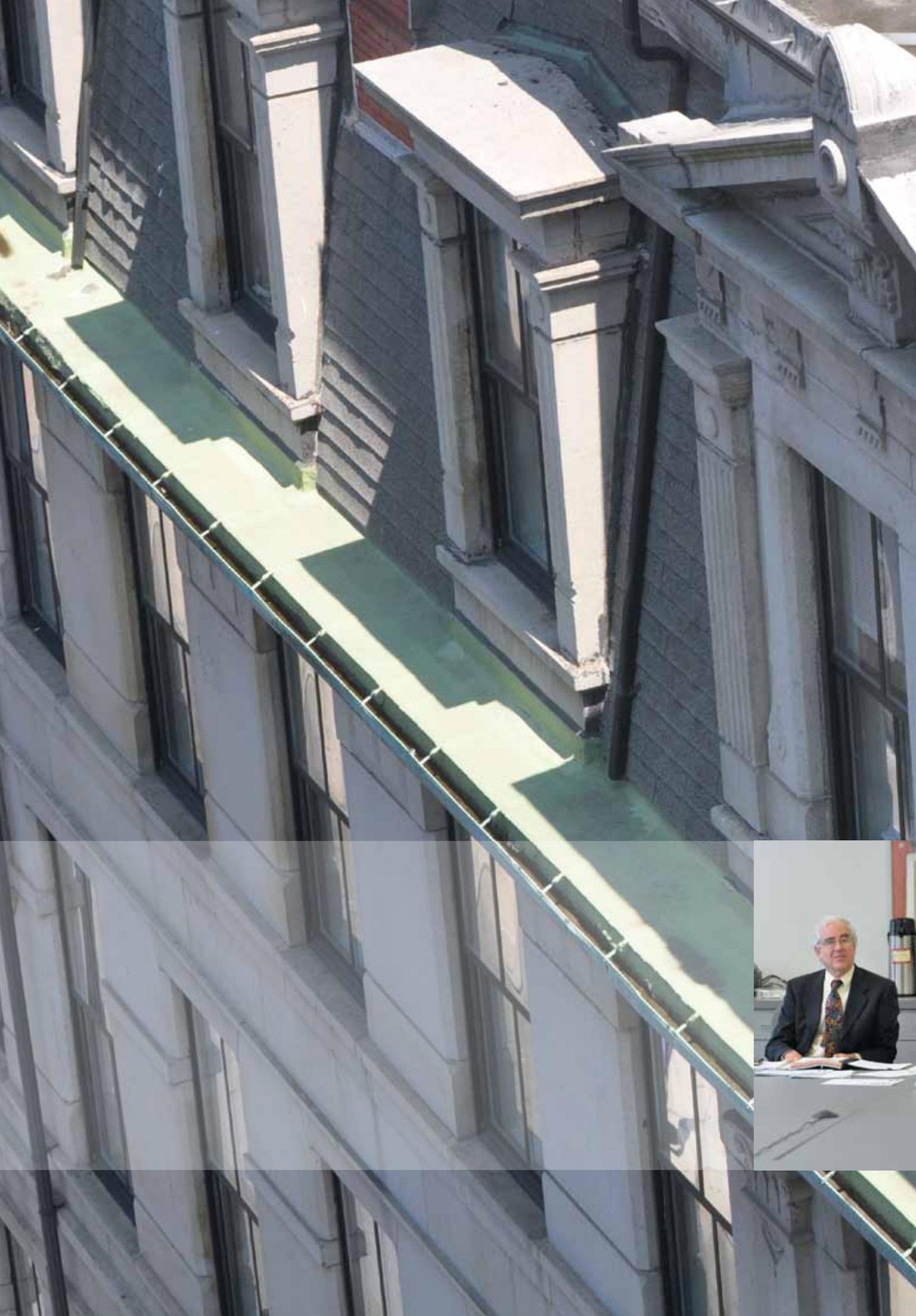


A photograph of a person's hands clasped together on a desk. In front of them are several sheets of paper, some of which appear to be legal documents or contracts. A black pen is resting on the papers. The background is dark, and the overall lighting is soft and focused on the hands and papers.

