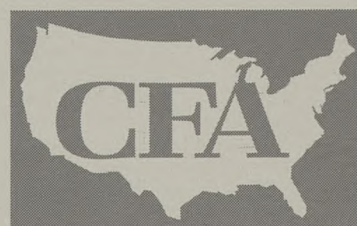


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Consumer Federation of America

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**2004**

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ANNUAL REPORT

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Dear CFA Member,

In 2004, CFA faced both external and internal challenges. I am very pleased with the way staff responded to these challenges and the support we received from CFA Board members and member groups.

I cannot remember a year when CFA influenced more public policy decisions. Our advocacy on state issues covered areas as diverse as telephone rates, electric rates, insurance regulation, and firearm regulation and was especially influential in the area of payday loans, where our efforts contributed significantly to the passage of new protections and gubernatorial vetoes of two anti-consumer bills.

Our work on federal regulatory issues was particularly effective. Our advocates can take much credit for new Mad Cow protections approved by USDA, new mutual fund protections approved by the SEC, higher energy efficiency standards reinstated by DOE, less onerous media ownership rules approved by the FCC, and stronger credit reporting regulations developed by the FTC. And, our public education on auto loan markups helped persuade major lenders to cap these markups.

Our advocacy on insurance deregulation and terrorism insurance raised so many questions about related congressional bills that none moved during the year. Our work with other groups on bankruptcy, energy, country-of-origin labeling, medical malpractice, and class action reform helped prevent passage of any anti-consumer legislation. However, bills on several of these issues did move and, at year's end, stood a good chance of passage in 2005. Moreover, we failed to persuade Congress to renew the expiring ban on assault weapons.

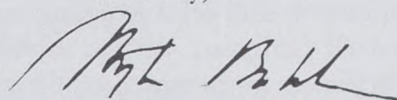
Our advocates received much recognition for their effectiveness. Two of the seventeen most influential non-profit lobbyists identified by The Hill were CFA advocates. The only non-profit group cited as an influential lobbying force on financial services issues by Congressional Quarterly was CFA. Moreover, CFA advocates served on important governmental and public-private advisory committees, received numerous awards, and were invited to speak at many national and international meetings.

In the area of consumer information and services, CFA's most noteworthy contributions were through our leadership and management of the rapidly expanding America Saves campaign. By year's end, nearly 30,000 Americans had enrolled as Savers, hundreds of thousands had sought information and advice from the campaign and more than 1,000 organizations were participating in related local and national initiatives.

Internally, our most significant accomplishments were completing the transition to a tax-exempt, non-profit organization and modernizing our financial management systems. To strengthen the organization, we also recruited 18 new CFA members. Despite greatly reduced government grant income, we nevertheless ran a substantial surplus for the year.

Our Chairman, Senator Howard Metzenbaum, CFA staffers, and I thank you for your support and encouragement that made these accomplishments possible and look forward to working with you in the coming year.

Sincerely,



Stephen Brobeck  
Executive Director  
March 12, 2005



## *Consumer Advocacy*

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### Major Accomplishments

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**Automobile Purchase Protections:** Early in the year, CFA released a major report on automobile loan markups that estimated over \$1 billion in annual overcharges. That report, related press coverage, including a "60 Minutes" segment, and subsequent communications with auto finance companies played a role in their decision to settle lawsuits by disclosing and limiting any markups to two to three percentage points. CFA also began discussions with forward-looking automobile dealers about establishing a pro-customer code of conduct whose enforcement would be overseen by consumer protection representatives and funded by participating dealers.

**Banking Protections:** CFA's major goal with regard to federal banking regulation was to limit the reach of new rules adopted by the Office of the Comptroller of the Currency to weaken or eliminate state consumer protections as applied to federally chartered banks and their state licensed lending subsidiaries. We worked with other consumer and community advocates to encourage state regulators and members of Congress to oppose OCC preemption. Those efforts contributed to several congressional initiatives that, by year's end, had not been acted on. A second important banking goal was to protect consumers against bank gouging on checking accounts. With the National Consumer Law Center, we sought to persuade the Federal Reserve Board to issue pro-consumer regulations on overdraft loans by undertaking a major survey of this lending and by communicating our survey results and recommendations to the Fed and other bank regulatory agencies. At year's end, they had not yet issued the regulations. With Consumers Union, we tried to persuade banks not to abuse new Check 21 regulations by writing to them directly and by stimulating related press coverage.

