Our mission is to ensure equitable treatment and equal access to credit and capital throughout Delaware through advocacy, education, legislation, and outreach.

Rashmi Rangan  
Executive Director  
302-298-3250  
rrangan@dcrac.org

Like us on Facebook @DCRACDelawareCRA  
Follow us on Twitter # @DCRACDelCRA
Dear friend:

The Community Reinvestment Act (CRA) was born 40 years ago. It is uniquely and beautifully American! It is about giving access: the keys that unlock credit and capital. DCRAC was born 30 years ago!

DCRAC believes that good money management can be taught. This philosophy—that we can teach people to know their money and control their money—is what drives us.

Just last year, 6 full-time and 1 part-time DCRAC staff, with help from volunteers, educated and served 1,380 Delawareans through our four programs: Tax, Credit, Housing, and credit union with 308 successful outcomes.

Just one example of one of our 308 successes: While our client was overseas fighting for our country, one of the chemicals she worked with in the U.S. military made her terminally ill. To reward her for her valiant service to her country, Senator Coons assisted her with a student loan forgiveness of $100,000. Unfortunately, the IRS then taxed and assessed her $26,935 on the $100,000 student loan forgiven. Senator Coons not only introduced a Bill to carve out an exception for disabled veterans to be exempt from the student loan forgiveness tax but also applied for a $1.00 special circumstance offer in compromise so our client would not have to pay the $26,935 assessment. The IRS denied. Senator Coons referred the client to our office. We appealed the offer in compromise denial and won. IRS accepted $1.00.

We exist in the corporate capital of America, and we’ve helped corporations become accountable, and it’s not inconceivable to think that the pressure we’ve placed has uplifted nonprofits across the state.

Community reinvestment takes community resources. It could never have been done alone. Funding, Volunteers, Physical Space, Technology, our stretch goals, and you keep us innovating and reaching.

We thank you for your support.

Sincerely,

Carol & Rashmi
Our Money Matters! is an hour overview of the importance of basic financial planning so there is more money at the end of the month. This includes the basic instruction on how to create a budget, some tips on stretching the dollar, understanding banking relationships including reading statements to understand and avoid fees, explaining how to access free credit scores and reports and what they mean, including steps to take to assure improving the credit score.

Our partners include Sojourner’s Place, Salvation Army, AmeriCorps, Habitat for Humanity, Pinetown, Mt. Joy, Coverdale, Friendship House, Central Baptist Church, Public Allies, Money School, Women’s Business Center, etc. Two of our monthly classes are taught by volunteers (Sojourners and Salvation Army).

**JULY 2016 THROUGH JUNE 2017**

**605 Delawareans**
(45 Spanish speaking) attended over 50 classes offered throughout Delaware.

**Borrow Smart** is a nine-hour class. The first three hours are in a classroom setting. The next three modules are on line. These are password protected. Access is provided to those who complete the first module. We also offer this class as a webinar. We are able to track our participant’s progress. These modules have questions, quizzes, etc., built into the lesson plan. The first module is a comprehensive overview of budgeting, banking, credit score, credit reports, consumer protection laws, and homeownership. The second and third modules build on saving and credit.

**JULY 2016 THROUGH JUNE 2017**

281 Delawareans attended classes or received this course on a one-on-one basis (includes 61 one-on-ones who did not attend the class but content covered in the first session). We accommodate those who are unable to attend classes due to time conflict, accommodation requests, or have competency concerns with on-line courses.
**Advancing Prosperity** is a 52 week course where participants receive short assignments each Monday morning. The goal is to challenge our participants to save $1,378 at the end of the year. We have developed a facebook page called 52 Week Savings Challenge and a Facebook page called 723 Credit Score. Our clients can join Advancing Prosperity at any stage. They can exit at any time.

**JULY 2016 THROUGH JUNE 2017**

294 people reached through the 723 Credit Score Page.
203 people follow the 52 Week Savings Challenge page.

**123 Coached**
Once our clients have decided that they need guidance toward achieving their goals, we work with them as partners. During this fiscal year, our one-on-ones also include clients from our Housing and Tax clinics who needed coaching with budgeting and credit.