Using Expertise to
Write the Rules of
a Fair Marketplace

A progress report



A Message from the Executive Director and Chairman of the Board

We've always believed that when working for a just economy, more is better — but it's only lately that we've been able to appreciate just how much better. Thanks to support from a growing number of donors, foundations, and other sources, our talented staff has grown considerably in the last few years. Our advocacy, too, is stronger and more effective, carrying more weight than ever before. And we're housed in efficient new headquarters that give us an attractive place to work, and, more important, the added long-term financial security of owning our own home.

But we remain as we began more than 40 years ago — when we were a legal services support center housed in a small office at Boston College — committed to justice for vulnerable consumers and with a passion and dedication to helping those in need. We never forget the single mother, for example, who loses part of her hard-earned money to a rent-to-own store; the struggling family that faces homelessness because their home is being foreclosed; or the young student who hoped an education would lift her out of poverty, but is instead mired in insurmountable student loan debt.

We're proud of all that we have done and continue to do on behalf of low-income consumers — and as you look through this report you'll see we sit at many tables and use many tools as we work towards a more just economy. Our uncommon depth and breadth of knowledge on consumer law is a resource for thousands of attorneys across the country who rely on our expertise to support their consumer practices. We litigate, publish the leading legal practice manuals and consumer guides, provide expert testimony; write investigative reports, train advocates on consumer law issues, testify before rule-making bodies, and much more — all towards the goal of economic justice.



In 40-plus years we've seen many consumer abuses; we've fought many battles, and we've won some very important victories that have changed the way consumers are treated in the marketplace. NCLC has been the voice for low-income consumers, speaking out on their behalf when others turned a deaf ear to the need for consumer protections. We've made a real difference in the lives of countless vulnerable consumers.

We've been able to make that difference with the help of many donors and friends who have supported our efforts. We thank everyone who has helped NCLC in the past in the fight for consumer rights and urge those who have not yet made a gift to step forward now with a contribution of your own.

Willard P. Ogburn
Executive Director

Michael Ferry
Chairman of the Board of Directors

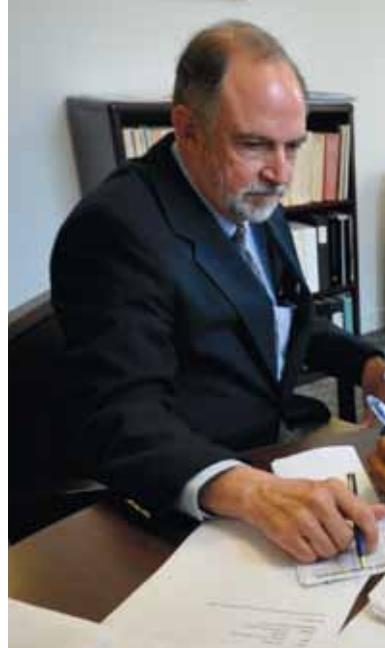
Using Expertise to Write the Rules of a Fair Marketplace

During the last 40 years NCLC has played a leading role in crafting the bedrock laws and regulations that protect consumers from abusive transactions. For example, in 2009 we drafted key protections in major federal laws, the “Credit Cardholders Bill of Rights” and the “Helping Families Save Their Homes Act.”

Whether advocating before Congress, the Federal Reserve Board, or other myriad federal and state agencies, NCLC staff deliver meticulous and compelling arguments that back up our recommendations. NCLC pays special attention to the effect of public policy on our most vulnerable populations, especially the poor, the elderly, victims of domestic violence, minority groups, and others. We use our resources most efficiently by focusing on projects that are designed to achieve widespread and substantial results.

