

**Your Fair Lending
Advocate!**

Delaware CRA News

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



First in Delaware and fifth in the nation to set the bar!

DCRAC, Inc.
601 N. Church Street
Wilmington, DE 19801
1-877-825-0750 or 302-654-5024

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Designed by Christopher Mears for DCRAC, Inc.

Founded in 1987

OUR MISSION: To ensure equal access to credit and capital for the under-served populations and communities throughout Delaware through Education, Outreach, Advocacy, and Legislation.

Letter from Dom



Domenic Pedante & the rest of the board

- Anthony Albence
- Charles Brittingham
- Carol Davis
- Austin Edison
- Juana Fuentes-Bowles
- Joan Fultz
- Susan Haberstroh
- Michelle Harris
- Nancy Lopez
- Gwen Miller-Reilly
- Joe Myer
- Harold Stafford
- Anthony B. Wright

General Counsel
Matthew Lee, Esq.

Founder
The Honorable
James H. Sills, Jr.

Founded in 1987

DCRAC Staff & Volunteers

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- Tanya Ennis
- JoAnn Griffin*
- Jessica Mallamace
- Chris Mears*
- Kwamir Mims*
- Chelsea Newman
- Rony Peralta
- Artika Rangan*
- Rashmi Rangan
- Lori Spagnolo
- &
- The Office cats HMDA, HOEPA & EJ
- * DCRAC Volunteers

Dear friends:

As the presidential primaries continue, we in Delaware prepare for a new governor to be elected. Undoubtedly these changes will impact the financial climate and economic conditions in Delaware and the nation. As an organization, our mission to advocate, educate, and legislate becomes even more critical. We must continue to monitor the dealings of financial institutions, press for legislation to protect the financial well-being of all citizens, while reaching out to segments of the community with educational programs that can provide access to credit and capital.

Clearly, the staff and volunteers of DCRAC realize that through collaboration and partnerships these goals are achievable. All of us must be willing to examine how our organizations serve our community and look for opportunities to share resources to provide better services. As chairman of the Board of Directors of DCRAC, I am proud to serve as a volunteer and believe that our mission of advocacy, outreach, education and legislation, built upon collaboration, can foster the financial opportunities for all citizens.

Dom



At a meeting with Ben Bernanke, Federal Reserve Board Chairman NCRB Board members discuss serious issues facing our community. In addition to discussing the response to foreclosure crisis, concern with rampant abusive and irresponsible lending, the Chairman took time to pose for pictures. Seen here with Eugene Ortega & Rashmi Rangan--NCRB Board members.

The News Journal Editorial,
January 6, 2008
calls DCRAC a community jewel.

City neighborhood
finance center profits
from far-sighted donors

Too often the public perception of charitable giving is limited to the necessities of subsistence - provisions of food, clothing and shelter.

But next step giving - to enable the down and out to become contributors to the society that invested in their well-being - is as necessary, and deserves equal honor.

Grants to the Delaware Community Reinvestment Action Council from five charitable organizations - the Longwood Foundation (\$100,000), Welfare Foundation (\$25,000), National Catholic Campaign for Human Development (\$20,000), Speer Trust (\$30,000), Citi Foundation (\$25,000) and the Bank of America (\$50,000) - deserve recognition.

These contributions will help turn a vacant two-story house on Wilmington's East Side into a credit union and personal-finance training center in a low-income neighborhood.

The financial training will be an invaluable resource precisely because it will be in the hands of a competent organization familiar with the pitfalls of personal money management.

The grants are as much an investment in the work of DCRAC Executive Director Rashid Rangan, a zealous and effective advocate for consumer education.

Since its founding, DCRAC has done the hard-scrabble work of preparing low-income residents for long-term home ownership. It has been a liaison to people who need hands-on help to navigate personal finances to reach a level many thought impossible. And it's stepped up in recent months during mortgage foreclosure troubles.

All of the contributors are to be applauded for supporting this community jewel.



NATIONAL
COMMUNITY
REINVESTMENT
COALITION **NCRB**

1
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8
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0

www.dcrac.org

"We can tell our values by looking at our checkbook stubs."
Gloria Steinem

Gift cards

...the gift that keeps on taking!

Did you know that some gift cards not only have an activation fee (often paid up front at time of purchase) but, expiration fees as well? Some gift cards even go so far as charging you a monthly fee after your first purchase. Use it or lose it.

PRE APPROVED up to \$5,000!!! Not really. You need to apply. Then the company runs your credit report. If they reject you, your credit score could hurt. Teaser rates sucker you in; at some point rates go up.