**BANKING SMARTER:**
• 87 opened new bank accounts
• 3 changed bank account
• 8 reduced banking fees

**SAVERS:**
• 122 Created/Revised budget
• 9 are saving toward 1378 club
• 20 reduced their expenses
• 6 increased their income
• 4 started their 401K contributions

**CREDIT BUILDERS:**
• 123 reviewed their credit reports
• 71 are paying their bills on time
• 6 have paid off their consumer debts
• 16 obtained a debt consolidation loan
• 18 are in the Artisans Credit Builder program
• 23 improved credit score by resolving issues on credit report
## Geography

<table>
<thead>
<tr>
<th>Location</th>
<th>City</th>
<th>Kent</th>
<th>Sussex</th>
<th>New Castle</th>
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<tbody>
<tr>
<td>Sojourners Place</td>
<td>120</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Hope House 1, 2, 3</td>
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<td>Central Baptist Church</td>
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<tr>
<td>Public Allies</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Food Pantry</td>
<td>37</td>
<td>0</td>
<td>32</td>
<td>0</td>
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<tr>
<td>Salvation Army</td>
<td>120</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AmeriCorps</td>
<td>20</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Habitat for Humanity</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>0</td>
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<tr>
<td>Pinetown</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Mount Joy</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>0</td>
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<tr>
<td>Coverdale</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>0</td>
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<tr>
<td>Friendship House</td>
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<tr>
<td>Achievement Center</td>
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<td>WFGMO</td>
<td>0</td>
<td>0</td>
<td>30</td>
<td>0</td>
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<tr>
<td>Money School</td>
<td>20</td>
<td>0</td>
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<td>0</td>
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<tr>
<td><strong>Money Matters! Total</strong></td>
<td>468</td>
<td>15</td>
<td>122</td>
<td>0</td>
</tr>
<tr>
<td>Borrow $mart</td>
<td>72</td>
<td>23</td>
<td>54</td>
<td>132</td>
</tr>
<tr>
<td>One on One*</td>
<td>8</td>
<td>7</td>
<td>38</td>
<td>70</td>
</tr>
</tbody>
</table>

## Income:

- **Capital One** $15,000
- **CCHD** $30,000
- **FLEG** $11,000
- **Discover** $43,400
- **HSBC** $5,000
- **In-Kind** $852,050

**TOTAL Income** $112,920.50

## Expense:

- **Wages** $71,322.36
- **Benefits** $54,561.16
- **Telephone & IT** $4,656
- **Software/Supplies** $3,000
- **Insurance** $2,976
- **Business Expenses** $2,580
- **Travel & Training** $3,360
- **Program related** $2,775
- **Occupancy** $827,448
- **In-Kind** $852,050

**TOTAL Expenses** $112,920.50
Housing Clinic Annual Report
2016-2017

124 Clients Were Served Through The Housing Clinic This Year.

91 through foreclosure prevention
33 through pre-purchase counseling

Of our 91 Foreclosure Prevention Clients:

- Consults: 10
- Modified: 29
- Brought Current: 2
- Repayment Plan: 1
- Filed Bankruptcy: 6
- DEMAP: 3
- Sheriff Sale: 1
- Short Sale: 5
- Sold Home: 2
- Relocated: 1
- Refinance: 2
- Got on track: 3
- Open cases: 26

Of our 33 Pre-purchase Clients:

- 17 Habitat for Humanity clients in Sussex County received one on one counseling, 6 have become homeowners
- 11 are working on their credit for homeownership
- 1 increased credit score and entered into a lease purchase agreement
- 4 achieved their dream of homeownership
**Demographics**

**Geographic distribution:**
- Sussex County: 42%
- New Castle County: 51%
- Kent County: 7%

**Income:**
- <30% AMI: 26%
- 30-50% AMI: 24%
- 50-80% AMI: 18%
- 80-100% AMI: 17%
- >100% AMI: 15%

**Race/Ethnicity:**
- Hispanic/Latino: 5%
- Caucasian: 40%
- African American: 53%
- Asian: 1.5%
- Other/Chose not to respond: 0.5%

**Average Family Size:** 3

**Outreach, Advocacy and Partnerships:**
- Sussex Housing Group (co-chair)
- Diamond State Community Land Trust (President)
- Affordable home developers and SEDAC (Sussex Economic Development Action Council)
- Housing Alliance Delaware’s Community Development Network Partnerships
- WGM Outreach
- Eastside Rising
- Habitat for Humanity of Sussex County
- Habitat for Humanity of New Castle County
Title Project:

Ensuring homeowners have proper ownership of their homes

- 6 clients served
- 4 in conjunction with foreclosure prevention
- 2 involved probate
- 2 involved replacement title with Division of Motor Vehicles

Income:

- Bank of America: $50000
- State of Delaware: DSHA: $18888
- NCRC: NFMC: $2310
- New Castle County: $55000
- City of Wilmington: $5000
- Grant in Aid: $5000
- NCRC HUD: $10651
- Discover: $23700
- In Kind: $8520

TOTAL Income: $129069

Expense

- Wages: $80042.36
- Benefits: $6123.24
- Telephone & IT: $5044
- Supplies & Software: $3250
- Insurance: $3224
- Business Expenses: $2795
- Programs: $3640
- Travel & Training: $7475
- Occupancy: $8944
- In-kind: $8520

