

Delaware CRA News

A Quarterly Publication of the Delaware Community Reinvestment Action Council, Inc.



Annual Report
July 1, 2009 to June 30, 2010

Delaware CRA Council, Inc.
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Our mission is to ensure equitable treatment and equal access to credit and capital for the underserved populations and communities throughout Delaware through advocacy, education, legislation, and outreach.



Domenic Pedante & the board
 Anthony Albence
 Charles Brittingham
 Carol Davis
 Austin Edison
 Albert Griffith, Jr.
 Susan Haberstroh
 Matthew Kane
 Nancy Lopez
 Andrew McKnight
 Gwen Miller-Reilly
 Anthony B. Wright



DCRAC is a member of the National Community Reinvestment Coalition.

Please mark your calendars and plan to attend one of the most exciting conferences of the year. April 13 to April 16, 2011 in Washington DC. For more information visit www.ncrc.org.



Dear friends:

We have come very far from our humble beginnings in 1987 with a small \$900 grant from the City Council and \$5,000 grant from the Delaware Housing Coalition. We ended last fiscal year with \$557,673.48 in assets!

Let me take a few moments to reminiscence and thank those who took a chance on us many years ago. In 1988-89, the Gannett Foundation gave us \$9,429 in stock option. Speer Trust Commission and Allen Hilles Foundation saw us through 1989-90 with grants of \$5,000 and \$3,000 respectively. The years 1990 through 1994 were fully supported by the State of Delaware under then Governor Michael Castle at \$25,000 each year. During this period Speer Trust Commission helped us with a challenge grant of \$7,000 for a conference and \$5,000 for a legal retainer. These early years were our strong advocacy years resulting in millions of dollars invested in our communities. Like most organizations, we existed because of our leader Jim Sills. As you know, he left us to become Mayor of the City of Wilmington. And like most non-profit organizations we went through trial and errors until we settled with our executive director in December of 1994.

Under her leadership, we have come very far as you will see in this annual report. But, we are here today because of our strong foundational years. Thank you. Between 1994 and 2000, we remained a one-woman operation with a lot of help from the City of Wilmington, WSFS, HSBC, Speer Trust Commission, Grant-in-aid, US Department of Agriculture, and Housing Capacity Building. In addition to commenting on bank mergers and regulations, our Credit Clinic was already a strong presence in Delaware and we were on the verge of launching our Housing Clinic. Our television presence grew strong, as did our presence on the web. Our newsletters were published regularly and our circulation grew to 10,000. We were serving all of Delaware.

In 2000, with funding from Housing & Urban Development and expanded capacity through Public Allies partnership we tripled our staffing and launched our Housing Clinic. Three years later with financial backing from the IRS and GMAC (now Ally), we launched our Tax Clinic. National Community Reinvestment Coalition obtained a Ford Foundation grant for our economic impact campaign. Our banking partners provided enormous financial and volunteer support. Thank you Bank of America, Citi, Discover, GMAC, HSBC, ING, JPMorgan Chase, and TDBank. They along with many other financial institutions made our annual fund raiser-Celebrate CRA a tremendous success. Speer Trust and Catholic Campaign for Human Development (local and national) helped our Credit Union movement and Longwood and Welfare Foundations helped us grow into 603 North Church Street.

Our staff, Public Allies, and volunteers over the years along with a dedicated board has helped us get here. We have a long way to go before there is equal access to opportunity in our community. With the goodwill generated toward us, we are bound to succeed. So, thank you everyone for your role in our success.

Dom

CREDIT CLINIC**Destination:
Economic Independence**

- **Money Matters!** A one-hour seminar on managing money.
- **Credit Lounge**—an open house where we print your credit reports and explain them to you.
- **Financial Fitness** a 10 hour 5 week series designed to have all your money questions answered and set you on path to Economic Independence.
- Our **one-on-one** consultations center around helping establish your budget and credit.

