



## **MCRC's 2010 Annual Report**

### **Letter from the Executive Director**

As MCRC enters its 10th year, it is clear that the need for consumer advocacy is greater than ever. Although economists, pundits, and policymakers have declared the recession over, its effects continue to reverberate across the state.

Many Maryland families find times much tougher today than they were three years ago. Maryland now ranks in the top ten states for foreclosures, with one in ten homeowners at least 90 days late on their mortgages. Home prices continue to fall in much of the state and, according to a recent study, 22 percent of state homeowners have negative equity in their homes (CoreLogic, December 13, 2010).

Although unemployment in Maryland is lower than it is in other parts of the country, our 7.4 percent unemployment rate is double the state's pre-recession level. As the assets of unemployed and other Marylanders decline, their debts mount. Families face difficult choices about which bills to pay and which to ignore until household income rises again.

At the same time, in the wake of the recession, many Marylanders are finding it harder to obtain the credit they need. Many unemployed Maryland workers have also found that if their credit score declines, employers may use that information to deny them a job – extending a vicious cycle of mounting debt, declining credit, and dwindling options.

Maryland families are in need. They need many things: access to credit and affordable loans, assistance staying in their homes, information that enables them to make financially savvy decisions and avoid the tricks and traps of predatory lenders and toxic financial products.

MCRC provides the kind of information that helps families make financially sound decisions. We offer advice and education.

But consumers also need something else -- a voice. Consumers need an organization that is listening to their stories and taking action. MCRC organizes and amplifies consumers' voices by working hard in Annapolis for an agenda that protects consumers' interests, defends their rights, and helps Marylanders build and preserve their assets.

I hope that you will join us for another year to work together to promote transparent and honest economic policies that enable consumers to make well-informed choices that protect their own interests, free from the threats posed by predatory pricing and financial tricks and traps.

Marceline White  
Executive Director

## **Letter from the President of the Board**

MCRC had a very good year in 2009, but we had an even better one in 2010.

In 2010, our challenges were great and our resources, few. Yet, our board and staff embarked upon an ambitious one-year plan that included leading the charge to regulate debt settlement companies in Maryland, raising our profile in Annapolis, focusing more effort on our communications with members, policy makers, and the media and developing new consumer education materials.

Looking back at 2010, I am delighted that we were able to achieve so much in such a short time. I am particularly pleased about our ability to work with regulators and advocates to thwart payday lenders from operating in Maryland, provide clear disclosures to vulnerable taxpayers who consider a Refund Anticipation Loan, and to help establish Maryland's innovative foreclosure mediation program.

MCRC used our resources wisely in 2010 by focusing our research and advocacy on a few key issues. I am most proud of the work we did on debt settlement issues. MCRC produced a strong research report on misconduct by the debt settlement industry in Maryland, identified consumers who had been harmed by debt settlement companies and were willing to speak to the media, and worked with Attorney General Douglas Gansler and Deputy Commissioner of Financial Regulation Mark Kaufman to hold a successful press event. Throughout the legislative session in Annapolis, MCRC also worked to advocate that Maryland regulate debt settlement firms. As a result, MCRC was appointed to a state commission to study the issue and recommend appropriate fee caps and disclosures. We will be back in 2011 to try to pass appropriate fee caps, disclosures, and reporting requirements for the industry.

In 2010, we also reinvented and relaunched our new website, creating a site we believe captures the wide array of activities that MCRC is involved in. We are now busier than ever using social media to find new audiences and to reach out to others in cyberspace.

With the support of the Annie E. Casey Foundation, MCRC also completed important consumer education pieces that will help individuals avoid tricks and traps when buying a used car in Maryland. Our "How to Buy a Used Car" pamphlet has been widely disseminated and is available to the public on our website. MCRC hopes to do more of this kind of education in the future.

MCRC could not have achieved all of this without the strong work of our knowledgeable board of directors and our tireless and savvy staff.

