

2013

ANNUAL REPORT





PRESIDENT'S MESSAGE

Joel Greenberg
President and CEO

“We know that we can make a difference... we have the solutions.”

Maintaining stability in a turbulent economy has been challenging for American consumers as well as the credit counseling industry. It requires an increased focus on the fundamentals, coupled with an ability to respond positively to change and keep moving forward. What separates Novadebt from other financial counseling agencies is our proven adaptability in providing individuals and families with programs and services that are right on time for their changing needs.

What we know today is that credit card debt continues to decline, and delinquencies are at record lows.

The number of households facing foreclosure continues to decline.

Bankruptcy filings are down.

Where others see decline, we see an opportunity to serve; the need for empathic financial counseling has never been stronger and for American consumers, the stakes have never been higher.

Student loan debt has become the second highest form of consumer debt (after mortgage debt), hitting \$1.2 trillion. There is no doubt this is our next big challenge.

Our children need better direction and more information, before they make decisions that will lead to what may be a lifetime of debt that could even be handed up to the prior generation. And they need help understanding the implications of their debt, and their responsibilities, after they sign those promissory notes.

We need to help this generation better navigate this difficult road. This has always been the core of our mission.

What better way to say this than to change our name to Navicore Solutions.

Our extraordinary team of counselors and support staff is now focused on helping students navigate the pothole-filled road of student loans, and improve their financial well-being. We know that we can make a difference...we have the solutions.

We have also begun to pave the road for all those Americans facing a confusing labyrinth of healthcare choices by providing our navigation skills and knowledge.

And we will continue to provide the guidance and program assistance needed by those who are facing unmanageable credit card debt and housing debt.

In the fall of 2014, we will be entering our new headquarters building in Manalapan, NJ. With nearly double the room of our existing space, and our improved facilities and location, we are certain we can meet the increasing needs of our clients and our extraordinary staff.

Welcome to Navicore Solutions...the new standard for the challenges of our times.

Joel Greenberg
President and CEO

CHIEF OPERATING OFFICER'S MESSAGE

Jill Feldman

EVP of Administration/COO



We believe every challenge presents an opportunity for growth. In fact, our business model is based on it. We seek first to understand the hardships faced by consumers, individuals and families; we develop a comprehensive understanding of their needs; we design a compassionate counseling model that addresses those needs; and we deliver superior counseling solutions to our customers. This model ensures our leadership position in the industry, fuels the financial strength of the organization and most importantly, enables us to consistently provide quality counseling solutions to the individuals and families we so proudly serve.

The impact of the economy on the credit counseling industry was significant in 2013; despite these challenges, our priority was clear – setting the stage for strategic growth. We made great strides throughout the year and laid significant groundwork for diversifying our program and service offering through exciting new channels. With an unwavering focus on preserving the fiscal health of the organization, we ended 2013 well-positioned for future growth.

Organizational achievements in 2013 began on the national level with our designation as a HUD-Approved National Housing Counseling Intermediary and continued with our selection to participate in the National Foundation for Credit Counseling (NFCC) nationwide financial stabilization campaign, Sharpen Your Financial Focus™. State-level initiatives included our selection to participate in the Sandy Homeowners Rental Assistance Program (SHRAP), which provides New Jersey residents impacted by Superstorm Sandy with funds to be applied to past due mortgage, rent and utility payments. We were also honored to participate in the ReStart Home Preservation Program administered by NJ Community Capital, which in an effort to preserve communities, offers loan modification assistance to homeowners in certain distressed areas of New Jersey.

Novadebt's national student loan counseling program, which was launched in 2012, remained an exciting area of focus in 2013. We made significant progress in the development of student financial literacy programs, and we continue to explore new service channels and enhance our student loan counseling model in order to provide solutions to borrowers, as well as those who are exploring college financing options. As a founding member of the Student Loan Alliance (SLA), we are proud to serve as a trusted resource for consumers and are firmly committed to providing relief to students, graduates and families who are struggling with the increasing burden of student loan debt.