**Civil Justice Remedies:** CFA worked with a broad-based coalition to preserve consumers' access to justice. Through communications to the Hill, the press, and state and local advocates, we helped persuade Congress not to act on class action reform legislation.

**Communications Access and Affordability:** CFA's communications advocacy was intended to ensure consumers the widest, easiest, and most affordable access to various means of communication, which are increasingly digitized. The basis for our advocacy was analysis contained in a book on communications in the digital age, which we wrote and published and then lectured on before numerous academic and public interest audiences. To limit media concentration, we worked with a broad-based coalition and successfully lobbied Congress to restrict the Federal Communications Commission's loosening of ownership rules. Working with Consumers Union to oppose cable monopoly and price-gouging, we issued a report, gave congressional testimony, and lobbied Congress. We also worked with CU to oppose telephone monopoly, by objecting to the proposed Cingular-AT&T Wireless merger. To ensure adequate regulation of local phone rates, we testified before regulators in California and Texas. And to promote universal broadband access to the Internet, we issued reports and communicated through comments and meetings with the FCC.



**Consumer Credit Protections:** In meetings and written communications, CFA followed up congressional approval of new credit report and score rights by urging the Federal Trade Commission and Federal Reserve Board to develop effective regulations. Through research, networking, and advocacy, CFA continued to take the lead in seeking reform of payday loans and other high-cost credit. On payday loans, we maintained a coalition of more than 250 advocates nationwide who opposed legislation to legalize anti-consumer practices and proposed pro-consumer reforms. These efforts, strongly supported by CFA, resulted in adoption of strong protections in a few states and veto of two weak bills. Late in the year, we released a study on Internet payday loan sales which attracted interest from press and regulators. On refund anticipation loans, our research and advocacy with National Consumer Law Center persuaded at least one national seller to make product improvements.

**Consumer Debt Protections:** CFA continued to help lead the coalition that successfully blocked anti-consumer bankruptcy legislation. We also led efforts to reform consumer credit counseling industry practices by helping persuade state attorneys general and the IRS to provide more effective enforcement, a Senate subcommittee to investigate abuses, states to approve reforms, industry leaders to develop self-regulatory standards, and a major creditor to join with us in assessing industry effectiveness.

**Drinking Water Safety:** CFA continued representing the consumer interest in a public interest coalition to improve drinking water safety. While working on a number of issues with coalition partners, we continued to lead efforts to ensure the affordability of safe drinking water for lower-income consumers. This initiative included extensive discussions with industry groups and the development of a related legislative proposal.

**Energy Costs and Efficiency:** With some success, CFA represented the consumer interest in a coalition to persuade the U.S. Department of Energy to support greater energy efficiency. Our successful lawsuit filed in opposition to DOE's rolling back of residential central air conditioner standards resulted in the agency's reinstating the higher standards. And, our petition to DOE requesting a new rulemaking on refrigerator efficiency standards was accepted. We also submitted comments in a DOE rulemaking on the efficiency of residential boilers and furnaces. In response to rising oil and natural gas prices, CFA developed the only Consumer Movement analysis and solutions, which were incorporated into two major reports, several congressional testimonies, and a new motor vehicle fuel efficiency initiative.

**Firearm Safety:** While working on an array of firearm-related issues at the federal and state levels, CFA focused greatest attention on congressional renewal of the assault weapons ban. Through grassroots mobilization, the release of a consumer survey, the release of a report on the consequences of non-renewal, the publication of op-ed essays, and congressional lobbying, we were a leader in promoting renewal. Although the ban was not renewed, we played a key role in persuading Congress not to limit the industry's liability.

**Food and Agricultural Policy:** During the first half of the year, CFA focused heavily on advocating for more stringent protections from mad cow disease. Working with a larger coalition, CFA was successful in pressuring the U.S.



