

2021

AFCC

Round-Up

A YEAR OF ACTION

December 24, 2021



AFCC

American Fair
Credit Council

CEO Message

I am pleased to present the first American Fair Credit Council (AFCC) Annual Report. Included is an overview of the work and accomplishments of your association in 2021, which proved to be another busy year. During the past year we have been incredibly engaged, pursuing the interests of the debt settlement industry and its clients in states and on the federal level as well as strengthening the credibility of our products with critical audiences around the country.

Throughout its history, the AFCC has been the lynchpin for businesses and organizations of all types involved in debt settlement services. When threats or opportunities have arisen, the AFCC has been there, paving the way to ensure the voice of providers is heard. This past year was no different, with the AFCC advocating for its members far and wide across the nation.

By being a member of the AFCC, you've invested in your future and that of the debt settlement industry. I am grateful for your membership and partnership as together we advocate for the industry as well as for consumers who deserve options when struggling with unsecured debt.

Together, throughout the year, we faced several critical challenges. We collectively navigated through an uphill legislative climb in California, where we won significant amendments to the Wicks bill, and in North Carolina, where we were able to stall legislation that would have made debt settlement illegal in the state – essentially killing the bill for this session. In Ohio, we introduced AFCC-led legislation that will allow debt settlement in the state, and the bill recently passed a committee vote.

This year the AFCC also continued a wide-ranging video advertising campaign, while deploying other promotional initiatives and branded content in support of our mission. These efforts helped to educate policymakers and other stakeholders on the benefit of debt settlement to consumers who are facing financial hardships. These videos have been key in helping us with state legislators.

In addition, we finished the latest iterations of the Regan and Dobbie reports, including adding two state reports this year, which have proven to be crucial as we illustrate the effectiveness of debt settlement. Finally, we are continuing to explore the best routes to framing debt settlement and the organization itself, ensuring we remain a potent force on behalf of our members and the wider industry.

But we still have work to do. In the coming year we expect new debt settlement regulations to be considered by the California Department of Financial Protection and Innovation (DFPI), and we continue to engage the Consumer Financial Protection Bureau (CFPB) to prevent the implementation of any

federal regulation or administrative action that would negatively affect consumers' unfettered access to financial products.

Since I joined the AFCC in January of this year I have learned a tremendous amount and take pride in advocating for the debt settlement industry. As we enter the new year, we are working on providing tools and benefits to help all AFCC members find success in the marketplace, including a new member only portal on our website, a guide to best practices in the industry, and a unified message that will help our industry better define the consumer benefit and value of debt settlement.

I want to thank the members of our board who have worked hard on behalf of the AFCC this year and without whom none of this would have been possible.

Thank you for the trust and support you give to the AFCC. I am excited by the opportunities that lie ahead and am proud of all we've accomplished in 2021. I look forward to advocating on your behalf in the upcoming year and driving the AFCC to new heights in support of the critical mission we fulfill each day for countless consumers across the country.



Sincerely,

Denise Dunckel

CEO // American Fair Credit Council

Advocacy & Government Affairs

Advocating for the Debt Settlement Industry

Throughout 2021, the AFCC gave the urgent situation in several states its undivided attention as certain policymakers tried to restrict – or totally eliminate – debt settlement in their state.

California

In California, we worked with Assemblymember Buffy Wicks after she once again introduced legislation that would have, if enacted as introduced, made it impossible to offer debt settlement in the state. However, after working closely with her and her office over a significant period of time, Assembly Bill 1405 was passed into law without harmful elements she included in previous iterations of her legislation, including a fee cap. In addition, we remain engaged with California's regulator as it ramps up operations and considers a regulatory framework for the debt settlement industry in the state.



California Assemblywoman Buffy Wicks

North Carolina

On the other side of the country, in North Carolina, Representative Julia Howard once again unveiled a bill which would brand offering debt settlement services in the state a crime. Rep. Howard pushed the bill quickly through her own committee, and then through the state's House of Representatives, but, after coordinating with our legislative allies and building awareness of the benefits the debt settlement industry provides to thousands across the Tarheel State, we were able to completely halt the progress of her legislation for good this session by stopping it in the Senate.