Contact Diana Bernal
302-654-5024 x 101
877-825-0750 x 101
Fax: 302-654-5046

Credit Clinic

July 1, 2009 to June 30, 2010

**Destino: Independencia Económica
CLINICA DE CREDITO**

- **¡Fuerza Financiera!** Seminario de una hora sobre manejo de dinero.
- **Salón de Crédito**-una casa abierta donde imprimimos sus reportes de crédito y los explicamos.
- **Serie Fuerza Financiera**-Currículo de 10 horas por 5 semanas diseñado para responder todas sus preguntas acerca de dinero y posicionarlo en camino hacia la independencia económica.
- Nuestro centro de consultas (**uno-a-uno**) en torno a ayudar a establecer su presupuesto y crédito.

Contacte Diana Bernal
302-654-5024 x 101
877-825-0750 x 101
Fax: 302-654-5046

The Credit Clinic is directed by Diana Bernal and managed on a day-to-day basis with support from all DCRAC staff and volunteers. The Clinic also hosts 3 television programs and 45 hours of information on the radio. In addition, the Clinic publishes one newsletter annually.

Last fiscal year, 13 families sought budget coaching. Not only do we keep them motivated, we also help them shape new attitudes about money. Another 25 families who are working on their credit repair plans continue to need frequent guidance and coaching. For a few of our clients, we were able to negotiate a repayment plan or settled their debt for less than the amount owed. This relief has helped our clients feel more confident about their current financial situation AND has helped them learn about the importance of credit management in the future. We also help many individuals address their credit report issues that may include identity theft or inaccurate information. We worked with 41 such individuals. It is our practice to obtain all pertinent information, explain the processes and help clients negotiate the environment within which they are referred. For example, if someone contacts us about cash assistance, we explain the process and the distinct possibility that the resource may not have any money to provide the needed cash assistance. Those who are exploring bankruptcy are informed about Chapter 7 and 13, requirement for credit counseling, and the fees/process before we refer them. We referred 44 clients to other resources. Through our 8 Credit Lounges we helped 258 Delawareans obtain and review their credit reports.

Our Money Matters! helped 1,348 Delawareans embark on their journey toward financial independence.

- 682 were extremely low income households residing at a shelter.
- 198 were low-income households that attended the seminars at a library.
- Through special invitations to schools and colleges, we reached an additional 468 Delawareans.

We offered 66 Financial Fitness classes. 70 Delawareans received a certificate of attendance--having attended all 10 hours. Our Financial Fitness series are intense. After 10 hours, we hope that in addition to learning, our participants are motivated to change behaviors.

We want to thank Lisa Milideo who gives us two hours each month at Sojourners Place, Latrell Mixon who is always there for our Financial Fitness on Saturdays in Wilmington, and Ben Zuofan who is at each of our major Credit Clinic events. Those who help us with the radio program are uniquely invaluable. Thanks Jabari, Joeyee, and Jenna--you handled the bulk of our radio shows. Lastly, thanks to Bank of America, Discover, HSBC, and NCC Board of Relators for helping us raise \$120,000 for the Clinic. We also say thank you to Carlos Herrera, Jenna Fenstermacher, Jessica Mallamace, Rashmi Rangan, and Rony Peralta for teaching classes, leading Financial Fitness sessions, and assisting with Credit Lounges.

The Credit Clinic was launched in 1995. In our first year we offered Financial Fitness to 10 families in partnership with Kingswood Community Center for 12 months. How far we have come!

HOUSING CLINIC
From irrational despair
to self-advocacy

- We offer educational seminars on Fair Housing and Foreclosure Prevention.
- We help you file your fair housing complaints.
- We provide assistance with modifying your mortgage.
- We refer you to the right resource in our community on first-time home buyer programs and affordable housing as well as legal services regarding landlord-tenant or discrimination issues.

Contact Carlos Herrera
302-654-5024 x 103
877-825-0750 x 103
Fax: 302-654-5046

Housing Clinic
July 1, 2009 to June 30, 2010

Cambiando desesperación por
conocimiento CLINICA DE VIVIENDA

- Ofrecemos seminarios sobre vivienda justa y prevención de ejecución hipotecaria.
- Ayudamos a presentar sus quejas de vivienda justa.
- Proveemos ayuda para la modificación de su hipoteca.
- Referimos a los lugares dentro de nuestra comunidad para el programas de compra de vivienda por 1era vez y de vivienda asequible, así como servicios jurídicos, también para problemas al rentar y problemas de discriminación.