Department of Agriculture to enact a ban on specified risk materials and on sick cattle entering the food supply. Other initiatives — including establishing a mandatory animal identification system and closing the loophole in the Food and Drug Administration's ban on dangerous animal products in cattle feed — were not adopted. We worked with the offices of Sen. Durbin and Rep. DeLauro to draft new legislation to modernize the food inspection law and create a single food safety agency. With other advocates, CFA was successful in stopping Congress from changing USDA's mandatory country of origin labeling program into a voluntary one. CFA also led the Safe Food Coalition, which challenged USDA on its questionable use of statistics in claiming decreases in foodborne illness. In the area of food affordability, CFA continued to take the lead among consumer groups in restraining sugar and dairy prices by opposing quotas and subsidies. That work included participating in a larger coalition, working with international allies, and speaking to legislators and reporters.

**Housing Reforms:** CFA's main advocacy role in this area was to coordinate or lead efforts to maintain or strengthen standards protecting consumers from predatory mortgage lending practices. We organized consumer group opposition to Federal Deposit Insurance Corporation and Office of Thrift Supervision proposals to weaken Community Reinvestment Act standards, coordinated a joint consumer, community, and civil rights group position on Government Sponsored Enterprise oversight legislation, and responded to the Department of Housing and Community Development's proposed affordable housing goals for Fannie Mae and Freddie Mac. HUD adopted increased GSE housing goals. None of the other issues had been resolved at year's end.

**Insurance Protections:** CFA continued to provide expertise and take the lead on an array of insurance issues. Most notable was our role in thwarting the continuing attempt of the industry to weaken regulation by playing off state regulators against congressional regulators. By discouraging state regulator support for less regulation, encouraging state legislator opposition to congressional preemption of state regulation, and encouraging congressional support for effective regulation, we considerably slowed down momentum for "deregulating" the industry. We also played a key role in persuading Congress not to act precipitously in renewing the federal terrorism insurance law. Our most effective actions were release of a report and extensive communications with Treasury and the Hill, including testimony. CFA also contributed expertise — through testimony, letters, and press communications — to federal and state legislators considering ill-advised medical malpractice reforms. And, we provided consumer analysis to regulators, legislators, and journalists on such high-profile issues as broker contingency commissions and insurance coverage of hurricane-related claims.

**International Consumer Protections:** CFA continued to play an important role on international initiatives to promote the development of reasonable, effective worldwide consumer protections. We helped lead the TransAtlantic Consumer Dialogue. We contributed expertise on financial issues to the Organization for European Economic Development. We served on advisory committees that dealt with U.S. trade with Central America, Australia, and Morocco. And, we participated in the United Nations World Summit on the Information Society.



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**Investor Protections:** For the first half of the year, CFA's advocacy role in this area focused primarily on winning adoption of mutual fund reforms in response to trading and sales abuse scandals. With Fund Democracy, CFA led the consumer group support for mutual fund reform legislation and regulations, which included comment letters, testimony, and news releases. Although Congress did not adopt legislation, the Securities and Exchange Commission did propose a number of important reforms advocated by the consumer groups. In particular, we played a key role in winning new SEC rules to make mutual fund boards more independent, to end certain abusive sales practices, and to improve disclosures. Other reforms we supported, including a point-of-sale disclosure requirement for brokers, were still pending at year's end. Throughout the year, CFA worked to improve audit standards as a member of the Standing Advisory Group for the Public Company Accounting Oversight Board. We played a key role in getting auditor independence and fraud standards put at the top of that board's standard-setting agenda. Through comment letters, letters to the Chairman, and release of a survey, we also led consumer group efforts to press the SEC to define and enforce a functional distinction between brokers and investment advisers. At the end of the year, the SEC agreed to issue new guidance clarifying this standard. In response to the SEC's proposed National Market System rules, CFA advocated improvements to the rules, including elimination of the opt-out provision to the trade-through rule, that were included in the reproposal issued by the Commission at year's end.

**Privacy:** With other advocates, CFA expressed privacy concerns in discussions with industry leaders, legislators, and regulators. Our most notable success was persuading the U.S. Postal Commission to adopt new rules that limited consumer identity and privacy risks.