"I'm the great pretender"

This is the *mantra* of identity thieves.

The Federal Trade Commission (www.ftc.gov) has good information.

Remember, people go through your trash, mailbox, and overhear your telephone conversation to get your identifying personal information.

How many times have you been asked for your name, address, phone number, and social security number to verify your information? Instead of speaking the answers, ask for paper and write down the information. Get that piece of paper back!!

Over half of identity theft is committed by friends and family. They don't call it personal for nothin! Run your FREE credit report once a year at www.annualcreditreport.com. If you

are an identity theft victim-call 1-800-220-5424 AND 1-877-ID-THEFT.

A check is cash. Cash is king.

When you write a check, you sometimes receive it right back as your receipt. The place of business is putting an instant hold on your funds to cover the amount of the check. This practice is used to cut down on the merchant's risk of you bouncing a check to them. But, the merchant also has you sign a receipt. Have you ever read this? Probably not. Take the time to read it. You will notice that you may be charged a fee for this transaction. So, if a check is the same as paying with cash, why are they charging you more? HmMMMM....

**I'll make him an offer he can't refuse.
(For my Godfather fans)**

Act Now!

No Credit No Problem!

High profit no risk!

Can't afford to miss this!

Come on-whom are they kidding? Take time to think about it. Get the offer in writing. Good deal does not come walking to you. Learn to WALK AWAY!!!! Rushing into a "great deal" could very well affect you financially for years to come.

Should five per cent appear too small, Be thankful I don't take it all. 'Cause I'm the taxman, Yeah, I'm the taxman-The Beatles

Ok, a little nostalgic here, but the

point is-it is the time for the dreaded "taxman". So why not make it a little easier on yourself? Go to www.eitcdelaware.net (for DE residents) and look for the free tax preparation sites. Call to find out exactly what you need to bring. Other options: Use a certified public accountant or do your returns yourself. PLEASE no rapid refunds. A Rapid Refund (RAL'S) is a LOAN. Do you realize the average interest on this loan ranges from about 40% to over 700% APR?

You have waited all year for YOUR overpaid government tax money -two more weeks won't lead you to your local mortician. (Ok-so maybe in New Jersey & keep in mind-they have a

death tax. Get ya comin and goin!).

As an intro to our next newsletter in celebration of fair housing month, I want to address the Landlord Tenant Act. Most of you are familiar with the Fair Housing Act: The law which prohibits discrimination in Delaware on the basis of race or color, gender, national origin, familial status (children, pregnant women), disabilities, religion, age, marital status and creed.

What about holding your landlord accountable for their end of the bargain? You need to arm yourself with a copy of the Landlord Tenant Act. You must know what your rights are! For a free copy, call 1-800-220-5424.

Our Low Income Tax Clinic was established in 2003 to remove impediments associated with future access to credit while informing Delawareans of their wealth building opportunities. In addition to education and outreach, we provide consumers access to representation.

Funded by GMAC Bank and in part by the IRS, we are charged with informing and educating those Delawareans for whom English is a second language and low income Delawareans who have a controversy not exceeding \$50,000. We work very closely with Tax Payer Advocate in Delaware-Deborah Jones and her staff. Please do not hesitate to call us if you think

we can help you.

Size of Family Unit	Income Ceiling (250% of poverty guidelines)
1	\$26,000
2	\$35,000
3	\$44,000
4	\$53,000
5	\$62,000

Clients whom we helped:

- * Flagged EIC returns.
- * 15% levy on pay check or SSDI.
- * Made payment plans, paid the IRS, is now disabled.
- * Paid all back taxes and wants to

have penalty and fees waived.

- * ID Theft cases.
- * Non-filers who were eligible for refunds.
- * Seniors who withdrew their IRAs resulting in a very high tax liability.

Common questions:

1. Can I claim EIC for child born in September? Yes.
2. Can I claim EIC even though I reside in a shelter? Yes.
3. Can both me and my boyfriend claim our child for EIC? No.
4. Is employer withholding sufficient taxes?
5. Do I have to file my returns?
6. What is an ITIN? How do I apply for one?

Since shortly after the federal income tax was enacted in 1913, some individuals and groups have encouraged others not to comply with the law. Unsuspecting people are lured into participating in schemes to evade taxes.