Contacte Carlos Herrera
302-654-5024 x 103
877-825-0750 x 103
Fax: 302-654-5046

Directed by Carlos Herrera, the Clinic receives significant support from Rashmi Rangan, Jabari Chambers, and Nathan Iavacino, a Widener University law student. Primarily focused on foreclosure prevention, the clinic's most significant time investment is its clients. Yet, with help from DCRAC staff, volunteers, and partners, we provide education and outreach both in the areas of fair housing and fair lending. The Clinic also hosts 3 television programs and 45 hours on the radio. In addition, the Clinic publishes an annual newsletter.

During this fiscal period, foreclosure prevention activities helped 339 homeowners navigate through programs offered by the federal and state government. 86 homeowners obtained mortgage modification. 217 received information about resources such as DEMAP or mediation program, and a HUD approved housing counseling agency. We had 20 active cases as of July 1, 2010. We closed 16 cases because they were inactive for 6 months.

We also hosted two very successful Servicer events and four Fair Housing Trainings attended by 259 Delawareans. Our Servicer events are a success because of the lenders who send senior loss mitigation professionals to resolve homeowner concerns. Often, the homeowner has tried the modification process on his own and has not made any headway. Having a person to contact at the lending institution is a major accomplishment.

Our Servicer events are relatively large in scale and without help from our volunteers, we simply cannot manage an event of this size and scope. So, we take time to thank Carol Barnett, Jaqueline McDonald, Melody Taylor-Blancher, Suzie Lovekin, Joan Fultz, Jeanne Corman, Roberta Perkins, Anne Mountain, Dee Beldyk, Stephanie Mitchell, Evelyn Vega, Maria Gestwicki, Mary Anne Matarese, Wilma Forrest, Sherrie Snead, Sherry Hoffman, Katherine Caudle, Steve Slotkin, Lynn Brittingham, Amy Day, Shawn Charles, Sonia Borges, Olivia Grant, Ann Yopp, Michele Torres Roch, Darrell Roch, Diana Gatchell, Don Passenant, Greg Freeman,Carolynn Mincey-Freeman, Jay Macklin, Nathan Iacovino, Roslyn Smith, Ronald Dutton, Lana Cobb, Marie Morole, Brandy Bennett, Esther Shelton, Barbara Mullin, Crystal Allen-Horne, Fel Norwood, Amy Walls, Jim Angus, Sandy Chandler, Judy Smith, Shanta Jeffers, Jo Klinge, Bob Wilson, Ann Wilson, Lynn Brittingham, Carolyn Freeman, Tyrone Davis, Gena Spratt, Maria Velasquez, Sonia Borges, Tracey Whye, Laura Wharton, Gloria Alderman, Melissa Petro, Nicholas Mirro, and, of course, the DCRAC staff!

Our media partners are central to us getting our word out in the community. 6 ABC, Cape Gazette, Delaware State Housing Authority, and the Delaware Money School, have consistently announced each of our events. A very special thank you to Gerry Kelly who lends us his support in many ways.

The Clinic operates on a shoe string budget of \$120,00/year. We thank Housing and Urban Development, Citi Foundation, and New Castle County for their financial support of this program. New Castle County Board of Realtors and City of Wilmington also partially funded our Housing Clinic.

The Clinic gives special thanks to Diana, Jabari, Jenna, Jessica, Rony, and Rashmi who help make sure that our events are always such a success.

TAX CLINIC
1040 Reasons
for our Tax Clinic

- We offer educational seminars on Tax Topics.
- We provide assistance with resolving your Tax controversy with the IRS.
- Tax controversies may include amending your returns, responding to audits, obtaining refunds, or negotiating repayments.
- We also assist small home-based businesses who are anticipating an audit or are in an audit dispute with the IRS.

Contact Rony Peralta
302-654-5024 x 102
877-825-0750 x 102
Fax: 1-866-422-5335

Tax Clinic

July 1, 2009 to June 30, 2010

1040 Razones para nuestra
CLINICA DE IMPUESTO

- Ofrecemos seminarios educativos sobre temas de Impuestos.
- Proveemos asistencia resolviendo sus controversias de Impuestos con el IRS.
- Las Controversias de Impuestos pueden incluir enmendar sus impuestos, responder a auditorias, obtener reembolsos, o negociar pagos.
- Ayudamos a negocios pequeños que anticipan una auditoria o que ya estan disputando una auditoria con el IRS.