**Product Safety:** CFA continued to be a leader on consumer product safety issues. We communicated with the Consumer Product Safety Commission on its agenda and expressed these views in congressional testimony. We continued to lead coalition efforts — including analysis and release of new injury data — to persuade the CPSC to agree to the recommendations in our 2002 petition on ATVs. And, we supported legislative and regulatory efforts to ensure yoyo water ball, crib, BB gun, baby bath seat, and playground safety and to promote recall effectiveness. Legislation on crib safety was introduced in both the Senate and House. Although neither Congress nor the CPSC had acted on any of these priorities at year's end, CFA was successful in bringing significant media attention to product safety issues.

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## Strategies

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CFA pursued several strategies in advocating more than 40 issues considered by Congress, federal regulatory agencies, state legislatures, and state regulatory agencies. These strategies included legislative and regulatory communications, coalition-building, grassroots-networking, advocacy-related research, and press outreach.

### 1. Legislative and Regulatory Advocacy

CFA's principal advocacy strategy was communicating information and viewpoints to members of Congress and other legislative bodies, their staffers, and regulators.



Many of these communications took place in individual conversations, but many also took the form of letters, testimonies, comments, and petitions submitted to legislative committees or regulatory agencies.

Month	Committee/Agency	CFA Rep	Issue
January	Senate Gov Affairs	Roper/Plunkett	Mutual funds
	EPA	Neidle	Drinking water
	VA Assembly	Fox	Payday loans
	USDA	Foreman/Waldrop	Mad cow disease
February	MD Assembly	Peschin	Assault weapons
	House Fin Services	Hunter	Insurance reg
	IA Assembly	Hunter	Med malpractice
	SEC	Roper	Mutual funds
	HHS	Foreman	Breast-feeding
March	CPSC	Weintraub	Baby bath seats
	Senate Antitrust	Cooper	Cable TV
	TX PUC	Cooper	Phone reg
	Senate Antitrust	Cooper	Oil/gas prices
April	SEC	Roper	Mutual funds
	Senate Banking	Hunter	Terrorism ins
	SEC	Roper	Mutual funds
	SEC	Roper	Trading
	US Postal Comm	Silbergeld/Fox	Privacy
	Senate Environ	Cooper/CU	Gas prices
	USDA	Foreman/Waldrop	Food safety
May	House Ag Comm	Waldrop	Country of origin labels
June	SEC	Roper	Market system
	FCC	Cooper	Merger
July	FCC	Cooper	Cable TV
	FCC	Cooper	Voiceover TV
	KC Fed	Fox	Payday loans
	Fed	Fox/CU	Overdraft loans
	Senate Banking	Plunkett	Gramm Bliley
	House Energy/Comm	Cooper	Oil prices
	HUD	Fishbein	GSE housing goals
	House Energy/Comm	Cooper	Digital comms
	FDA	Foreman/Waldrop	Food safety
August	Fed/banking regulators	Fox/NCLC	Bounced check loans
September	SEC	Roper	Investment Advisers
	House Financial	Fox/Plunkett	High-cost credit
	Senate Banking	Hunter	Insurance reg
	FDIC/OCC/Fed	Fishbein	CRA
	FDA	Waldrop	Food safety



Month	Committee/Agency	CFA Rep	Issue
October	Fed	Fox	Overdraft loans
	FDIC	Fishbein	CRA
	MD Assembly	Hunter	Med malpractice
	SEC	Roper	Brokerage
	House Energy/Comm	Weintraub	Child safety
November	FCC	Cooper/CU	Broadcast TV
	FCC	Cooper	Voiceover Internet
	DOE	Hall-Crawford/NCLC	Boiler efficiency
	HUD	Fishbein/others	GSE housing goals
	Senate Gov Affairs	Hunter	Insurance brokerage
	NY Assembly	Hunter	Insurance brokerage
	SEC	Roper	Investment advisers
December	VA Assembly	Fox	Payday loans
	SEC	Roper	Mutual funds
	NAIC	Hunter	Producer disclosure
	HUD	Fishbein	GSE housing goals

## 2. Public Education: The Press

In addition to reacting to hundreds of stories, CFA frequently made the news. In 2004, we generated 36 stories that were reported on by the national press. Also, we worked with other groups in organizing press conferences that led to additional coverage. And, we published the following articles, op-ed essays, and letters to the editor.