Our dedicated employees continued to deliver the highest levels of service to our clients in 2013. Housing Counselor, Manny Gonzalez's selection as the Homeownership Preservation Foundation (HPF) 2013 Counselor of the Year was an additional source of pride for the entire organization.

While we look back on 2013 with much pride, our energy is focused on the needs of the consumers we serve. We continue to forge ahead with the expansion of our program and service offering, building upon longstanding relationships with our partners and developing new and exciting ways to deliver innovative counseling solutions to individuals and families nationwide.

Thank you for your continued support,

A handwritten signature in black ink, appearing to read 'Jill Feldman'. The signature is stylized and fluid, with a large initial 'J' and 'F'.

Jill Feldman
EVP of Administration/COO

OUR MISSION

Novadebt, a non-profit organization, is committed to assisting families and individuals in need by providing free financial education, community outreach and housing and credit counseling services; all with compassion and the utmost commitment to quality and integrity.



OUR CORE COMPETENCIES

- Quality & Compassionate Counseling
- Excellence in Customer Service
- Organizational Ethics, Reputation & Consumer Advocacy
- Ability to Build Capacity & Scale For New Programs & Services
- Relationship Building & Responsiveness to Third Parties



OUR CLIENTS

- In 2013, 97% of respondents indicated they were satisfied with the overall program/services offered by Novadebt.
- A total of 98% of the respondents indicated they would recommend our services to others.
- Approximately 790,000 consumers nationwide have received assistance through Novadebt's counseling services.
- Approximately 137,000 clients nationwide have been serviced on our debt management program.

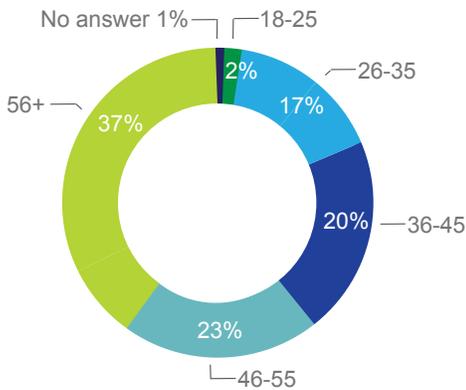


93%
2013
Customer
Service
Satisfaction
Rating

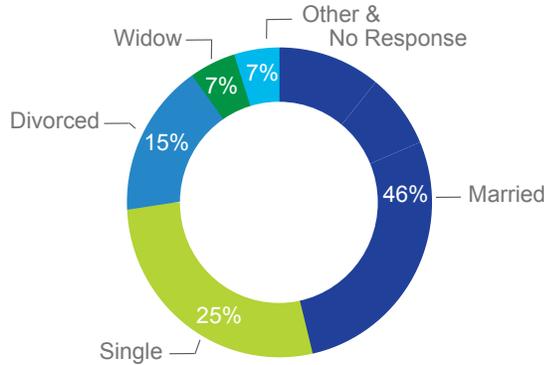
2013 CLIENT SNAPSHOT



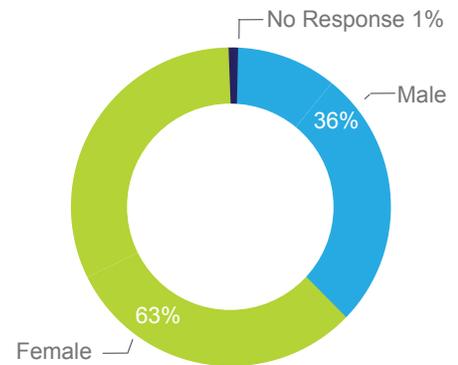
AGE



MARITAL STATUS



GENDER



REASON FOR CONTACTING NOVADEBT

Reduced Income, Unemployment	56%
Poor Money Management	20%
Medical, Accident, Disability	10%
Personal Domestic Conflict, Divorce, Separation	7%
Death of Family Member	3%
Not Classified, Other	2%
Confidential Matter	1%
No Response	1%

