

issues...

... increasing choices for the distressed consumer

Access to banking services... “Nearly 13 million Americans lack access to mainstream banking and financial services, falling prey to costly check-cashing services or payday lenders for short-term loans. Many are the victims of scams. All miss the benefits of having a banking relationship – the ability to establish a credit record, to accumulate savings, to own a home and build equity.” The Partnership for Public Policy

High cost loans... Counter intuitive, but ... A loaf of bread is more expensive in poor neighborhoods than its wealthier suburban counterparts. Known and accepted as poverty surcharge, the practice is unfair and needs to be reigned in.

Exotic mortgages... We stubbornly created the right mix to invite an economic tsunami of disastrous proportions. From the 1999 repeal of the Glass-Steagall Act -- enacted in 1933 to ensure a separation of banking from insurance, commerce and securities -- to the mainstreaming of exotic mortgages. Lenders are aggressively selling the product to whomever will buy them. Consumers--a big part of the problem, are creating a demand for higher home values and exotic mortgages. Legislatures -- especially in Delaware, ignored the warning signs.

Foreclosures... Despite a 51% increase in foreclosure filings between 2000 and 2005, there is a very slow reaction from our leaders. In 2005, Delaware's prime foreclosure rate is the 24th highest in the nation, subprime foreclosure rate is 22nd highest in the nation, and FHA foreclosure rate is the 11th highest in the nation

We lack the appetite for collective action... Delaware is small enough for us to experiment with new and innovative ways to work together so that collectively we have an impact that is greater than what we can achieve alone.

Legal recourse ...A study on Delaware foreclosures recommends enhancing the availability of legal representation for those facing foreclosure to initiate affirmative defenses pre-foreclosure or in foreclosure...and in auto loans and payday loans.

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solutions...

bridging the digital divide...

...E-training center

We need brick and mortar bank branches in our neighborhood. If they don't come, we must find creative ways to bring them to us. An E-training center allows us to provide internet access, training on consumer finance and internet banking, and bringing the regulated bank in our community.

eliminating the poverty surcharge...

... the proposed stepping stones community federal credit union

An alternative to high cost small loans, the credit union's vision is that members of our community will be educated and provided competitive alternatives to costly loans and banking services, preparing them to participate in mainstream banking.

refinancing the fragile mortgage...

... consumer rescue fund

The National Community Reinvestment Coalition, NCRC, works with victims of predatory lenders in 17 states so that their mortgage payment becomes more affordable and foreclosure can be avoided. We need to bring this refinancing program or something along these lines into Delaware.

preventing foreclosures..

...delaware mortgage assistance program

A pilot project of the Delaware State Housing Authority needs much more work to benefit victims of predatory loans and more money than is allocated.

fighting back...

...consumer law clinic

Having assessed gaps in serving the consumer finance legal needs of our community, we are determined to fill that gap. Any help that you can provide, is appreciated.

appetite for collective action...

...a compact for economic impact

We have developed ten basic principles that allow us to use our synergies for the larger public good. Please consider being a signatory to this compact at our annual Celebrate CRA on October 2, 2007 at the Delaware History Museum on 5th & Market Street from 11 am to 1 pm.

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a compact for economic impact...

Principle One

The Campaign will strive to meet goals that are **ACHIEVABLE**—giving both partners and constituents alike the confidence that change will, in fact, happen.

Principle Two

All Campaign partners will adhere to policies and programs that are **EQUITABLE**, and do not favor one economic group or class over any other.

Principle Three

To maintain the goodwill of traditional stakeholders, and to further engage non-traditional stakeholders, the Campaign will be **SOLUTION-CENTERED**, with the focus on workable and beneficial changes.

Principle Four

Because it will take time for the Delaware institutional system to reflect the changes in progress, the Campaign will be **SERVICE-ORIENTED**.

Principle Five

Coalition will be **CONSENSUS-BASED** to maintain its strength and grounded in an **ethic** that such consensus is in the best interests of the constituencies being served.

Principle Six

Coalition will be grounded in **TRANSPARENCY** to assure that all have the opportunity to provide feedback and to build trust among the general public and the organizations working within the economic impact campaign.

Principle Seven

To ensure that all viewpoints are represented, the Coalition will be **DIVERSE**.

Principle Eight

It is expected that Coalition members will act in a manner that is both credible and trustworthy as we work toward the accomplishment of common goals. This presumes a high degree of **RESPECT** for existing efforts and partnerships and work that seeks to build new bridges.

Principle Nine

Because the problems we seek to resolve represent the interaction of social, political, and economic conditions, successful change needs **INNOVATIVE** solutions to these complex problems.

Principle Ten

The Campaign issues will have a **FINITE** end.

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