Contacte Rony Peralta
302-654-5024 x 102
877-825-0750 x 102
Fax: 1-866-422-5335

Directed by Rony Peralta, the Clinic receives significant support from our volunteer Jim Angus and Rashmi Rangan. Primarily focused on federal tax resolution, the clinic's the most significant time investment is in its clients. With help from staff, volunteers, and partners, we provide education and outreach to those for whom English is a second language. The Clinic also hosts 3 television programs and 45 hours on the radio. In addition, the Clinic publishes one annual newsletter.

During this fiscal period, we served 123 new taxpayers. Only 1 taxpayer had income exceeding 250% of the poverty level. **For 6 taxpayers, the amount in controversy each year exceeded \$50,000. We took these cases because we knew that IRS had erred--the actual tax liability IRS later agreed was \$0.**

Overall, we saw 491 issues. The major issues related to levies on taxpayers' Social Security Disability Income. Nine taxpayers had EITC audits. Six taxpayers were dealing with liens on their properties. 25 taxpayers dealt with exam issues and five dealt with appeals. In some instances IRS had substituted a return and in some instances IRS considered our taxpayers as under reporters. So, we amended 44 returns and filed 131 returns. Three of our taxpayers are in Tax Court. 49 of our taxpayers are non-English speaking. We also referred 6 cases to the Tax Payer Advocate. There were 9 taxpayers who received consultations from us but no representation.

Ten of our taxpayers with very low incomes were placed in currently not collectible status to halt collections. Two taxpayers entered into an Installment Agreement to settle their tax debts. Six taxpayers paid their tax debts. Three taxpayers filed complaints against fraudulent tax preparer. 30 taxpayers received a refund. Three taxpayers were victims of identity theft and four sought injured/innocent spouse relief. We resolved cases for 125 taxpayers. Some were open cases from prior years. 49 taxpayers also had state tax matters. We prepared/amended 174 years of tax returns.

We also hosted twelve seminars attended by 141 Delawareans and joined our partners at 10 events attended by 760 Delawareans to disseminate information about our Tax Clinic.

The Clinic operates on a shoe string budget of \$120,00/year. We thank IRS, Bank of America, and JPMorgan Chase for their financial support. We also take this opportunity to thank Jim Angus, without whom, we would truly be lost. Thanks also Cristian Tijerino, Shannon Dawson, and Maria Cabrera. In addition, thanks to staff Carlos, Diana, Jabari, Jenna, Jessica, and Rashmi. We owe a debt of gratitude to our organizational partners--League of Women Voters New Citizens Program, La Exitosa, La Esperanza, Voices without Borders, Hispanic Business Association, Tax Payer Advocate Service, and IRS's Small Business/Self-Employed Division. We also thank our *pro bono* panel of volunteers who have guided us when we are in a tough spot in resolving our client controversy.

Meet the team

Rashmi Rangan, Executive Director, has served in this capacity since December 1994. She graduated from University of Delaware with an M.A. in Urban Affairs & Public Policy, and a J.D. from Widener University, School of Law. A devoted wife, mom, and a new grandma--her world revolves around granddaughter Adriana Sapna Casini. Outside DCRAC and her family, Rashmi is an environmentalist, animals' rights advocate, and an avid gardener. She can be reached at x 100.

1-877-825-0750 or 302-654-5024

Please schedule appointments with us

Rony Peralta, Tax Clinic Director, has been a team member since November 2006. He has a B.A. in International Business from Florida Atlantic University and two M.B.A.s—one in Marketing and one in Finance from Goldey-Beacom College. Rony is bilingual, and speaks both Spanish and English. Rony can be reached at x 102. He is in Georgetown on Mondays.

Diana Bernal, Credit Clinic Director, has been a team member since May 2008. She has a B.A. in International Business Management and an M.B.A. in Marketing from Goldey-Beacom College. Fluent in Spanish and English and can be reached at x 102. She is in Georgetown on most Tuesdays.

