
7. No Agency owner, employee, officer, insider or related party counselor, or member of board of trustees, directors, or any other corporate governing body will receive any commissions, incentives, bonuses, or benefits (monetary or non-monetary) of any kind based on the outcome of a counseling session.
8. It will provide adequate credit counseling, which considers all alternatives to resolve a client's credit problems and includes an analysis of the client's budget, current financial

condition, factors that caused such financial condition, and how such client can develop a plan to respond to the problems without incurring negative amortization of debt.

9. It will provide counselors who have adequate experience and training to provide credit counseling services and who receive no commissions, incentives, bonuses, or benefits (monetary or non-monetary) based on the outcome of a counseling session.
10. Any fee, contribution, or payment received for counseling services will be reasonable in amount, and the Agency will provide services without regard to a client's ability to pay.
11. It will not exclude any creditor from a debt management plan because the creditor declines to make a "fair share" contribution to the Agency.
12. It will not disclose or provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the Agency.
13. It will not pay or receive referral fees or other consideration for the referral of clients to or by the Agency.
14. If administering debt repayment plans:
 - a. It will conduct a criminal background check for each person providing credit counseling services and shall not employ as a counselor anyone that has been convicted of a crime involving fraud, dishonesty, or false statements; and
 - b. It has adequate financial resources to provide continuing support services for debt repayment plans over the life of any plan, and it maintains client trust accounts that are audited annually in accordance with generally accepted auditing standards by an independent certified public accountant.
15. An approved Agency may state that it is approved to provide credit counseling services in compliance with the Bankruptcy Code. However, any advertisement that refers to such approval shall only be phrased in the following manner: "*Approved to issue certificates in compliance with the Bankruptcy Code. Approval does not endorse or assure the quality of an Agency's services.*" An approved Agency will not use the U.S. Bankruptcy Administrator's seal, the U.S. Bankruptcy Court's seal, or any seal of the United States or a likeness thereof.
16. It will provide written certification of a client's participation in a briefing and otherwise provide verification as requested by the U.S. Bankruptcy Court and the U.S. Bankruptcy Administrator.

I HEREBY DECLARE under penalty of perjury that the foregoing representations

are true and correct to the best of my knowledge, information, and belief.

Signature

Date

Appendix B: Matrix of Personnel Experience

(Application for Approval as a Nonprofit Budget and Credit Counseling Agency)

NAME OF AGENCY: _____
 ADDRESS: _____
 FEDERAL TAX ID #: _____

Credit Counseling Counselor Qualifications											
	Employee #1	Employee #2	Employee #3	Employee #4	Employee #5	Employee #6	Employee #7	Employee #8	Employee #9	Employee #10	

EDUCATION - Highest Degree Received (check one)

High School										
A.D.										
B.A./B.S.										
M.S.										
J.D.										
Ph.D.										
Other*										

COUNSELOR CERTIFICATION (check all that apply)

NFCC										
AICCA										
CFP										
AFC										
CPA										
Other *										

EXPERIENCE (state years of experience)

Credit Counseling										
Personal Financial Management										
Consumer Credit Education										
Financial Planning										
Consumer Economics										
Marketing										
Sales										
Other *										

BACKGROUND (check if employee background check has been completed in last five years with no criminal conviction for fraud, dishonesty, or false statements)

Criminal Check										
No Criminal Conviction										

*Disclose on separate page.

TAX INFORMATION AUTHORIZATION

Name of the Organization Employer Identification No.

Address of the Organization

Hereby authorizes the Internal Revenue Service to disclose its returns and return information (as that term is defined in I.R.C. § 6103(b)) for tax years 2002 through 2006, related to Forms 990 and 990T, including, but not limited to, whether the organization is currently under examination for those years, or the status of a pending application for recognition of tax exempt status, to officers and employees of the Administrative Office of the United States Courts and its Bankruptcy Administrator Program.

I certify that I have authority to execute this tax information authorization on behalf of the organization named above.

Name: _____

Title: _____

Signature: _____

Date: _____

Note: Treasury Regulations require that this authorization be received within 60 days of its execution by the taxpayer.