The Internal Revenue Code

1. Section 6012 of the Code makes clear that only people whose income falls below a certain minimum level do not have to file returns.
2. Sections 861 through 865 determine whether income is from a U.S. or foreign source - they do not in any way exclude income from taxation for a U.S. citizen or resident.
3. Section 6201 of the Code states that the Secretary of the Treasury is required to make assessments "of all taxes imposed by this title".

The Constitutionality

First Amendment: Freedom of religion clause. Filtering

money through a purported church to fraudulently claim charitable contribution deductions is illegal.

Fourth and Fifth Amendments: Right to privacy and self-incrimination. The courts have consistently held that disclosure of routine financial information required on a tax return does not incriminate an individual or violate the right to privacy.

Sixteenth Amendment: Not properly ratified. The courts have held that none of the points presented undermine the fact that the Sixteenth Amendment was indeed ratified in 1913.

Please Note

1. IRS helps innocent misled taxpayers rejoin the system.
2. IRS vigorously pursues enforcement actions.
3. The arguments are consistently rejected by the courts.
4. The participants may face IRS enforcement.
5. The IRS has one of the highest conviction rates in federal law enforcement.

Don't want to pay taxes?

"There may be liberty and justice for all, but there are tax breaks only for some."

Martin A. Sullivan

What you should know

Make sure you know the following about your mortgage:

1. What is your interest rate?
2. Is it fixed or adjustable?
3. Is there a prepayment penalty?
4. Is there a balloon payment?
5. Does the monthly payment include insurance and taxes?
6. Will your payments change? Why? How? By how much?

Avoid a lender who:

- * Pressures you.
- * Asks you to sign blank forms.

At Closing

- * **BEFORE YOU SIGN**, ask for an explanation for terms that you do not understand.

- * GET A COPY of all papers you signed.

After Closing

- * **Right to rescind:** If your loan is secured by your primary residence, you have a three business day cooling off period.
- * Send written notice to exercise this right.
- * **Truth-in-Lending Act under Regulation Z:**
When you borrow more than \$25,000 or your loan is secured by your personal residence, the bank must disclose the Annual Percentage Rate (APR) plus amount paid in finance charges.
- * A terribly wrong TILA extends your right to rescind by 3 years.

HOUSING COUNSELORS

- FIRST STATE COMMUNITY ACTION AGENCY
302-856-7761
- HOCKESSIN COMMUNITY CENTER
302-239-2363
- HOUSING OPPORTUNITIES (HOND)
302-429-0794
- INTERFAITH COMMUNITY HOUSING
302-995-7428
- NCALL RESEARCH, INC.
302-678-9400
- NEIGHBORHOOD HOUSE
302-652-3928
- WESTEND NEIGHBORHOOD HOUSE
302-658-4171
- YWCA HOMEOWNERSHIP EDUCATION
302-224-4060 x 200

Loan modification

Your housing counselor will most likely be able to help you negotiate a loan modification. This is the more workable solution for most homeowners.

Delaware Emergency Mortgage Assistance Program

Not all will qualify for this loan. There is not enough money in the pool. Seek housing counseling.

A proposal for a rate freeze

Program is voluntary.

Rate freezes for five years if:

1. You can afford your mortgage today but not at the higher rate.
2. Took out the subprime loan

3. between 1/1/05 and 7/31/07
4. Rate is scheduled to rise between 1/1/08 and 7/31/10
5. The ARM has an initial period of fixed rate of 36 months or less.
6. You are current on payments under the introductory rate.
7. The loan has been sold to investors in a securitized pool of mortgages
8. Your credit score is below 660 and the score has not risen by 10% since the loan was sold.
9. You live in the home which is mortgaged.
10. You face a payment hike of more than 10%.
11. You must ask for help at 888-995-HOPE.

Reverse Mortgages

If you are 62 and older, you may want to explore this option. We suggest that this be your last resort.

FHASecure

1. A history of on-time mortgage payments before the borrower's teaser rates expired and loans reset.
2. Interest rate resets between June 2005 and December 2008.
3. 3% cash or equity in the home.
4. A sustained history of employment.
5. Sufficient income to make the mortgage payment.

HELP LINE 1-888-995-HOPE

A Stitch in time, saves nine!

**“An investor without investment objectives is like a traveler without a destination.”
Ralph Seger**

Channel 28

- New Castle
- 3 to 4 pm
- 1st Sunday

Channel 64

- Kent
- 8 to 9 pm
- 3rd Wednesday

Channel 24

- Sussex
- 7 to 8 pm
- 2nd Tuesday

We welcome your feedback

www.dcrac.org
1-877-825-0750
302-654-5024

National Community Reinvestment Coalition

(NCRC) 2008 National Conference

Creating the Vision for a Fair Economy:

Investing in People and Communities

March 12 - 15, 2008.