TOTAL Expenses: $129057.6

Housing Clinic Staff
- FICA
- Administrative, Communications with clients, E-learning
- Client data management, surveys, and administrative
- Workers comp, D&O, Professional, Business, etc.
- Accounting, audit, legal
- TV, seminars, meetings, etc.
- Mileage calculated at .55/mile
- Rent, utilities, security, etc.
- Volunteer attorneys
# DCRAC Condensed Financials

Delaware Community Reinvestment Action Council, Inc.
Comprehensive Financial Statements
For the Year Ended June 30, 2017

Below is an excerpt from the annual audit which can be found on the home page at www.dcrac.org

## BALANCE SHEET

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>$ 298,757</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>$ 7,440</td>
</tr>
<tr>
<td>Fixed Assets Net</td>
<td>$ 618,537</td>
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<tr>
<td>Other Assets Net</td>
<td>$ 13,481</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 938,215</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities Net</td>
<td>$ 25,786</td>
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<tr>
<td>Long-term Liabilities</td>
<td>$ 0</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$ 912,429</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$ 938,215</strong></td>
</tr>
</tbody>
</table>

## STATEMENT OF REVENUE & EXPENSES

<table>
<thead>
<tr>
<th>Revenue</th>
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<tbody>
<tr>
<td>Grants</td>
<td>$ 727,804</td>
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<tr>
<td>Fund raisers</td>
<td>$ 14,377</td>
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<tr>
<td>Donated Services</td>
<td>$ 300,000</td>
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<tr>
<td>Miscellaneous Income</td>
<td>$ 7,241</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1,049,422</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Activities</td>
<td>$ 843,286</td>
</tr>
<tr>
<td>Support Services</td>
<td>$ 45,075</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$ 33,070</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 921,431</strong></td>
</tr>
</tbody>
</table>
**96 RESOLUTIONS**

- **Currently Not Collectible**: 19 placed in CNC; Unless their financial circumstances change for the better, collection has been stayed
- **Debts cancelled**: 2 taxpayers had their debts cancelled
- **Installment Agreements**: 40 taxpayers entered into an Installment Agreements
- **ITINs renewed**: 3 taxpayers renewed their ITINs with the IRS
- **Payments**: 17 taxpayers made payments on their tax debts
- **Refunds obtained**: 7 taxpayers obtained refunds
- **Liability reduced to zero**: While the IRS assessed a tax debt; after we intervened on behalf of 3 taxpayers; their liabilities were reduced to zero

- We obtained a levy release for 1 taxpayer
- We settled two tax court cases
- We offered an OIC that was accepted
- We won a case in tax court
13 withdrawn

- It is our practice to close a file after three attempts at obtaining required documentation from taxpayers.
- There are occasions when it is in the best interest of our taxpayers to withdraw.

Cases open as of July 1, 2017

47 cases are still being worked in various units at the IRS.

Of the 96 cases that are resolved:

- 31 ESL Taxpayers
- 369 tax years
- $3,469,500 in tax controversy
- 13 required the assistance from Taxpayer Advocate
- 20 cases were worked on by volunteers
- 19 cases were joint taxpayers
- 9 had amounts in controversy that exceeded $50,000/year
- 8 had incomes above 250% poverty level
- 27 implicated state returns as well
- 26 tax returns were prepared to address the controversy
- 2 ITINs were submitted

203 ESL & Limited Income Delawareans educated about their taxpayer rights and responsibilities

- 92 Consultations to clients and tax practitioners
- 156 taxpayers received free legal representation
5,000 Delawareans reached through outreach with our partners

Income:
- IRS: $70000
- Arsh Canon Fund: $25000
- Sussex County Council: $1000
- Capital One: $35000
- Discover: $4300
- In-Kind: $18319.34

TOTAL Income: $153619.34

Expense:
- Wages: $91297.66
- Benefits: $6984.27
- Telephone & IT: $5432
- Software/Supplies: $3500
- Insurance: $3472
- Business Expenses: $3010
- Travel & Training: $8025
- Program related: $3920
- Occupancy: $9632
- In-Kind: $18319.34

TOTAL Expenses: $151648.92
Our mission is providing members access to credit with need-appropriate financial services, education, and individualized approaches to money matters to ensure awareness of all their financial choices.

ASSESS THE CREDIT NEEDS AND Respond WITH INNOVATION

The unbanked often end up paying two sets of fees—one to turn their paycheck into cash, another to turn their cash into a money order. In 2008, the Brookings Institution estimated that such fees can accumulate to $40,000 over the career of a full-time worker.

**The Solution:**

1. $5 minimum balance share account.
2. Direct Deposit & ATM Card
3. Mobile Bank: The Truck goes into neighborhoods to open accounts, distribute literature and direct deposit forms, issue ATM Cards.