Publication	Author	Issue
<i>Journal of Insurance</i>	Hunter	Regulation
<i>U. Louisville Law Journal</i>	Hunter	Med malpractice
<i>White House Weekly</i>	Cooper	Energy prices
<i>American Enterprise</i>	Foreman	GE foods
<i>Regulator Magazine</i>	Hunter	Regulation
<i>Food Traceability Report</i>	Foreman	Food safety
<i>Washington Post</i>	Metzenbaum/Peschin	Assault weapons

## 3. Public Education: Research

CFA staff prepared many studies demonstrating the need for the adoption of new consumer protections or the preservation of existing protections. Most of the following publications were reported on by news media.

### Automobiles

*The Hidden Markup of Auto Loans: Consumer Costs of Dealer Kickbacks and Inflated Finance Charges*  
(Brobeck)



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- Banking**      *All Drain, No Gain: 2004 Refund Anticipation Loan Report*  
(Fox, NCLC)
- Unsafe and Unsound: Payday Lenders Hide Behind FDIC  
Bank Charters to Peddle Usury*  
(Fox)
- Credit Scores and Consumer Credit*  
(Brobeck, ORC)
- Internet Payday Lending: A CEA Survey of Internet  
Payday Loan Sites*  
(Fox, Petrini)
- Consumer Movement**      *Consumer Advocates Inside the Beltway*  
(Brobeck)
- Communications**      *Media Ownership and Democracy in the Digital  
Information Age*  
(Cooper)
- Energy**      *Fueling Profits: Domestic Causes of Recent Gasoline and  
Natural Gas Price Shocks*  
(Cooper)
- Responding to Turmoil in Natural Gas Markets: The  
Consumer Case for Aggressive Policies to Balance Supply  
and Demand*  
(Cooper)
- Housing**      *Consumer Risks of Adjustable Rate Mortgages*  
(Brobeck, Scriber, Fishbein)
- Investment**      *Women's Wealth*  
(Montalto, Brobeck)
- Households with Low-Income Wealth and Financial  
Behaviors*  
(Montalto, Brobeck)
- Product Safety**      *Unconventional Wisdom: How Americans View the Assault  
Weapons Ban*  
(Peschin)
- Back in Business: Gun Industry Plans for the Expiration of  
the Federal Assault Weapons Ban*  
(Peschin)



## *Consumer Research and Education*

An important goal of CFA is better understanding consumer protection needs and concerns — through research — and better meeting these needs and concerns — through information and education. Over the past decade, we have significantly expanded our work in these two areas.

**Auto Loan and Credit Education:** Using court-awarded grants resulting from auto loan markup litigation, we created a new program through America Saves to better inform Hispanic and African-American consumers about automobile financing and consumer credit. We researched needs, created new materials in English and Spanish, and are disseminating the materials through America Saves networks.

**Consumer Literacy:** For the past decade, we have managed a consortium of 25 public, private, and non-profit groups that seek to broadly disseminate important money-saving shopping tips. Its "66 Ways to Save Money" brochure has been requested by 1.5 million consumers, and the many websites containing these 66 tips have been accessed by many more individuals. In 2004, the Consumer Literacy Consortium completed a major revision of the messages, brochure, and related website and developed a marketing plan to effectively disseminate these new messages.

**Credit Reports and Scores:** To learn about consumer knowledge of credit reports and scores, particularly awareness of new rights established by Congress in late 2003, we undertook two initiatives. With Providian Financial, we commissioned an extensive survey, which revealed much ignorance about the subject, and released the survey results with the six most important things consumers need to know about scores. And with FairIsaac, we developed a more detailed brochure — "Your Credit Scores" — which we planned to release, and distribute through the Federal Citizen Information Center, in early 2005.

