

**INCHARGE<sup>®</sup> INSTITUTE OF AMERICA, INC.**

**AND**

**DEPARTMENT OF DEFENSE**

**MEMORANDUM OF UNDERSTANDING**

**I. Purpose and Basis for the Memorandum of Understanding**

This Memorandum of Understanding (MOU) establishes a partnership between the InCharge<sup>®</sup> Institute of America, Inc. and the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy). The partnership allows, under conditions outlined in this MOU, military installations throughout the Department of Defense (DoD) to use the programs, services and materials of the InCharge<sup>®</sup> Institute as part of the DoD campaign to improve the financial readiness of Service members and their families.

The purpose of the DoD financial education initiative is to assist Service men and women and their immediate families in their efforts to build financial stability through reducing debt and establishing savings goals.

**II. InCharge<sup>®</sup> Institute of America, Inc.**

The InCharge<sup>®</sup> Institute of America, Inc. is a non-profit organization that empowers consumers to take charge of their finances. The InCharge<sup>®</sup> Institute has been established as a family of services devoted to providing long-term debt solutions through customized counseling and financial education. Its mission is to improve the knowledge, skills, attitudes, and financial behaviors of consumers by providing high quality personal finance education products and services. Its goal is to be the most respected source of research on consumer credit, money management, and financial wellness.

**III. Description of InCharge<sup>®</sup> Institute Programs, Services and Materials**

The InCharge<sup>®</sup> Institute provides core financial support services through multiple interactive Web sites, CD-ROM programs, books, periodicals, brochures, newsletters, slide calculators, toll-free telephone counseling, and innovative partnerships to increase educational outreach. Two of its most successful initiatives are the Credit Compass consumer credit education program and the "Military Money" magazine, Web site and radio public service announcements.

#### **IV. Department of Defense**

The DoD represents over 2 million Active Duty, Guard and Reserve Service members in three military departments – Army, Navy and Air Force. As part of its social compact with Service members and their families to care for their quality of life, DoD provides personal finance education and training to prepare them for their changing financial needs. Enlisted Service members receive the bulk of their basic financial education during the first 18 months of service. Personal finance education and counseling programs are available through family assistance programs for Service members and their families. In addition, they can access personal financial assistance through a toll-free telephone assistance program and through the Internet.

#### **V. Responsibilities**

The Office of the Deputy Under Secretary of Defense (Military Community and Family Policy) and the InCharge<sup>®</sup> Institute agree to the following:

##### **A. Responsibilities of the InCharge<sup>®</sup> Institute:**

1. Allow its personal finance education products and materials to be made available to military members and their families, worldwide at no cost.
2. Publish and distribute 100,000 to 200,000 copies of the quarterly Military Money magazine and maintain the companion Web site ([www.militarymoney.com](http://www.militarymoney.com)) specifically addressing military spouse personal finance issues at no cost. In addition, provide public service announcements for Armed Forces Radio, called the “Military Money Minute,” as a companion promotional activity to the magazine and Web site.

The National Military Family Association (NMFA) will have the option to review the Military Money magazine for content, layout, design and advertisements, prior to publication to ensure that the magazine is relevant and follows DoD protocols. The review time will be limited to no more than 5 work days in order to ensure the timely distribution of the magazine. The NMFA will have the option of submitting relevant articles for inclusion if it so desires. Quantities may be increased depending upon the popularity of the magazine.

3. Provide up to 5,000 copies of the Credit Compass consumer credit education program in CD format and up to 50,000 web-based licenses to military personal financial managers at no cost. Quantities may be increased depending upon the popularity of the program.
4. Counseling services as follows:

**Certified Counselors:** InCharge® Debt Solutions has up to 180 full-time, certified counselors available at any one time to serve military callers. InCharge® counselors are certified by the Association for Financial Counseling and Planning Education (AFCPE). The Care Center hours are from 7:00 am – 3:00 am Monday through Friday, 8:30 am – 7:30 pm Saturday, and 10:00 am – 9:00 pm Sunday, Eastern Standard Time.

