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MMI Survey Shows Positive Impact of Bankruptcy Counseling & Education

At 2-year anniversary, BAPCPA Counseling Mandates Prove Beneficial for Consumers

HOUSTON, TX – Money Management International (MMI), the nation's largest full-service credit and debt counseling firm, today announced the results of a survey designed to measure the impact of its bankruptcy counseling and education programs.

The Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) took effect in October 2005, and included consumer counseling and education mandates among its regulations. Before filing for bankruptcy, debtors are required to complete an approved credit counseling session. After filing, debtors must complete an approved financial education course before they can discharge their debts. These requirements were included to ensure that consumers were making an informed choice about bankruptcy, its alternatives and consequences. Perhaps more importantly, they were designed to provide debtors with the financial skills necessary to build a strong financial foundation and avoid future financial problems.

"We were proud to be designated as one of just a handful of national credit counseling agencies approved to offer pre- and post-bankruptcy counseling and education," said Ivan Hand, CEO of MMI. "As the program entered its second year, we were eager to know exactly what kind of impact our education and counseling was having on consumers."

To measure the impact of its programs, MMI collaborated with Dr. Angela Lyons, a leading researcher in financial education and program evaluation at the University of Illinois. Lyons, in direct partnership with MMI, used pre- and post-tests to measure changes in debtors' financial knowledge, current and intended behaviors, and overall satisfaction with MMI's bankruptcy counseling and education. The results point to clear success: debtors' financial knowledge and behavioral awareness and intentions improved as a result of both the bankruptcy counseling and education. More than 94 percent of debtors felt that their overall ability to manage their finances had improved as a result of the counseling. 98 percent of debtors felt that their overall ability to manage their finances had improved as a result of the education. Moreover, pre-and-post testing showed that counseling participants' financial knowledge improved by nearly 15 percent while education participants' knowledge increased by 6.5 percent.

These results have important legislative and educational implications with regards to whether the current counseling and education requirements are helping debtors' make informed financial choices. "In today's financial climate, it is more important than ever that leading providers of financial education are measuring the impact of their programs. The results from MMI's study set

a national standard that will help other bankruptcy counseling and education providers improve their programs and services," said Lyons. To download a complete copy of the report and learn more about the impact of bankruptcy counseling and education on debtors' financial well-being, visit www.moneymanagement.org/PressRoom.

SOURCE: Money Management International, Inc.

Money Management International (MMI) is a nonprofit, full-service credit-counseling agency, providing confidential financial guidance, financial education, counseling and debt management assistance to consumers since 1958. MMI's counselors are both HUD certified to deliver housing counseling services, including delinquency mortgage counseling, and approved by the EOUST to deliver bankruptcy counseling and education. Counseling is available by appointment in branch offices and 24/7 by telephone and Internet. Services are available in English or Spanish. To learn more, call 800-762-2271 or visit www.MoneyManagement.org.