MCRC now has a decade of experience under its belt. If you attended our 10<sup>th</sup> Anniversary Event, you had a chance to see how far we have come from very humble beginnings. As we look forward to the next 10 years, we are poised to make a real difference in the lives of vulnerable Marylanders.

Yet, especially given the distress consumers face as a result of the fragile economic recovery, we are keenly aware that we have a great deal of work to do to educate consumers, bolster their legal protections, and eliminate predatory financial products.

We hope you will continue to support us and work with us to achieve these aims.

Mark Steinbach  
Board President

## **MCRC-The Year in Review**

### **MCRC Advocates**

#### **In 2010, MCRC:**

- Produced its first legislative agenda, which was distributed to all state delegates and senators in Annapolis.
- Worked hard to get three of our top legislative priorities passed into law. These new laws will tighten regulation of payday lending and refund anticipation loans and establish a foreclosure mediation process.
- Held its first Consumer Issues reception at which nearly 100 delegates, senators, consumer advocates, and progressive allies discussed legislation affecting consumers. The event received full-page coverage in the *Daily Record*.
- Released a report on the debt settlement industry that produced significant press coverage, increased our support in Annapolis, and positioned MCRC as a leading voice on this issue. The report was cited by other consumer groups and submitted to the Federal Trade Commission prior to its ruling that banned advance fees for debt settlement firms.
- Was named in legislation as the only nonprofit member of the Maryland Senate's Debt Settlement Working Group.
- Wrote and released a policy brief on debt settlement in December which included recommendations for 2011 legislation.
- Sent out 123 blog posts and 95 Facebook posts informing people about consumer issues and how they could help advocate for change.
- Issued our first legislative scorecard, which was noted in *The Baltimore Sun*.
- Engaged in federal advocacy with the FTC on regulating the debt settlement industry.
- Advocated that auto dealers be regulated by the new federal Consumer Financial Protection Bureau.
- Continued to lead Maryland's Consumer Caucus.

### **MCRC Educates**

#### **In 2010, MCRC:**

- Released a report on "How to Buy a Used Car: Without Being Taken for a Ride" that has been distributed by the Howard County Office of Consumer Affairs, the Montgomery County Office of Consumer Affairs, Legal Aid, the University of Maryland Law School, Civil Justice, Jewish Community Services, Maryland CASH Campaign, and other organizations. More than 1,000 copies of the report have been distributed to low-and-moderate income Marylanders.
- Developed and released fact sheets about debt settlement, payday lending, auto scams, and other issues.
- Sponsored a Consumer Lawyers Roundtable to discuss consumer issues that are being decided through the court system.

## **MCRC Informs**

### **In 2010, MCRC:**

- Spoke about consumer issues at a Legislative Wrap-Up co-sponsored by the Maryland CASH Campaign, the Job Opportunity Task Force, Advocates for Children and Youth, the Maryland Budget and Tax Policy Institute, and the Maryland Association of Nonprofit Organizations.
- Spoke to print, radio, and television media about a range of consumer topics including debt settlement issues, scams directed at women, home-improvement contractor licensing, the federal financial reform bill, payday lending, the use of credit scores in hiring decisions, analysis of legislation before the General Assembly and other issues.
- Sponsored a film screening of “Pursuit of the Dream: Building Credit for Life” with the Annie E. Casey Foundation, the Maryland CASH Campaign, and the Baltimore CASH Campaign.

## **MCRC is Growing**

### **In 2010, MCRC:**

- Launched a new website, new logo, and new look.
- Harnessed new social media sites including Facebook and Twitter.
- Secured new funding — cy pres, foundation, and individual support that will help MCRC sustain and expand its work.
- Moved to a new office — our new address is 1209 North Calvert St., Baltimore, MD 21202.
- Held an annual retreat to help us plan for 2011 as well as for future years.

## **LOOKING FORWARD-2011**

MCRC’s strength lies in our members. We hope that you will continue to support us through an annual gift, by telling your friends about our work, and by following us on Facebook, Twitter, Youtube, and our blog.

Thank you again for all of your work and support in building and sustaining the organization over the last 10 years. We look forward to another 10.