Hyatt Regency Capitol Hill, Washington, DC

Register today at www.ncrc.org

For more information

visit www.ncrc.org or call **(202) 628-8866**

Radio

- 107.9 fm in Millsboro, DE
- www.wrbg1079fm.com

Radio

- Saturdays 10 am to noon

Radio

- ¡Fuerza Financiera! Last Wednesday 4 to 5 pm
- TV on Radio last Wednesday 5 to 6 pm

¡Fuerza Financiera!

Libreria de Newark

750 Library Avenue
 Newark, DE 19711

- Abril 30 6:00pm-7:00pm
- Mayo 28 6:00pm-7:00pm

Iglesia Trinidad Episcopal

1108 N. Adams Street
 Wilmington, DE 19801

- Marzo 22 12:00pm-1:00pm
- April 26 12:00pm-1:00pm
- Mayo 24 12:00pm-1:00pm
- Junio 28 12:00pm-1:00pm

La Esperanza

216 North Race Street
 Georgetown, Delaware 19947

- March 4th 12:00pm-1:00pm
- April 1st 12:00pm-1:00pm
- May 6th 12:00pm-1:00pm
- June 3rd 12:00pm-1:00pm

Money Matters!

Bear Library

101 Governor's Place
 Bear, DE 19701

- April 14th 5:30-6:45pm
- May 5th 5:30-6:45pm
- June 2nd 5:30-6:45pm

Department of Labor

1114 South Dupont Highway
 Dover, DE 19901

- March 26th 4:00pm-7:00pm
- April 23rd 4:00pm-7:00pm
- May 28th 4:00pm-7:00pm
- June 25th 4:00pm-7:00pm

Budgeting for a Small Business

March 17th, 2008 6:00pm - 8:00pm
 Trinity Episcopal Church
 1108 N. Adams St., Wilm, DE 19801

**Fair Housing/Fair Lending Forum:
 Focus on Disability Issues**

April 22nd, 2008 6:00pm-8:00pm
 Howard High School of Technology
 401 E. 12th St., Wilm, DE 19801

April 23rd, 2008 6:00pm-8:00pm
 NCALL Research, Inc.
 363 Saulsbury Rd., Dover, DE 19904

April 30th, 2008 10:00am-4:00pm
 Delaware Tech. & Community College
 Route 18, Georgetown, DE 19947

TAX Forum

May 28th, 2008 6:00pm-8:00pm
 NCALL Research, Inc.
 363 Saulsbury Rd., Dover, DE 19904

First State Saves!

We spend what we don't have. As a nation, we have the lowest rate of saving since 1929 and a historic record debt. There is a desperate need to reverse this trend and once again become financially stable. Many financial institutions, nonprofit organizations, government officials, and businesses in Delaware have come together to support the First State Saves program, built upon the National America Saves Campaign.

Participants in the Delaware program are called First State Savers and agree to work toward a savings goal. Savers have access to guidance and motivation of a Wealth Coach.

"We are excited about the program because it encourages a new culture of savers and we are getting back to the basics by promoting the setting of monthly goals and having consumers set aside a certain amount of money each month. In addition, the Wealth Coach is a great component and asset to the initiative."- Amy Loder, First State Saves Program Coordinator, Delaware Financial Literacy Institute.

For consumers, it is important to remember to do what works when it comes to saving money. Here are a few tips to get you started:

1. Save something out of every

paycheck no matter how much or how little.

2. Make it automatic. Money you don't see, you don't spend.
3. Set a goal. Save for something you really want.
4. Figure out how you will go about saving. Where, how, and when you will deposit your money in your account.

To become a First State Saver, log on to www.firststatesaves.org and click on "Enroll Now" or complete the "I Want to Be a First State Saver" form.

If you have any questions, please contact the **Delaware Financial Literacy Institute as 302-792-1200.**

Thank you Howard High School Students for adopting us.

As high school students, your volunteerism portrays the spirit of "Community" that we all strive to achieve. We are certain that your school and family are proud of you. **Thank you.**

Carpentry Students are spackling, sanding, painting, and installing crown moulding at 601 North Church Street.

When we announce the grand opening at 603 North Church (some-time in May 2008) you will get an opportunity to see their handiwork.

We are proud of these young students who are devoted to learning and demonstrate soft skills that future employers will be proud of.