Carlos Herrera, Housing Clinic Director, is a new member of the core team having joined on June 1, 2009. He has a B.A. in International Business Management and an M.B.A. in Finance at Goldey-Beacom College. He speaks fluent Spanish and English. You can reach him at x 103. He is in Georgetown on most Thursdays.

Loida Soto is our newest and youngest member of the family. A senior at Howard High School of Technology, she began her placement with us on October 1, 2010. She is focused on studying pre-med next year!

**Our Georgetown Office
20145 Office Circle, Unit 1
Georgetown, DE 19947**

A new addition to the DCRAC family

My name is Jabari Chambers. I graduated from Howard High School of Technology in May 2009. I am attending Goldey-Beacom College to pursue a Bachelor of Science in Organizational Psychology.

I became a member of the DCRAC family in September 2009. DCRAC is my first job/work experience and what a magnificent introduction to the workforce and non-profit world it has been. I have learned the issues of my community and the role of non-profit organizations. I gained an appreciation for the non-profit world; without them community improvement would not be possible, in my opinion.

I have met people with different backgrounds, from their ethnicity to education. Being around people who have accomplished personal goals for themselves has given me the confidence that I also can accomplish mine. I have also come to realize that there are different roads one can take to accomplish their goals; there is no right way.

When I first started at DCRAC, I worked on just organizing the office. As time progressed I was given more responsibility. I am in charge of the education and outreach database; I make sure that all classes are recorded in the database.

Recently I have been attending the Money Matters! classes to get a feel for how the classes are taught. I am hoping that in the very near future I will have the opportunity to teach. Before I attended these classes, I used to read the surveys. Based on the feedback, I knew that students appreciated the class. The number one quote on the surveys are "very informative." Attending the classes I got a firsthand experience on how DCRAC impacts a few people at a time.

Now that I have had full exposure to each of the three Clinics, I would like to work with Rony Peralta and Jim Angus in the Tax Clinic. I want to expand my skills throughout DCRAC and gain new ones. I gratefully take advantage of every opportunity that comes my way.

What DCRAC can expect from me in the upcoming year is 100% dedication and more in-depth involvement. By January 1st I want to serve Tax Clinic clients on my own at DCRAC. Since we serve the Spanish community I plan to learn Spanish. I want to be able to communicate with all of our clients. I thank the DCRAC staff for giving me this opportunity to work with them and allowing me to learn all that I can from them.

Jabari Chambers



J. Randall Kunkle
 Senior Vice President
 Community Development
 Executive
 Bank of America Card
 Services



Blanche L. Jackson
 Executive Vice President
 Delaware State Police Federal
 Credit Union



Sandra Spence
 President, League of Women
 Voters Delaware, Board
 member, League of Women
 Voters, Sussex Board member,
 Delaware Housing Coalition

CONGRATULATIONS!

Named for the founder of DCRAC, the **James H. Sills, Jr., CRA Leadership Award** recognizes the outstanding contributions Community Reinvestment Act officers make in our communities. In addition to honoring dedicated reinvestment professionals, the goal is to encourage innovation among Delaware’s financial institutions in the community reinvestment movement. This year we were proud to honor Randy Kunkle for his outstanding service to Delawareans. Through the **Excellence in Community Service Award**, DCRAC strives not only to recognize and encourage excellence in community service but also stimulate a culture of unselfish giving. This year, we were proud to recognize Blanche L. Jackson who has been the pillar of strength to DCRAC’s plans for the community credit union. The **Board of Directors’ Award** is established to encourage and honor individuals who contribute to the public good through the giving of their time, talents, and money. This year we were honored to recognize Sandra Spence for her role in Delaware’s future success.