### **MCRC**

**1209 North Calvert Street**

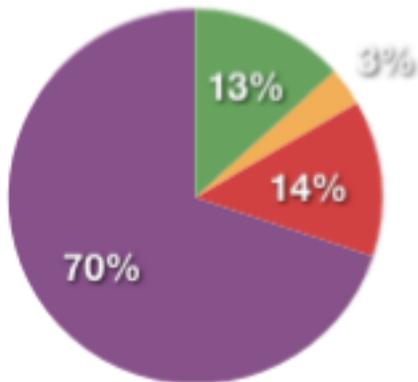
**Baltimore, MD 21201**

**[www.marylandconsumers.org](http://www.marylandconsumers.org)**

**[facebook.com/marylandconsumers](https://www.facebook.com/marylandconsumers)**

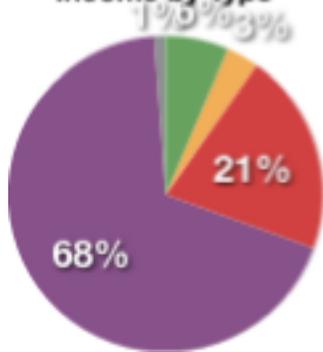
**[twitter.com/mdconsumers](https://twitter.com/mdconsumers)**

**Expenses by Type**



- Administration
- Communications
- Consulting
- Program

**Income by Type**



- Annual meeting
- Grants, restricted
- Grants, unrestricted
- Cy Pres
- Membership

## **MCRC Board**

Mark Steinbach, President  
Becky Bowman, President-Elect  
Marty Wolf, Treasurer  
Sue Rogan, Secretary  
Louise Carwell  
Eric Friedman  
William Leibovici  
Robin McKinney  
Karren Pope-Onwukkwe  
Phillip Robinson  
Charles Shafer

## **MCRC Staff**

**Marceline White, Executive Director, [marceline@marylandconsumers.org](mailto:marceline@marylandconsumers.org), 410-624-8980**  
**Franz Schneiderman, Communications Director, [franz@marylandconsumers.org](mailto:franz@marylandconsumers.org), 410-624-8981**

## **MCRC Supporters**

### **Individuals**

Farkhad Balashov  
Deatrice Besong  
The Honorable Elizabeth Bobo & Lloyd Knowles  
Rebecca Bowman  
Abigail Breiseth  
Lisa Brennan  
Stephen Brobeck  
Louise Carwell  
Mark Charles  
Frank & Carole Chase  
Sharon Goozh  
Adam Goldberg  
Robert Grossbart  
Sue Hecht  
Emily Hunt  
Cheryl Hystad  
Mark Kaufman  
Jeanne Ketley  
Ron Landsman  
Janet Legg & Scott Borison  
William Leibovici  
Mary Levy

Robin McKinney  
Ira Mark Miller  
Michael Morin  
John Nethercut  
Anne Balcer Norton  
Karren Pope-Onwukwe  
Kara Panowitz  
Clara Perlingiero  
Sydell Rappaport  
Darius & Monica Rastegar  
Don Resnikoff  
Sue Rogan  
Steve Sakamoto-Wengel  
Charles Shafer  
Nevett Steele  
Lindsay Warnes  
Nomiki Weitzel  
Michael Worsham

**Foundations**

Baltimore Community Foundation  
Annie E. Casey Foundation  
Fund for Change  
The Goldseker Foundation  
Isabelle and Zaniev Krieger Fund

**Organizations**

AARP  
Civil Justice  
Consumer Federation of America  
National Association of Consumer Advocates  
Office of the People's Counsel  
Office of the People's Insurance  
University of Baltimore

**Businesses**

Baltimore Washington Financial Advisors  
Gillis & Assoc  
Holland Law Firm  
JJF Management Services, Inc  
Quinn, Gordon, & Wolf, Chtd.  
Shemer Bar Review, LLC  
TracFone Wireless  
Verizon Foundation

**Cy Pres**

*Matinrazm Cy Pres*  
*Butler v. C&F Finance Co.*