“I’ve monitored my credit score while with Novadebt and watched it improve by over 80 points. The advice given has been timely and sound. Thank you very much.”
-RJ from Arizona



2013 MILESTONES



- Novadebt was selected to participate as a provider of program services in the Sandy Homeowners Rental Assistance Program (SHRAP). The program provides community members impacted by Hurricane Sandy with funds to be applied to past due mortgage, rent and utility payments.
- As a member of the NFCC, Novadebt had the opportunity to participate in the financial stabilization campaign, Sharpen Your Financial Focus™. In addition to providing consumers with the tools needed in order to help make wise money decisions, the program also focuses on providing financial literacy and coaching to active and retired military personnel.
- Novadebt was designated by the U.S. Department of Housing and Urban Development (HUD) as a National Housing Counseling Intermediary, which expanded our reach in assisting consumers nationwide.
- Novadebt was selected by the Community Loan Fund of NJ, Inc. to participate as a service provider in the ReStart Home Preservation Program administered by NJ Community Capital. The goal of the program is to modify loans for homeowners in distressed areas of NJ in an effort to preserve communities. As part of the program, Novadebt housing counselors provide counseling to homeowners, determine their eligibility and prepare and submit their program paperwork.
- Selected to participate in the Illinois Attorney General's funded program for Housing Counseling and Community Revitalization in Peoria and Champaign.
- Novadebt's Education Outreach Coordinator was invited to serve as a Board Member for the New Jersey Coalition for Financial Education.
- Novadebt implemented the Document Preparation Program, which benefits homeowners by expediting the loan modification approval process.

“Novadebt is
one of the best
companies
I have ever
worked with.
Thanks to you,
we are almost
completely
out of debt..”

-SB from Oklahoma



FOSTERING FINANCIAL LITERACY & EDUCATION

Novadebt's Education Outreach Team is committed to providing consumers across the country with solutions-based financial education programs and to developing innovative education initiatives.



2013 EDUCATION HIGHLIGHTS

- Novadebt took the opportunity to provide financial crisis counseling and became involved with Long Term Recovery Groups when Superstorm Sandy severely impacted the entire area around our Freehold, New Jersey office, followed by a tornado that ripped through the neighboring towns near our Peoria, Illinois office.
- An area of focus for the Education Outreach Team in 2013 was the development of literacy and education tools addressing the burdens of student loans and the current national student loan crisis.
- New program ventures in 2013 included the development of several workshops for Spanish-speaking consumers and a new financial literacy series for victims of domestic violence.

2013 EDUCATION INITIATIVES

- Monmouth County Department of Labor – The Monmouth County Department of Labor in conjunction with the NJ Department of Human Services offers the Work First New Jersey program, which provides the tools necessary for NJ welfare recipients to find secure employment. Novadebt provides program participants with financial education workshops and one-on-one credit and budgeting counseling related to managing their personal finances while on welfare. Our Education Outreach Team also teaches workshop participants how to handle fiduciary responsibilities once gainfully employed.
- Illinois Joining Forces – Illinois Joining Forces (IJF) is a collaborative of both public and private organizations with the shared focus of assisting and providing one-stop shopping of services to servicemen, their families and veterans. Novadebt is proud to provide financial education workshops with a focus on military family finances and financial literacy. In addition, we have penned free education materials that are currently co-branded by IJF and provided to all families and individuals in need.

Novadebt staff facilitated **289** workshops that assisted an estimated **6,700** participants and participated in over 35 seminars/exhibits that were attended by over **16,000** individuals.

Communicated more than **642** nationwide resources, which are available to our clients in the areas of student loans, financial aid/assistance, healthcare, bankruptcy, credit reports, identity theft, homeownership and more.