Our attorneys are widely recognized as the leading national experts in consumer credit, banking, home energy, and other areas of special importance to low-income families. Issues of current priority include:

- Foreclosures and loan servicing
- Predatory mortgage lending
- Effective consumer financial services regulation
- Credit cards
- Debt collection
- Credit reporting
- Car sales and financing
- Refund anticipation loans and other high-cost, short term loans
- Consumer bankruptcy
- Student loans
- Manufactured housing
- The protection of exempt benefits (i.e. Social Security) from illegal seizure
- Energy efficiency improvements for low-income households
- Affordable home utility services





NCLC STAMP ON CREDIT CARD REFORM

Years of advocacy culminated with NCLC's participation in a Rose Garden signing ceremony at the White House on May 22, 2009. The final legislation built on years of work by NCLC staff, including our detailed analysis of credit card abuses that was presented to the Federal Reserve and a report that exposed a shocking new type of credit card, *Fee Harvesters: Low-Credit, High-Cost Cards Bleed Consumers* (2007). As the bill moved through Congress, policymakers turned to NCLC again and again for our unique expertise in the law and our perspective on what was best for low-income and other vulnerable consumers.

“I just wanted to remind you...how terrific and important your work is to my clients and me. Time after time I have leaned heavily on the wide ranging skill sets of your attorneys. And on every occasion, in legislative advocacy, in publications, in legal advice and in co-counseled litigation, the NCLC has come through. I cannot imagine such a success rate (percentage of knowledgeable, brilliant and kind ‘employees’) in any other law firm. Thanks to all for the help and friendship.”

— LB, NEWPORT NEWS, VA

NCLC's Publications are Indispensable

NCLC is the nation's leading resource for information on consumer problems. From our 18-volume set of consumer law treatises to our books and special guides for advocates and consumers, NCLC's publications are comprehensive, authoritative, and indispensable for practitioners. Our legal treatises are widely cited by federal and state court judges in their formal opinions. But our books do more than drily state the law — they are full of step-by-step advice, strategic pointers, and sample documents that can help stop a threatened foreclosure, challenge an arbitration clause, or detect and remedy car fraud.

In 2009 NCLC published a revised edition of *Foreclosure Prevention Counseling*, a handbook helpful to counselors working with homeowners in danger of foreclosure. It includes detailed information on the federal "Making Home Affordable" loan modification program and other government or industry-sponsored loss mitigation initiatives. Additional resources and practice aids are available on a companion website.

A new practice tool for attorneys is *Instant Evidence* (2009). Written by the experienced practitioner Timothy E. Eble, it contains highly condensed federal rules of evidence for quick reference and includes common objections and motions at every stage of a case. Spiral bound and laminated, the slim 20-page volume is designed for easy use in the court room.

...our books do more than drily state the law — they are full of step-by-step advice, strategic pointers, and sample documents...





“ Our copies [of the NCLC manual] are dog-eared, coffee-stained, and broken down from over use. They were our co-counsel to even the odds.”

— TB, GREAT FALLS, MT



“ I went to an all-day CLE ... last week. Speaker after speaker waved their copy of the relevant NCLC manual in front of them, Fair Credit Reporting, Debt Collection, etc., telling the audience they had to buy the manuals if they wanted to practice consumer law. One speaker called it his ‘Bible.’ ” — MB, ATLANTA, GA

Training Program Seeks to Educate & Inspire

NCLC is the leading provider of continuing professional education for a growing community of consumer advocates. In 2008 alone, over 6,000 attorneys, advocates, and service providers attended an NCLC conference or training workshop. The goal of our training program is to increase the quality and accessibility of advocacy resources for consumers nationwide.

Our courses are designed for all levels of experience, from a nuts and bolts session for beginners to cutting-edge strategies for sophisticated practitioners. The sessions are carefully prepared to be practical, participant-oriented, and energizing. Case studies and real life examples are used to present information in an accessible way. For example, our annual Consumer Class Action Symposium is the nation's only forum for consumer class action lawyers to meet and share information.

NCLC is using technology to expand the reach of our trainings. We offer regular webinars that allow attorneys and advocates in disparate regions of the country to receive the latest consumer law information at their desks. We also share our expertise with thousands of lawyers through a virtual law firm on 9 specialized and active list serves.