**Energy Efficiency:** Working with EPA, CFA continued its campaign to increase consumer awareness of the economic, environmental, and health benefits of using energy efficient products and practices. Nationally, we developed a fact sheet — "10 Smart Ways to Reduce Home Energy Bills" — that was distributed around the country by CFA, EPA, and state and local groups at green festivals, community meetings, and other events. And, we utilized rising home heating costs as an opportunity to publicize energy-saving tips through the press and enhanced our home energy efficiency website. At the grassroots, we worked with eight state or local partners to better inform their communities about energy efficiency. Toward year's end, we also received a grant from the Energy Foundation to develop a plan for increased CFA research, education, and advocacy on the issue of motor vehicle fuel efficiency.

**Firearm Safety:** With support from the Joyce, MacArthur, and Goldman foundations, and with assistance from eight state or local groups, CFA continued to educate consumers and policymakers about regulating firearms as consumer products. That education included the release of public opinion polls, publication of op-ed newspaper essays, research on gun industry plans after expiration of the assault weapons ban and on defective firearms, and the organization of a national conference for grassroots advocates. The video we had prepared in 2003 — "Unregulated, Untested, and Unsafe: The U.S. Gun Industry" — received two international film festival awards.



**Food and Agriculture:** With support from the Deer Creek Foundation, CFA continued to advocate for a more rigorous and effective regulatory system to ensure the safety of the nation's food supply. To this end, CFA produced an in-depth examination of industry influence on USDA's rulemaking process to control *Listeria monocytogenes*, a deadly foodborne pathogen, in ready-to-eat meat and poultry products, which was released in early 2005. CFA also continued to be the consumer group leader of the broad-based Partnership for Food Safety, whose goal is to better inform consumers about safe food preparation, and served on governmental biotech and trade advisory committees.

**High-Cost Credit:** With support from the Annie E. Casey Foundation and the Fannie Mae Foundation, CFA expanded its efforts to research, educate, and protect consumers in the short-term small loan market. We issued an updated report on rent-a-bank payday lending and a ground-breaking study of Internet payday loans. Working with a network of grassroots advocates and national organizations, we led a consumer delegation to the Conference of State Bank Supervisors' payday loan regulatory summit, held a Payday Loan Advocates' Summit, expanded outreach to military consumers, conducted two local forums in support of payday loan reform coalitions, and expanded our grassroots network to nearly 300 activists.

**Homeownership:** With support from the Fannie Mae Foundation and Annie E. Casey Foundation, CFA continued to promote homeownership as a key wealth-building strategy. Much of our America Saves Through Homeownership program, research and education on credit scores, research and advocacy on homeownership insurance, research and networking on high-cost credit issues, and research and consumer education on ARMs was supported by these grants. Also, with support from the Ford Foundation, we continued research on the impacts of home foreclosures.

**Investor Education:** CFA began an initiative, funded by the NASD Investor Education Foundation, to improve investor education efforts, voluntary industry information practices, and mandatory disclosures regarding mutual funds. Late in the year, we began a literature review of the key information investors must have to make informed mutual fund purchase decisions. In 2005, working with an advisory group of government, non-profit, and industry experts, we will survey investor information needs and then use all of our research to understand its implications for mutual fund sellers, regulators, and educators about better informing mutual fund purchasers.

**Media Ownership and Digital Democracy:** With the support of the Ford Foundation, CFA continued to work on the issue of media ownership concentration and its effect on programming diversity and the public discourse. Our work included writing a book on the subject, communicating with the FCC, monitoring court decisions on the FCC's media ownership rules, providing information to decision-makers on the ramifications of FCC regulations, and completing the redesign of the media policy pages on the CFA website.