THANK YOU CELEBRATE CRA 2009 SPONSORS

PLATINA DEL PINTO SPONSORS

Bank of America
 Citi
 HSBC

AURUM SPONSORS

JP Morgan Chase and
 Wilmington Savings Fund Society

ARGENTINIUM SPONSORS

Artisans’ Bank and Citizens Bank

CUPRUM SPONSORS

Ally Bank, City of Wilmington,
 Delaware Human Relations Commission,
 Discover Bank, New Castle County Board of Realtors,
 New Castle County Government, and
 Wilmington Trust Company

THANK YOU CELEBRATE CRA 2010 SPONSORS

PLATINA DEL PINTO SPONSORS

Bank of America
 Citi
 HSBC
 TD Bank

AURUM SPONSORS

The Bancorp Bank, JP Morgan Chase,
 and Wilmington Savings Fund Society

ARGENTINIUM SPONSORS

Artisans’ Bank, Citizens Bank, Discover Bank,
 and Wells Fargo

CUPRUM SPONSORS

Barclays, Delaware Human Relations Commission,
 New Castle County Government, and
 Wilmington Trust Company

DCRAC Profit and Loss July 01,09 to June 30, 10

Ordinary Income/Expense

Income

NCC Board of Realtors	16,667.00
Bank of America	50,000.00
JPMorgan Chase	15,000.00
Citi Foundation	70,000.00
Citizens	1,000.00
Discover	20,000.00
Ally Bank	25,000.00
HSBC	20,000.00
Wachovia Bank	3,000.00
HUD	90,000.00
IRS	59,680.00
City--Wilmington	2,500.00
County--New Castle	30,000.00
County--Sussex County	500.00
Melaleuca	80.64
SECC Contribution	819.81
CFC Contributions	97.69
Individual Giving	1,320.00
Interest income	2,640.04
Honorarium	200.00
Ministry of Caring	5,200.00
Program Service Fees	350.00
Voices Without Borders	3,000.00
Refunds	1,080.33
Celebrate CRA	21,389.00

Total Income 439,524.51

Gross Profit 439,524.51

Expense

Amortization Expense	723.65
Building Occupancy	13,194.63
Accounting	2,400.00
Audit	4,500.00
Public Ally	13,692.63
IT Expense	6,067.30
Postage, Mailing Service	2,256.09
Printing and Copying	114.22
Supplies	11,419.44
Telecommunications	6,673.47
Advertizing Expenses	4,082.51
Fundraiser	7,743.38
Interest Expense - General	4,014.18
Memberships and Dues	2,035.94
Payroll Expenses	238,737.53
Clients	4,006.77
Meetings	7,706.11
Newsletters	8,428.91
Radio Show	3,150.00
Seminar	4,141.05
Television	9,900.00
Travel and Meetings	17,913.27

Total Expenses 372,901.08

Net Ordinary Income 66,623.43

Net Income 66,623.43

DCRAC Balance Sheet As of June 30, 10

ASSETS

Current Assets

Checking/Savings	
Commerce Bank	111,418.96
Commerce Bank for Credit Union	19,803.27
Delaware Community Foundation	9,675.14
WSFS	47,100.44
Total Checking/Savings	187,997.81
Accounts Receivable	
Accounts Receivable	136,421.00
Total Accounts Receivable	136,421.00
Total Current Assets	324,418.81

Fixed Assets

Accum, depreciation	-21,860.00
Building 601	19,408.72
Building 603	66,192.50
Building improvement	140,265.50
Land	9,500.00
Office equipment	18,727.95
Total Fixed Assets	232,234.67
Other Assets	
Loan Origination Fees	1,020.00
Total Other Assets	1,020.00
TOTAL ASSETS	557,673.48

LIABILITIES & EQUITY

Liabilities

Current Liabilities	
Accounts Payable	
Accounts Payable - DUV JE's	33,248.90
Accounts Payable - Other	-29,536.26
Total Accounts Payable	3,712.64
Other Current Liabilities	
Payroll Liabilities	
City of Wilmington	-77.90
Federal taxes	3,316.96
State withholding taxes	432.44
Total Payroll Liabilities	3,671.50
Total Other Current Liabilities	3,671.50
Total Current Liabilities	7,384.14
Long Term Liabilities	
Notes Payable NCALL	72,026.13
Total Long Term Liabilities	72,026.13
Total Liabilities	79,410.27

Equity

Retained Earnings	411,639.78
Net Income	66,623.43
Total Equity	478,263.21
TOTAL LIABILITIES & EQUITY	557,673.48