**STATUS AS OF JUNE 30, 2017**

1. Van is purchased, fitted and wrapped. Security & Network is installed.
2. WSFS is making its ATM network available to Stepping Stones’ members at no cost.
3. Direct Deposit is available to our members since April 19, 2017.
NEW MEMBERS: 47

NEW BORROWERS: 16
While 24 members applied for a loan, we originated 16 loans for $55,610. The purpose for borrowing included:
- Debt consolidation: 4
- Emergency travel: 1
- Car repairs: 4
- Security deposit: 1
- Home repair: 2
- Pay off high cost loans: 3
- Purchase a car: 1

81 RECEIVE ONE-ON-ONE COACHING
Once our clients have decided that they need guidance toward achieving their goals, we work with them as partners. Clients achieve more than one success. We celebrate each milestone with our clients/members.

BANKING SMARTER:
- 32 opened new bank accounts at Stepping Stones CFCU
- 1 changed bank account
- 2 reduced banking fees

SAVERS:
- 78 Created/Revised budget
- 2 are saving toward 1378 club
- 6 reduced their expenses
- 1 increased their income
- 1 started their 401K contributions

CREDIT BUILDERS:
- 70 reviewed their credit reports/Chex System reports and downloaded the credit karma/credit wise app on their phone/computer
- 28 are paying their bills on time
- 6 have paid off their consumer debts
- 13 obtained a debt consolidation loan from Stepping Stones CFCU
- 9 are in the Artisans’ Bank Credit Builder program
- 2 improved credit score by resolving issues on credit report (dispute/settle)
- 2 refinanced their auto loan
- 2 resolved their medical debts
- 3 reduced debts by 50%
ANNUAL MEETING

Held on April 19, 2017, our members elected the new board and provided feedback on our strategic direction. The Board of Directors are fiduciaries who steer the credit union towards sustainability by adopting sound, ethical, and legal governance and financial management policies as well as assuring that we are building our resources to advance our mission. With a fully volunteer organization, the board provides foresight, oversight, and insight to the volunteers.

<table>
<thead>
<tr>
<th>Income:</th>
<th>$392,242.74</th>
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<tbody>
<tr>
<td>CCHD—DCRAC’s Credit Clinic</td>
<td>$30000</td>
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<tr>
<td>CCHD</td>
<td>$30000</td>
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<tr>
<td>M&amp;T</td>
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<td>Discover</td>
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<td>Barclays—Marketing Campaign only</td>
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<td>TD Bank</td>
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<td>Credit Union Income</td>
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<td>Miscellaneous</td>
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<td>In-Kind</td>
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<td><strong>TOTAL Income</strong></td>
<td><strong>$392,242.74</strong></td>
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<table>
<thead>
<tr>
<th>Expense</th>
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<td>Wages</td>
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<td>DCRAC’s Credit Clinic</td>
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<td>Marketing Campaign</td>
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<tr>
<td>Mobile Bank</td>
<td>$150000</td>
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<tr>
<td>In-Kind</td>
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<tr>
<td><strong>TOTAL Expenses</strong></td>
<td><strong>$392,242.74</strong></td>
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</table>
The DCRAC Board

Carol Davis  
Daniel Boddie  
Domenic Pedante  
Kathy McDaniel  
Albert Griffith  
Chantel Vanderhost  
Ralph Merlini  
Shondell Ayala  
Vincent Lofink  
Anne Mountain  
Autin Edison, Emeritus

The Staff

Rashmi Rangan, Esq., Executive Director

Jaclyn Quinn, Esq., Deputy Director

Marisela Tovar-Rangel, Manager SSC FCU

Anthony Dohring, Esq. Tax Attorney

Cristian Tijerino Outreach Director

Lillian Harrison Housing Director

Joe Gross Credit Director

Howard Keener Director of Strategic Projects & Community Affairs

Naja Milles Intern

Copies of key annual reports and audits are available in their entirety on www.dcrac.org

Members have a right to inspect DCRAC documents that reside in the public domain without providing a reason. Please direct document requests to

Rashmi Rangan  
600 South Harrison Street  
Wilmington, DE 19805  
Tel: 302-298-3250  
Fax: 866-718-8236  
Email: Rrangan@dcrac.org

Documents may be reviewed in person at our office. Should you require copies and/or delivery of public documents, we recover our cost of reproduction at .15 cents per page and postage based on the mailing cost. Please note: Client privacy, confidentiality, and grievance procedures apply to our efforts at openness and transparency.

DCRAC received the coveted Standards for Excellence re-certification in 2013. This rigorous process of ethics and accountability evaluates organizational integrity, financial management, programs, and governance, using benchmarks which go well-beyond legal requirements.