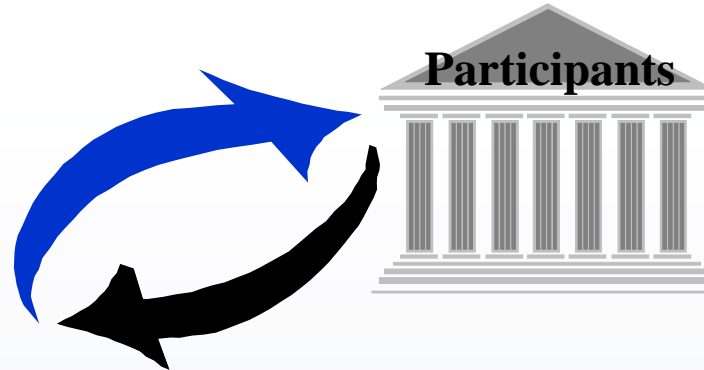
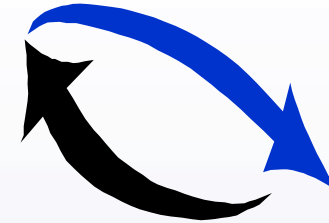


In Summary:

1. Customers owe participants money for delinquent debts.



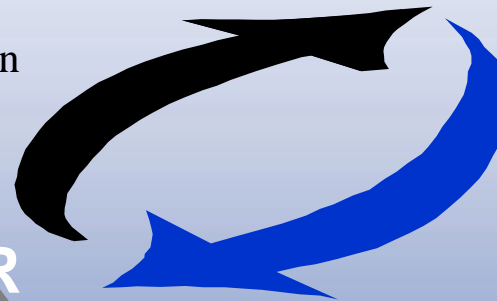
2. Participants use the Setoff Debt system to manage debtor information.



6. The Association returns the money collected to the appropriate participant less a \$25 administrative fee.

7. Participants send a letter to the debtors stating that the debt has been setoff.

5. The Dept. of Revenue then returns monies collected to the Municipal Association minus the DOR fee.



3. The Association compiles all the information and sends it to the Dept. of Revenue by 12/1.

4. The Dept. of Revenue will reduce the debtor's state income tax refund by the debt amount plus the DOR fee of \$25.