TRAINING

*Our courses are...
practical, participant-oriented,
and energizing.*



MONTGOMERY, AL
TUCSON, AZ
LOS ANGELES, CA
OAKLAND, CA
SACRAMENTO, CA
SAN DIEGO, CA
SAN FRANCISCO, CA
BROOMFIELD, CO
DENVER, CO
HAMMOND, CT
WASHINGTON, DC
MIAMI, FL
TAMPA, FL
ATLANTA, GA
CHICAGO, IL
INDIANAPOLIS, IN
VALPARAISO, IN
LEXINGTON, KY
CAMBRIDGE, MA
FITCHBURG, MA
FOXBOROUGH, MA
GLOUCESTER, MA
HYANNIS, MA
BROCKTON, MA
MIDDLEBORO, MA
MILFORD, MA
NORTHAMPTON, MA
WORCESTER, MA
BALTIMORE, MD
AUGUSTA, ME
HIGGINS LAKE, MI
NOVI, MI
MINNEAPOLIS, MN
JACKSON, MS
CONCORD, NH
MANCHESTER, NH
PORTSMOUTH, NH
BUFFALO, NY
NEW YORK, NY
PHILADELPHIA, PA
PITTSBURGH, PA
CLEVELAND, OH
COLUMBUS, OH
PORTLAND, OR
NEWPORT, RI
PROVIDENCE, RI
WOONSOCKET, RI
MEMPHIS, TN
NASHVILLE, TN
AUSTIN, TX
ARLINGTON, VA
RICHMOND, VA
SEATTLE, WA
LEWISBURG, WY

“ I attended a training you did...The information you gave was terrific and I have been able to coach many people and colleagues... This week three clients had their electricity shut off. In each case I was able to use the information you shared and help them advocate for themselves to restore power. Great feeling! ” — MT, BOSTON, MA

THAT SERVES THE NATION

“ [NCLC's annual Consumer Rights Litigation Conference] is such a valuable education, not just for me, but for all of our attorneys as we develop and update strategies utilizing the information and materials provided. I don't think it's an overstatement to say that we simply could not do this work without NCLC. For me personally, the conference exhausted the body but fed the soul. It is heartening and sustaining to know that there are so many lawyers who feel, as I do, that if the law doesn't work for those with the least, it doesn't work at all.” — LP, BRADENTON, FL



Achieving Reform Through Groundbreaking, Strategic Litigation

Class action litigation can be an effective way to stop abusive business practices that affect millions of consumers. While an individual lawsuit may bring justice for one consumer, it is less likely to change the industry's business model. Only by joining together can consumers challenge major financial and other institutions on a more level playing field.

NCLC represents consumers in cutting-edge litigation that seeks to reform the rules of the marketplace. We take on cases that will have a far-reaching impact and can benefit from our unique legal and policy expertise. To maximize our limited resources we help bring together strong litigation teams made up of private lawyers, legal aid, and nonprofit groups.

RECENT IMPACT LITIGATION

In a 2009 victory for consumers of tax refund anticipation loans in California, an \$8.5 million settlement was reached in a class action lawsuit co-counseled by NCLC against Santa Barbara Bank & Trust and Jackson Hewitt Tax Service. Class members received a refund of their RAL fee plus a percentage of the tax refund that was improperly collected. Equally important, both companies agreed to stop certain abusive debt collection practices.

NCLC also provides consulting services to attorneys at all stages of litigation, saving them valuable time and resources. In select cases that involve an important legal principle or interpretation, NCLC may file an amicus brief to influence the court's ruling. Our attorneys also testify as expert witnesses in cases brought by consumer lawyers around the country.



MILESTONE LITIGATION

As co-counsel in a series of class action lawsuits in the mid-2000s, NCLC successfully attacked racially discriminatory lending practices in the new and used car business, with settlements valued at over \$1 billion. The suits charged that giant auto finance companies and banks maintained policies that allowed car dealers to “mark-up” finance rates based on subjective criteria unrelated to creditworthiness. This policy had a disparate impact on African-American and Hispanic customers, who ended up paying more for credit than whites with similar credit ratings. As a result of the lawsuits, car financing practices were transformed across the industry. NCLC was honored by both Public Justice and the Rainbow PUSH Coalition in recognition of this groundbreaking litigation.

NCLC and a team of co-counsel are litigating a series of class action suits against the nation’s largest subprime mortgage lenders, including Countrywide and Wells Fargo. Filed on behalf of African-American and Hispanic homeowners nationwide, the cases challenge lender policies that allowed loan officers and brokers to impose discretionary charges and interest rate mark-ups in mortgage transactions. As a result of the policy, minority homeowners paid more for mortgage financing than white customers with identical credit scores. These groundbreaking lawsuits draw upon the success of NCLC’s series of class actions against the nation’s largest auto financing companies.