**Specialized Counselor Training in Military Finance Issues:** InCharge® Debt Solutions will work with the Department of Defense to ensure that counselors understand key military terms and are educated on the financial lifestyle issues that are most important to military families.

**Priority Calls:** Military callers will call in via specially assigned phone numbers that will be given highest priority in our Care Center. As a result, military callers should not have to wait in queue for the service they need.

**International Call Handling:** InCharge® Debt Solutions will modify their phone service to be able to field international toll-free calls. Military Service members stationed overseas will be able to access credit counseling at no cost.

5. Debt Management Services (for those who qualify) as follows:

**No Setup Contribution:** InCharge® Debt Solutions will waive its standard \$40 setup contribution for all military callers who qualify to enroll in the debt management program.

**Minimum Monthly Contribution:** InCharge® Debt Solutions will request a voluntary monthly contribution of \$10 from its military clients – reduced from the average client contribution of \$24 per month. Contributions are voluntary and InCharge® Debt Solutions will provide the same high quality service regardless of the ability or willingness of the client to make a contribution.

**Welcome Kit:** Every new debt management client will receive the InCharge® Debt Solutions “Welcome Kit,” an educational guide that allows the client to organize his/her financial records and keep track of educational materials. The Welcome Kit includes a welcome guide (debt management program introduction and answers to frequently asked questions), credit compass CD-ROM, a tabbed binder for filing statements and creditor information and the first three sections of the “Mind Your Finances” booklet series.

**Ongoing Counseling and Education:** Once part of the InCharge® Debt Solutions debt management program, the client will continue to receive the same access to expert

financial counseling and education materials throughout the term of the enrollment. This includes the remaining nine sections of the "Mind Your Finances" series.

6. Financial Education (for all callers): Regardless of the nature of the call and without respect to whether a debt management plan is prescribed, all military callers will receive the following, free of charge as a way of keeping in contact with the caller and improving the caller's understanding of their financial situation:

"Your Money": A set of 6 financial guides, distributed over a period of one year, that focus on different issues ranging from creating a spending plan to understanding a credit report. These guides are designed to serve as a sound financial resource for individuals – even those who don't meet the criteria for the debt management plan. Those who do not wish to receive the series can opt out at any time.

Credit Compass: Every military caller who contacts InCharge® Debt Solutions will be given free access to Credit Compass, online, via CD-ROM or in workbook format.

#### B. Responsibilities of DoD:

1. DoD, through the Military Services and Defense Agencies, will promote the use of the InCharge® Institute products and services:

Organize efficient distribution of Military Money Magazine to maximize readership and minimize waste.

Link [www.militarymoney.com](http://www.militarymoney.com) to DoD Web sites to increase readership.

Inform Service members and their families of the benefits provided through the InCharge® Debt Solutions program.

2. DoD will review, along with NMFA, proposed content, layout, design and advertisements associated with Military Money Magazine prior to publication.

#### VI. Amendment

The MOU will be reviewed annually, and may be amended as agreed to in writing by both parties.

#### VII. Effective Date and Termination

The MOU will become effective upon the signature of the authorized officials of the respective parties. It shall remain in effect until terminated by mutual agreement or 60 days advance written notice by either party.

## VIII. Limitation


This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment of any party or parties hereto either individually or collectively. This MOU does not create any rights either on the part of any party hereto or any third party. Any provision of this MOU that conflicts with federal law will be null and void.

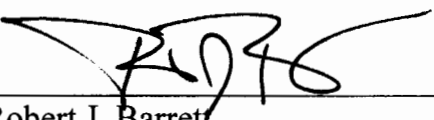
## IX. Points of Contact (POC)

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## X. Signatures

  
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John M. Molino  
Deputy Under Secretary of Defense (Military Community and Family Policy)  
Department of Defense      JUN 28 2004  
Date: \_\_\_\_\_

  
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Robert J. Barrett  
President and Chief Executive Officer  
InCharge® Institute of America, Inc.  
Date: 7/13/04