Provided **119,477** pieces of free educational material to those in need.

HELPING CONSUMERS NATIONWIDE

Quality and compassionate counseling are fundamental to achieving our mission and serve as the guiding principles for every one of Novadebt's Certified Credit Counselors. Our commitment to excellence led to several advances in 2013 in the areas of customer service, business development and community outreach.



- In 2013, in cooperation with the Student Loan Alliance (SLA), the department instituted a comprehensive student loan counseling program. From its inception, this initiative has led the industry in providing dedicated analysis, education and resources to consumers burdened by student loans and unsecured debt. Novadebt established a complimentary counseling model committed to providing education to consumers through the structure of student loan repayment options and assisting clients experiencing challenges in managing their debt.

Our Certified Student Loan Counselors continue to uphold the integrity of financial wellness and approach this service with the same mission and counseling commitment by which Novadebt has been renowned.

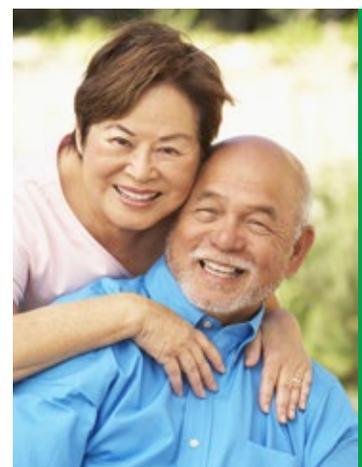
- Throughout 2013, Novadebt Credit Counselors provided money management skills to consumers nationwide through the National Foundation for Credit Counseling (NFCC) Sharpen Your Financial Focus™ financial stabilization initiative. Counselors helped consumers with appropriate solutions, budget management tools and resources, and provided them with access to online tools and resources to help develop customized budgets and action plans that best meet their financial needs.

- Exciting business cooperative initiatives and development projects were launched in 2013, including Novadebt's Financial Wellness Program. Through this initiative, employees in community workplaces are offered Novadebt's financial counseling services and personal finance education.

The program aligns our services with existing Employee Assistance Programs (EAP). The goal of the program is to ease the financial distress experienced by employees, which research demonstrates has a significant impact on workplace issues including diminished productivity and increased absenteeism.

- Additional emphasis was directed toward providing comprehensive credit counseling to consumers through Novadebt's Professional Referral Network. The program was established in 2012 to bring awareness to Realtors who could benefit from offering and promoting counseling and education to first time homebuyers and existing homeowners.

"I feel like Novadebt saved us from ruin. I would recommend your program to anyone"
-TH from South Carolina



CREDIT COUNSELING IN NUMBERS

Budget Counseling Sessions Completed = 106,310

Credit Counseling Sessions Completed = 15,099

Education Sessions Completed = 719



AVERAGE DEBT MANAGEMENT PROGRAM CLIENT

Average Number in Household = 2

Average Monthly Expenses = \$3,776

Average Monthly Net Income = \$3,133

Average Budget Variance = -\$643

Average Number of Credit Cards = 5

Average Credit Card Debt = \$25,461

Average FICO Score = 618

AVERAGE STUDENT LOAN COUNSELING DATA

Average Monthly Student Loan Payment = \$259

Average Amount of Student Loan Debt = \$46,900

Average Percentage of Clients Counseled in Default = 15%



HELPING HOMEOWNERS ACROSS THE COUNTRY



The second program initiated in 2013 was Novadebt's Document Preparation Program. The mission of this program is to help homeowners apply for mortgage assistance with their lender and help the homeowner throughout the process. Eligible clients work with a Novadebt representative who assists them with assembling their application and then submits the application on their behalf. Our representative then works directly with the lender and the homeowner until a decision is made.

