DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL, INC.

ANNUAL REPORT

2023-2024

Dear Friends,

2024 has been one of our busiest years yet, with big steps ahead in the journey we began in 1987. As we maintain our core belief that access to the basic tools financially secure Americans have used for generations to build and hold onto wealth will allow the historically excluded communities to do the same, we have started exploring new paths forward as an institution, a service provider, and a community voice.

Our strategic goal this past year has been to better harness the vast array of resources, capabilities, and structural support that enable vulnerable families to sustain, thrive, and move up the economic ladder. To that end, we launched DCRAC's intensive strategic planning process, which will set the stage for our next five years—and complement our ongoing $5 million equity capital campaign for Stepping Stones Community Federal Credit Union. With help from the Longwood Foundation and Discover Bank, we have already raised $3 million toward that goal and hope to reach the finish line within the next two years.

A critical measure of organizational success is financial sustainability, just as it is for our clients. While we've long sustained critical offerings with limited resources, this strategic work also sets the stage for an expansion of the number of donors who understand and support the complexities of DCRAC's work, including DCRAC Law's estate planning practice as a tool for affordable housing solutions.

Beyond our own offices, we kept very busy during the announced acquisition of Discover Bank by Capital One earlier this year. We participated in public hearings, registered official comments, and consulted with our longtime partners, which enabled us to secure a $35 million grant commitment for Delaware nonprofits over five years post-merger.

To realize our vision of a Delaware in which every individual and household can access legitimate, mainstream services to achieve financial stability and build wealth, regardless of income or credit history, we need to continue to operate on both individual and systemic levels—but our goal to enable low-income Delawareans on their wealth-building journeys remains consistent across all our work. In our annual report, we share how we have continued to show up for Delawareans everywhere, in this and every year.

Warmly,

Rashmi Rangan

Rashmi Rangan
Executive Director, DCRAC

MONEY SCHOOL

Nearly half of Americans have less than $500 in savings—and 4 in 10 have no savings at all. From personal budgeting and taxes to banking and business accounting, financial skills are learned—and not everyone gets to learn them at home or in grade school. Managing money is a challenge for many of the people who need these skills most.

This is where Money School comes in. Across Delaware, volunteer experts teach free classes at local libraries that enable students to plan for a stronger financial future on specialized topics like retirement planning and Social Security, homeownership, tax management, credit-building, and more.

In fiscal year 2024, we launched a class in Spanish ("Pasos para empezar a ahorrar," or "Steps to Start Saving") and a new website that makes scheduling and registering for courses easier than ever.

By the Numbers

- 180 classes attended by 3,317 students taught by 22 volunteers at 14 libraries
- 57 Lunch & Learn sessions on Facebook Live viewed by nearly 3,000 people
- 479 Stepping Stones Community Federal Credit Union members completed financial modules online

Visit demoneyschool.org to learn more about enrolling—or teaching—at the Money School!

Meet Milli

When Milli lost her job and fell behind on mortgage payments, she invested all her energy into building up her new business—but she still couldn't figure out what the mortgage company needed from her. Over the years, she began taking classes at the Money School on topics ranging from taxes and savings, and bit by bit she's stabilized her finances, including formally requesting a modification on her mortgage. Milli's also learned how to disentangle her personal expenses from her business account, maintain accurate profit and loss statements, and save to pay her self-employment taxes.

DCRAC LAW: Estate Practice

In low- to modest-wealth households, most wealth can often be tied up in a family house. But, without an estate plan, that wealth can quickly disappear after a death, and ownership and inheritance questions then get tied up amid legal confusion.

What's more, as Delaware (and the rest of the country) faces an affordable housing crisis, protecting homeownership and maintaining affordable options have become more critical than ever. Our state alone needs 24,400 units by 2030 to keep up with household growth, so no one can afford to lose what they have.

For the last five years, DCRAC Law's Estate Practice has ensured that family wealth—especially homes—can get transferred, not lost. Our practice tackles the housing issue through both prevention and intervention for clients who are house-rich and cash-poor, and we ensure they can protect family assets, ensure intergenerational transfers of wealth, and prevent future entanglements or uncertainties.

By the Numbers
Since 2019

- 370 families assisted in solving problems
- 500 families consulted on preventing confusion
- More than $100 million protected
- 1:80 return on investment in this program's protection of wealth

Visit dcrac.org/dcrac-law to learn more about why everyone needs an estate plan!

Meet Rose

Rose lived in a home she and her fiancé loved with their two young children. But, when he tragically passed away, she found that only his name was on the deed—and he hadn't planned for her to take ownership of the house in the event of his death. This left Rose in a financial quandary while trying to provide for her kids: she had to figure out a way to refinance the mortgage, but she also couldn't legally do so without going through financial guardianship proceedings, as the children are minors. With DCRAC Law's intervention, Rose was able to make arrangements to safeguard funds for her children and keep their home—now in her name, with a new mortgage. Today, they can enjoy living there together and feel secure in her ownership of it.