Ohio

In Ohio, we were able to work with state senators to add our bill opening the state for debt settlement providers to the state government's 'Build Back Better' agenda. After the AFCC participated in a press conference promoting the effort, we shepherded the legislation through several hearings with the Senate Financial Institutions and Technology Committee, as our own Steve Boms and others testified in support of its passage. We are continuing to advocate for the bill, amplifying its advantages for financially struggling Ohioans, and foresee further progress shortly.

Virginia

In Virginia, the AFCC was heavily engaged with the State Corporation Commission (SCC) as its Bureau of Financial Institutions proposed regulations to implement the debt settlement law that was enacted last year. While there is still work to do in that state, the AFCC's engagement with the SCC led to tangible improvements in the final regulation that was adopted late this year.

Other Work to Note

In other states, the AFCC has remained heavily involved in legislative and regulatory affairs. In New York, we opened discussions to move forward with a 'model bill' including legislation that would improve our services which could be reapplied to other locations around the country. In New Jersey, Wisconsin, Massachusetts, and Florida, we continue to be active, pushing for the interests of our members and the debt settlement industry.



AFCC CEO Denise Dunchel speaks at a July 2021 press conference at the Ohio Statehouse

Public Affairs

Educating Americans About Debt Settlement

In partnership with our government affairs efforts, the AFCC initiated several expansive messaging campaigns to support and provide ‘air cover’ for that essential work. Through extensive video advertising, grassroots activism, intervention with public officials, exhaustive reports, and other branded messaging, the organization has gotten the word out through multiple avenues about the importance of debt settlement to countless Americans.

Late in 2020, the AFCC conceived of an idea to expose target audiences in critical geographies, including California, North Carolina, Ohio, New York, Virginia, New Jersey, and Washington, D.C., with messaging promoting the positive aspects and consumer benefits of debt settlement. Over the course of six months, this effort produced three thirty-second spots to educate legislators, regulators, public officials, and their staffs and dispel many of the myths that have circulated about debt settlement providers. In total, we reached over eleven million impressions, garnering over three million alone in March, the last month of the campaign, completing a successful Q1.

Impressions by Geography

GEOGRAPHY	IMPRESSIONS
California	2.8 Million
North Carolina	2.4 Million
Ohio	1.8 Million
New York	1.7 Million
District of Columbia	1.3 Million
Virginia	920 Thousand
New Jersey	400 Thousand
Grand Totals	11.3 Million

In addition, the AFCC has also intervened directly with and through the media in critical states and during vital turning points to advance the cause of our members. Just in December, coupled with the rollout of new standards on third-party products and services, the AFCC published an op-ed in the outlet Morning Consult to trumpet the changes.

MORNING CONSULT COMPANY NEWS & ANALYSIS PRODUCTS

OPINION

New Dawn for Americans in Debt

BY DENISE DUNCKEL

In North Carolina, the AFCC CEO took Rep. Howard’s legislation to task, laying out the argument that debt settlement had provided hundreds of thousands in savings to struggling North Carolinians. We also partnered with officials from Americans for Tax Reform and the John Locke Foundation on another piece which was posted in the Carolina Journal and was heavily resonant with Republicans in the state’s Senate.

In Ohio, timed with the push for new legislation to turn the state green for providers, one more AFCC op-ed was penned and distributed through a widely read business outlet in the state, Crain’s Cleveland. And, finally, with the release of the ‘2020 Regan Report’, an additional op-ed was written to amplify the findings of that important work along with other produced content. Also, when it proved to be necessary, the AFCC took steps to amplify each work to be certain important individuals were exposed to our pro-debt settlement messaging.