Helping families to remain in their homes and assisting those who dream of becoming homeowners are the primary goals for Novadebt's Certified Housing Counselors. During 2013, the organization dedicated itself to two new housing programs, the first being the U.S. Treasury's release of Supplement Directive 13-08. The program requires lenders to offer post modification counseling to certain borrowers. Novadebt was selected to participate in this program with the goal of providing counseling to clients beginning in the first quarter of 2014. This program is designed to provide homeowners who have completed loan modifications with the tools and information necessary to be successful in their new modifications. Novadebt's counseling model focuses on financial coaching and building financial capacity.

*"Thanks for your professional service and giving our family a chance to become more secure in dealing with a financial hardship."
-VE from South Carolina*



2013 HOMEOWNERSHIP PRESERVATION FOUNDATION COUNSELOR OF THE YEAR

It was an amazing year for Novadebt Housing Counselor, Manny Gonzalez. Manny was not only selected as Novadebt's 2013 Housing Counselor of the Year, but was also selected out of all the Homeownership Preservation Foundation's (HPF) network agencies as the 2013 HPF Counselor of the Year. His expert level of dedication, commitment and quality are only a few qualities that helped propel Manny to receive both honors.



Photo credits (left to right): Danny Garcia-Velez, VP Programs and Counseling, HPF; Isis Rockwell, Housing Director, Novadebt; Linda Davis-Demas, Director of Quality Control and Grants, HPF; Manny Gonzalez, Housing Counselor, Novadebt; Maureen Anderson, VP Quality Control, HPF; Michelle DiMauro, Housing Department Manager, Novadebt

Manny Gonzalez joined Novadebt as a Housing Counselor in November 2011. Manny's counseling approach, dedication and commitment to helping others is unparalleled. He has displayed a deep understanding of the counselor role as well as the ability to effectively implement Novadebt's compassionate counseling model in his everyday interaction with clients. This is highlighted by Manny's ability to adapt his personality to best communicate information to clients. Manny continues to receive substantial positive feedback from clients he has

helped to remain in their homes. He also receives letters of thanks from clients who were unable to save their homes, but expressed their appreciation for Manny's empathetic and compassionate ability to clearly explain their situation and options.

During his tenure as a Housing Counselor at Novadebt, Manny has helped more than 2,000 families. He has been an integral part of the success of the Fannie Mae Post Mod program, which contributed to the development of the Treasury Department Supplemental Directive to implement SD 13-08 and offer the Post Mod counseling to Non GSE loans. In addition to being a successful counselor, Manny has contributed to the training of new counselors on both the Homeowner's HOPE Hotline and Post Modification programs, which assist homeowners in distress. He is looked up to and respected by his peers, and is often the person other counselors turn to as a mentor.

Manny views his role as a counselor as more than a job; he has chosen counseling as his career path and is active in a mentorship program designed to attract top quality counselors to continuously improve the quality of the services we provide to our clients. Novadebt is proud to recognize Manny for his accomplishments and for his selection as the 2013 HPF Counselor of the Year.

2013 HOUSING IN NUMBERS

Foreclosure Prevention Counseling Sessions = 34,780

Post Modification Sessions = 8,036

Reverse Mortgage Sessions &
Pre-Purchase Sessions = 652



AVERAGE HOUSING CLIENT

Average Number in Household = 2

Average Monthly Expenses = \$3,972

Average Monthly Income = \$3,546

Average Budget Variance = -\$426

Average Credit Card Debt = \$7,278

Average FICO Score = 600

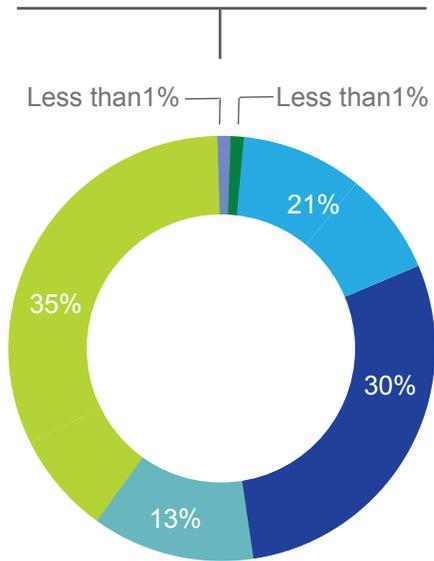
“Prior to reaching out to Novadebt, my anxiety and stress levels were unbearable. Your organization has helped me regain my confidence and emotional strength.”