Investigative Reports Are Catalysts for Change

NCLC's investigative reports make change. They expose marketplace abuses, propose reforms, and propel action to correct marketplace problems. They're carefully researched, with facts and figures, real life stories, analysis, proposals for reform - all backed by NCLC's record of expertise.

Our reports have a history of attracting the attention of legislators, congressmen, rulemaking bodies, the media, and other opinion-makers — and beginning the momentum for change. Our recent *Foreclosing a Dream* report, for example, quickly prompted Nevada and Ohio to re-examine their foreclosure laws with an eye toward reform — we expect other states will follow suit. And provoked by our *Big Business, Big Bucks* report on RALs, New York and Arkansas recently passed parts of our model RAL bill.

In Harm's Way – At Home: Consumer Scams and the Direct Targeting of America's Military and Veterans

*This 2003 report painted a disturbing picture of how U.S. military bases were surrounded by predatory lenders, check cashers, high-cost car dealers and a host of other scam artists. The report sparked widespread outrage and, together with persistent advocacy from NCLC, spurred Congress to **place an interest rate cap on many loans made to active duty members of the armed forces and their dependents** and banned lenders from inserting mandatory arbitration clauses into loans for the military.*



Automated Injustice: How a Mechanized Dispute System Frustrates Consumers Seeking to Fix Errors in Their Credit Reports

Consumer credit reports are riddled with serious errors as a result of the credit reporting industry's inadequate and unresponsive automated systems that are used to handle credit reporting disputes.

Avoiding Home Repair Fraud: Lessons from Hurricane Katrina

Weak state laws allow thousands of desperate, low-income homeowners to be swindled by home repair frauds.

Consumer Protection in the States: A 50-State Report on Unfair and Deceptive Acts and Practices Statutes

Because of gaps in state UDAP laws and enforcement, some states provide almost no protection for consumers.

RECENT REPORTS

Fueling Fair Practices: A Road Map to Improved Public Policy for used Car Sales and Financing

Improved public policy is needed to bring fairness to the used car sales and finance market.

Foreclosing a Dream: State Laws Deprive Homeowners of Basic Protections

Analysis of foreclosure laws in all 50 states reveals states need to overhaul antiquated foreclosure systems.

Small Dollar Loan Products

Scorecards assess state consumer protections against abusive interest rates on small dollar loan products.

Big Business, Big Bucks: Quickie Loans Generate profits for Banks and Tax Preparers While Putting Low-Income Taxpayers at Risk, plus a special companion report entitled RALs, Tax Fraud, and Fringe Preparers

A joint investigation with the Consumer Federation of America warns that RALs siphon off hundreds of millions from consumer tax refunds, and undermine the integrity of our tax system.

Too Small to Help: The Plight of Financially Distressed Private Student Loan Borrowers

Lenders overburden private student loan borrowers with unaffordable debt.

Building for the Future

After a successful building campaign raised more than \$5.5 million, NCLC moved into a home of its own in August 2008. Our new headquarters, on the edge of Boston's financial district, is four and one half floors of carefully planned, newly renovated offices.



The building's purchase has greatly strengthened the Center by diversifying our assets and stabilizing expenses. Long-term savings we accrue from owning our own space will mean NCLC will be able to devote more resources to our mission of consumer advocacy.

In addition to many gifts from individuals, NCLC secured very favorable financing for the purchase, including: a pair of historic tax credits with a face value of \$800,000; a federal new market tax credit which will return more than \$1 million to NCLC over eight years; and a below market-rate mortgage funded by a Massachusetts tax free bond.

We give special thanks to the many generous friends who supported our building campaign. We take your gifts as a sign of confidence in NCLC and are most appreciative. Your support helped to secure a home for NCLC, and assure NCLC's fiscal vitality for the long-term.

NCLC

NATIONAL
CONSUMER
LAW
CENTER®

Advancing Fairness
in the Marketplace for All

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