CAROLINA JOURNAL NEWS OPINION RADIO VIDEO Q DONATE

OPINION

Debt settlement is a vital option for those in financial crisis



CRAIN'S CLEVELAND BUSINESS

July 18, 2021 04:00 AM

Personal View: Ohioans deserve more financial options for debt relief

DENISE DUNCKEL

The final major piece of the public affairs strategy of the AFCC in 2021 was the unveiling of the 2020 Regan Report as well as the latest edition of the Dobbie Report which offered an independent – and supporting – look into the results of the former. The Regan Report itself examined outcomes of 11.4 million individual accounts, while confirming the savings delivered through debt settlement to consumers, including the fact that debt settlement provided, on average, \$2.64 in consumer savings for each \$1.00 fees assessed.

[IS] OPINIONS ■ Finance

Debt Settlement: How One Service Helps Millions of Americans

Posted to [Finance](#) February 14, 2021 by [Denise Dunckel](#)

As the AFCC fought potentially onerous restrictions in California and North Carolina, two more subsets of the Regan Report were developed to showcase the overwhelmingly positive results of debt settlement in each state. The North Carolina edition combed through outputs of over 466,000 individual accounts for nearly 70,000 consumers, while California encompassed nearly 230,000 enrolled clients with over 1.6 million accounts. All told, nearly \$8 billion in debt was accounted for between both states, illustrating the massive weight carried by many clients as well as the savings experienced by them, reflecting the result of the wider report.

The
Fayetteville Observer

Bad bill in NC House would block debt relief, lead to bankruptcy for North Carolinians

Denise Dunckel

Published 7:00 a.m. ET May 22, 2021

AFCC 2021 Conferences

Connecting In-Person and Virtually

With the unprecedented circumstances of a pandemic to contend with, and after a 20-month hiatus, the AFCC held two biannual conferences in Miami and Las Vegas in May and September, bringing together decisionmakers, board, and members to meet and chart the course of the wider industry for the future.

AFCC Spring Conference

In Miami, the 2021 Spring Conference was held at the Eden Roc Hotel and featured an introduction of the new AFCC CEO and a compliance update from Robby Birnbaum. In addition, Congressman Andy Barr, a member of the Subcommittee on Consumer Protection and Financial Institutions of the U.S. House Financial Services Committee, spoke about choices in financial alternatives and avenues to safeguard consumer interests. Former Deputy Director of the CFPB, Thomas Pahl, answered questions from the audience and shared his perspective on the priorities of the Biden administration and the effect of their policies on the financial services industry.



The AFCC welcomes participants to the Spring Conference



AFCC CEO Denise Duncel speaks at the Spring Conference



The AFCC Spring Conference continues in Miami

AFCC Fall Conference

Across the country in September, the AFCC held the 2021 Fall Conference at the Encore at Wynn Hotel in Las Vegas. Included in the conference were several roundtable discussions – such as the future of debt settlement terminology – in addition to a compliance update from the AFCC Board President, a presentation from AFCC legislative team members Steve Boms and Bob Linderman, as well as moderated panels of industry thought leaders. Moreover, California Assemblywoman Buffy Wicks joined to speak about her debt settlement bill which recently became law. We also hosted Elise Freedman from Korn Ferry who led an interactive session to help company leaders navigate this changing world of remote work and a potential return to the office.



The 'State of the Industry' is held with Sean Fox, Corey Butcher, John Filby, and Yolanda Shufford in Las Vegas

Member Benefits & Services

Throughout its history, the AFCC has offered invaluable services to its members. Through tireless efforts, it has promoted the interests of member companies and provided a platform for the countless success stories from debt settlement clients past and present.

Member Benefits

- | | |
|-------------------------------|---|
| • Industry Updates and Alerts | • Friday Power 30 |
| • Accreditation Support | • Member-Only Calls |
| • Biannual Conferences | • Roundtable Discussions |
| • Shared AFCC Budget | • Promotional and Educational Resources |
| • Use of AFCC Logo | |

One of the key services provided by the AFCC for years is accreditation. By becoming an accredited member of the organization, a company agrees to hold itself to the highest standards in the debt settlement space, confirmed through an independent audit and verification process. Accredited members also follow the AFCC Code of Conduct to the letter, preserving the interests of the consumer throughout their debt settlement