DCRAC LAW: LITC

No matter your financial situation, taxes are complicated—even when a taxpayer may be due a refund. It's all too easy to have issues with the Internal Revenue Service (IRS): a levy on Social Security or a bank account affects income; a lien against a home makes it difficult to sell or modify the mortgage; an innocent spouse discovers a tax liability for which she believes she should have no responsibility; or a client has a case in US Tax Court. Especially for senior citizens, veterans, single parents, and anyone with a lower income, a fair and smooth taxpaying process may seem out of reach, leading to significant hardships that can be impossible to recover from.

DCRAC Law's Low-Income Tax Clinic (LITC) is part of a national network of legal practices that jump in after a taxpayer fails to file their tax return or makes a mistake in doing so.

From the individual perspective of each client, important financial enabling constructs have begun. When our clients are current with their federal tax debts, they have achieved the ability to apply for, among others, a mortgage or mortgage modification, other credit, federal financial student assistance, educational scholarships, citizenship, and, if need be, bankruptcy.

By the Numbers

- Performance leader in education, consultation, and new cases among similar clinics nationally
- 155 cases, half (77) with clients who do not speak English as a first language
- 57 collections cases
- 28 exam cases
- 27 litigation cases
- 17 accounts management cases
- 8 appeals cases

Meet Young

A typical victim of identity theft, Young filed a police report, an FTC complaint, and an Identity Theft Affidavit with the IRS—but, even when he took all the right steps, the processing backlog complicated his filings even more. Though Young was rightfully entitled to a refund, the IRS had applied it to a previous year and then determined he had under-reported his income, because the identity thief had used his name and Social Security Number for a job. While it may take another year or two, DCRAC Law has helped Young continue to accurately record and report on his financial situation, so he can finally receive his refund smoothly when the backlog clears.

A healthy financial life is rooted in banking services: somewhere to save and borrow money, earn interest, secure loans, and otherwise participate in the mainstream financial world. But many larger banks won't take on clients with low incomes, minimal savings, or messy credit histories.

Enter Stepping Stones Community Federal Credit Union and institutions like it. This credit union, run by community members who are themselves credit union members, is open to anyone in Wilmington—as well as anyone residing at a correctional facility in the State of Delaware.

More than a decade into this journey, we're proud to offer the financial services few others do and of continuing to make banking a safe and accessible option for everyone.

By the Numbers

- 2,477 members, 982 of whom hold ATM cards
- 52 new approved loans totaling $318,043
- 419 financial workshop modules completed
- More than $5 million in total assets
- 471 participants in the Department of Corrections training
- 578 accounts across three Delaware Correctional facilities

Meet L&M

"L" and "M," a married couple with three children, lost their apartment and employment during the COVID-19 pandemic and had been living in a hotel after repeated denials of rental applications due to their pandemic-impacted credit history. When they finally got approval to rent a home that worked for their family—one that would give the children their own rooms for the first time—L and M realized they would need assistance with the security deposit and first and last month's rent. Given their credit challenges, however, a traditional bank loan would likely come with a high interest rate, or be out of the question entirely. They instead approached the Stepping Stones Community Federal Credit Union's homeownership program, which helped them secure a manageable loan and thus stable housing for their family, as well as to begin the path to eventual homeownership.

About Us

Founded to realize the promise of an accessible, community-centric financial system, DCRAC provides low- and no-cost services that enable Delawareans to untangle and take charge of their financial lives.

We integrate legal and financial services with community education and advocacy so low- to modest-wealth clients can manage their own secure financial futures and thrive within mainstream banking and legal systems. We proudly work with community members to serve their needs, ensuring everyone who walks through our doors has the necessary services, resources, and knowledge to access credit, capital, and legal support.

In Delaware, we're also the only group making sure the banks that our state economy is built around give back to the community—and we've been doing that since 1987.







DCRAC Board
Top Row: Al Griffith, Eric Smith, Luly Santos, and Joel Amin
Second Row: Eric Evans, Lillian Harrison, Audrey Blume, and Vernon Vassallo
Left: Lisa Spellman

DCRAC Financials will be available on www.dcrac.org when our audit is complete.

Seated: Blanche Jackson, Anthony Dohring, and Jacyln Quinn

Standing: Cristian Tijerino, Marisela Tovar-Rangel, Mayela Rosales, and Rashmi Rangan

Our year-one budget in 1987 was just $500. Together, and with the support of our now seven-member team and dozens of volunteers, interns, board members, and community partners, we have built an organization that has become far more than any of us could have dreamt, 37 years ago.

With patience, determination, sheer grit, and your support, we are creating institutions, opportunities, and essential services that every Delawarean needs and deserves—but that not everyone has equal access to. Today:

- The Money School serves Delawareans' need for financial education through volunteers who offer free courses on everything from starting a business to owning a home.
- Stepping Stones Community Federal Credit Union is poised for independence from DCRAC's financial support.
- DCRAC Law—still Delaware's only program for assistance with IRS tax debts—has also made an impact as an affordable housing solution through our growing estate practice.
- And it's already demonstrated its impact on Delaware as an affordable housing solution through the growing estate practice.
- In just five years since its launch, the Estate Practice helped 370 families preserve, protect, and plan for wealth transfer of nearly $100, 000,000!

In thriving communities like ours, people show up for one another and make sure no one is going at it alone —because none of us can do everything we imagine doing on our own. Networks of mutual support mean that you can depend on other people to step up and support you with respect and dignity.

That's the DCRAC family in a nutshell.