**Wealth-Building in Lower-Income Households:** CFA's most ambitious consumer education and outreach was through the expanding America Saves campaign. The longterm goal of this initiative is to persuade both individuals and institutions to place greater emphasis on personal wealth-building, with special emphasis on lower-income households. By year's end, 17 local Saves campaigns were enrolling savers, while another 22 local campaigns and 13 state campaigns (including 20 cities) were being organized. These campaigns were supported by more than 1,000 organizations, and more than 100



financial institutions had made available low-fee, low-balance savings accounts to Savers. Nationally, America Saves initiatives sought to build programs that would benefit specific populations — African-Americans, Hispanic Americans, youth, military personnel, and faith-based communities — and promote wealth-building strategies including homeownership, saving at work, and saving at tax time. As a result of these efforts, 13,000 new Savers enrolled by agreeing to implement a specific plan to achieve a savings goal, bringing to nearly 30,000 the number of Americans who had enrolled in the past four years.

## 2004 ANNUAL REPORT

# Member Services

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## CONFERENCES

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The most important CFA meetings were built around the 37th annual Consumer Assembly, the nation's largest annual consumer conference. Nearly 300 persons in attendance at this March event heard speakers — including Senator Bill Nelson, Senator Peter Fitzgerald, Representative Janice Schakowsky, FTC Chairman Tim Muris, FDA Commissioner Mark McClellan, Consumers Union President Jim Guest, and U.S. PIRG Executive Director Gene Karpinsky — address issues related to the theme of public policy challenges in the 21st century.

During this week, representatives from CFA member groups conducted the business of the federation. Members of 14 policy subcommittees met to review past policies and recommend new ones. These recommendations were submitted to and voted on at the Annual Meeting, where Board members were also elected.

To address specific issues more thoroughly, CFA organized several forums and two issue conferences. In May, more than 300 persons heard USDA Secretary Ann Veneman, Acting FDA Commissioner Lester Crawford, the U.S. Trade Representative's Chief Agriculture Negotiator Allen Johnson, and other speakers address the 27th annual National Food Policy Conference. In December, 250 persons heard Representative Paul Kanjorski, the NASD's President of Regulatory Policy & Oversight Mary Schapiro, the *Washington Post's* Ken Harney, the *New York Times's* Joseph Treaster, and other speakers discuss banking, insurance, housing, and investment issues at CFA's 20th annual financial services conference.

In June, more than 400 persons participated in CFA's 34th annual Awards Dinner to recognize distinguished consumer service. Awards were presented to New York Attorney General Eliot Spitzer, Representative Charles Rangel, Frontline Executive Producer David Fanning, consumer advocate Rosemary Shahan, and the National Consumer Law Center.

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## PUBLICATIONS

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CFA member organizations received the following publications.

- Six issues of CFA's newsletter, *CEAnews*, which reports consumer news and advocacy.
- The 2004 policy resolutions adopted at CFA's Annual Meeting.



Member groups also have available free copies of dozens of consumer pamphlets on topics ranging from insurance to saving to product safety to consumer complaint resolution.

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## CONSUMER COOPERATIVE INITIATIVES

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CFA continued to coordinate the work of a group of national cooperative leaders who met quarterly to exchange information and discuss challenges. Particular attention was given to demutualization and threats to the non-profit status of co-ops. Other CFA/co-op initiatives included CFA/CUNA press conferences on low-income household saving and Christmas holiday spending, and CFA communications to a bank regulator who had spoken out against the tax-exempt status of credit unions.

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## STATE AND LOCAL RESOURCE CENTER

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CFA's State and Local Resource Center exists to strengthen state and local member groups by supplying them with information, technical assistance, and resources. With grants from Consumers Union's Colston Warne Fund, private foundations, and other sources, we provided state and local organizations with the following services:

- \$67,500 in organizational or emergency grants.
- \$131,000 in foundation and government funded project grants.
- \$18,000 in travel grants to attend conferences.
- A state and local listserv.
- Conference calls and training sessions on topics such as media and communications policy, financial services, firearm safety, food safety, energy efficiency, and the implications of Sarbanes-Oxley on nonprofits.
- One-on-one technical assistance to several groups plus responses to calls and e-mails from dozens of groups.

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### 2004 ANNUAL REPORT

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## *Finances*

CFA's income increased by more than 10 percent, and we achieved a substantial surplus largely because of increased income from grants and court awards.

Income	\$ 3,528,279
Expenses	\$ 3,268,704
Surplus	\$ 259,575
Reserves	\$ 1,656,830
Deferred Income	\$1,392,705