-MD from Florida



2013 FINANCIAL SUMMARY

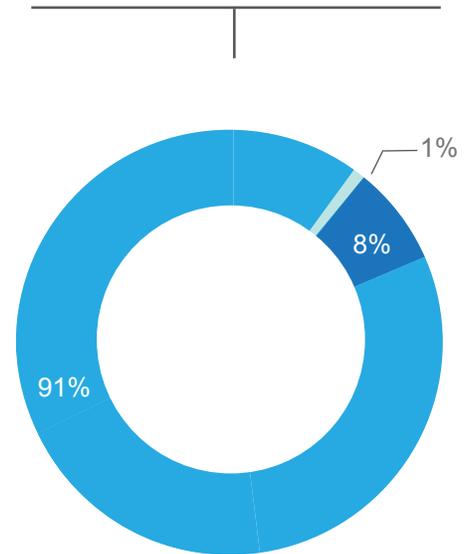
Total Revenue \$22,409,816



REVENUE SOURCES

- Grants, Contributions & Service Contracts
- Client Fees
- Creditor Contributions for DMP
- Housing Counseling
- Bankruptcy Counseling & Education
- Other Income

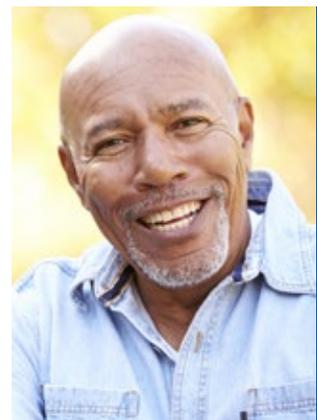
Total Expenses \$22,172,130



EXPENSE CATEGORIES

- Program Service Expenses
- Management & General Expenses
- Fundraising Expenses

“I am regularly impressed with the knowledge and commitment of Novadebt personnel. I always feel like I am getting special, personal treatment.”
-WT from Virginia



LEADERSHIP

Joel Greenberg, *President & CEO*

Jill Feldman, *EVP of Administration/COO*

Todd Suler, *Chief Financial Officer*

Diane Gray, *Vice President of Counseling & Education*

Cindy Ferraro-Anders, *Vice President of Industry Relations*

THANK YOU TO OUR 2013 MAJOR CONTRIBUTORS

American Express

Bank of America

Capital One

JP Morgan Chase

Citigroup

Discover

GE Capital Retail Bank

Homeownership Preservation Foundation (HPF)

HSBC

Illinois Housing Development Authority (IHDA)

National Foundation for Credit Counseling (NFCC)

New Jersey Housing & Mortgage Finance Agency (NJHMFA)

US Bank

US Department of Housing & Urban Development (HUD)

Wells Fargo



“The service is so seamless that I almost forget I am enrolled. Thank you so much for the assistance. Although I am now re-employed, it is a great relief to know you are still working on my behalf.”
-CJ from Maryland

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AFFILIATIONS • MEMBERSHIPS • ACCREDITATIONS

Better Business Bureau (BBB)

National Foundation for Credit Counseling (NFCC)

Home Preservation Foundation (HPF)

Council on Accreditation (COA)

U.S. Department of Housing and Urban Development (HUD)

Student Loan Alliance (SLA)

JumpStart Coalition for Financial Literacy

Executive Office of the U.S. Trustees (EOUST)

Fair Housing Board of Monmouth County

NJ Coalition for Financial Education (NJCFE)

NOVADEBT OFFICE LOCATIONS



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