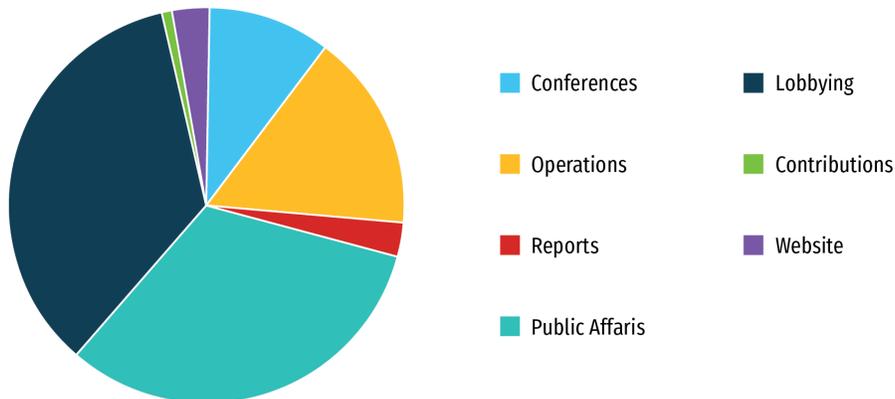
programs. In return, these members receive special recognition across the AFCC website and are permitted to display the 'Accredited Member Seal' on all consumer marketing collateral. As of December 31, 2021, all AFCC members must be accredited, a policy that will help advance the debt settlement industry with regulators and state legislators. If you have not yet scheduled your audit with BSI, please see further information at <https://americanfaircreditcouncil.org/become-a-member>.

A more recent creation was established through the 'Friday Power 30' which is a 30-minute call each Friday where members can interact directly with the AFCC CEO as well as other board members, officials, and consultants who support and advocate for the organization. They also have the ability to share any of their thoughts or developments within their own company as they receive updates from the organization. Particularly as the AFCC considers its own future, as well as the future of the debt relief space, these calls as well as the opinions of members will continue to be a precious resource, central to the direction we take in 2022 and beyond.

In addition, as a part of the Las Vegas Conference, the AFCC held several roundtables, including discussions on the valuation of debt settlement companies, licensing, new AFCC compliance requirements, consumer suitability, credit repair, accreditation audits, improvements to the consumer experience, diversifying a debt settlement business, and the 'rebrand' of debt settlement. The last topic, led by the AFCC CEO, garnered the thoughts, opinions, and concerns on any potential shift away from "debt settlement" as well as possible replacements to be used by member companies. The consensus across each individual roundtable on this topic was that the current wording used by the industry is unalterably tied to the difficulties of the past, and the possibility of new language should be examined by the AFCC. We are continuing to investigate the potential of a rebrand and will keep members in the loop as any process moves forward.

Throughout 2021, the budget was a closely guarded resource. Each dollar paid in fees to the AFCC reaped rewards and benefits for AFCC members and the industry throughout the year. The chart below illustrates the overall breakdown for spending for the AFCC in 2021:

2021 Budget Breakdown Through Q3



AFCC Executive Board of Directors

The American Fair Credit Council works on behalf of its members to advocate with federal regulators and state legislators. We represent companies of all sizes, and our Executive Board of Directors represents that diversity.

Executive Board of Directors

Robby H. Birnbaum, Partner, Greenspoon Marder LLP
Director & AFCC Board President

Robert Linderman, AFCC Vice President & Legal, Transactional and Regulatory Expert
Director & AFCC Board Vice-President

Andrew Houser, Co-Founder and Co-CEO, Freedom Financial Network, LLC
Director

Teresa Dodson, CEO and Founder, Greenbacks Consulting
Director

Bradley Smith, CEO and Co-Founder, Rescue One Financial
Director

Kristie Bender, Consultant, Global Holdings
Director

Dr. Diane Chen, Executive Director, Institute of Consumer Money Management (ICMM)
Independent Director

Andrea K. Mitchell, Managing Partner and Founding Member, Mitchell Sandler LLC
Independent Director

David Green, Founder and CEO, Greenwise Financial
Director

Dan Frazier, CEO, Century Support Services
Director & Treasurer