They are respectful. They are punctual. They love the work they do. They have an enormous sense of pride in their accomplishments.

It is a delight to have you on our team.

Project 601 Volunteers

Shakoor Jackson (Team Leader)

Kamil Zarzecki

Lavon Johnson

Shaquilla Holmes

Shawn Hickson

Ashley Edwards

Jessica Cox

Tyrone Brook

A special thank you to **Ameyalli (Amey) Basilio** who has helped all of us at DCRAC learn various aspects of MicroSoft Office 2007.

Finally, **Kwamir Mims**, Academy of Finance--thank you for helping us with everything under the sun--stocking shelves, data entry, moving stuff, and all that fun stuff!

Special Thanks

"There are plenty of ways to get ahead. The first is so basic I'm almost embarrassed to say it: spend less than you earn." Paul Clitheroe

El Crédito Tributario por Ingreso del Trabajo (EITC) ayuda a los contribuyentes activos de bajos ingresos a recibir reembolsos en la declaración federal de impuestos. Con este crédito usted reunirá los requisitos para recibir una cantidad mayor por reembolso de impuestos, ya que reduce la cantidad de dinero que podría deberle al gobierno federal. Si usted reúne los requisitos como contribuyente y tiene hijos, puede solicitar en su empleo que se le incluya un adelanto contra el crédito EITC en cada cheque de sueldo. Para solicitar el crédito EITC debe presentar una declaración federal de impuestos aunque normalmente no lo hiciera a raíz de sus bajos ingresos. El cheque de reembolso puede recibirlo aunque no deba impuestos.

Las normas sobre ingresos son más generosas para aquellos que tienen hijos dependientes, pero pueden calificar hasta personas solteras y parejas casadas sin hijos cuyos ingresos son muy bajos. Los padres de crianza y los abuelos que trabajan y están criando a sus nietos también califican. También los padres de bebés nacidos el último día del año impositivo en curso pueden calificar si uno o ambos tuvieron empleo durante el año y cumplen las normas sobre ingresos. Las normas sobre ingresos del crédito EITC cambian todos los años para mantenerse a la par de la inflación y varían mucho dependiendo de si el contribuyente declara impuestos como padre, cuántos niños declara y si es soltero o casado.

El crédito EITC para el año impositivo

2007 varía entre \$428 a \$4,716. Usted puede gastar el dinero del crédito de la forma que desee o depositarlo en una cuenta de ahorro. Para calificar para el crédito EITC, usted debe recibir ingresos de trabajo al nivel requerido o por debajo del mismo. También califican los propietarios de granjas y de empresas pequeñas.

Para solicitar el crédito EITC, debe tener un número de Seguro Social (SSN) y ser ciudadano de los Estados Unidos. Si es "residente permanente" también reúne los requisitos si vivió en los Estados Unidos durante un año impositivo completo. Un residente permanente es una persona extranjera que tiene una "tarjeta verde" que le otorga el derecho de vivir y trabajar en EE UU.

De su "ingreso bruto ajustado" (AGI) depende si usted reúne los requisitos para recibir crédito EITC. Si sus ingresos son casi los mismos de años anteriores, la forma más fácil de averiguar su AGI es consultando la declaración de impuestos del año pasado. Los contribuyentes que declaran "casados, con declaración separada" o los que declaran ingresos de otro país ("ingresos del extranjero") no pueden solicitar el crédito EITC. Si usted recibe ingresos de inversiones (como acciones, fondos mutuos, bonos, etc.) por más de \$2,900 no reúne los requisitos para recibir crédito EITC.

Normas para padres

Si usted solicita el crédito EITC porque tiene hijos, adjunte el formulario llamado Anexo EIC a su declaración impositiva con el número de Seguro Social y demás información acerca de los niños.

En 2007, los montos máximos por ingreso bruto ajustado para padres son:

- Padre soltero con un hijo que califica: \$33,241. Parejas con un hijo que presenten la declaración de impuestos en conjunto: \$35,241. Cumplen los requisitos para recibir un crédito de hasta \$2,853.
- Padre soltero con uno o más hijos que califican: \$37,783. Parejas con dos o más hijos que presenten la declaración de impuestos en conjunto: \$39,783. Cumplen los requisitos para recibir un crédito de hasta \$4,716.

¿Sus hijos califican?

Los niños por los cuales se solicita el crédito EITC deben ser menores de 19 años o de 24 años si son estudiantes de tiempo completo. No hay

límite de edad para los dependientes permanentemente incapacitados. **El niño debe ser su:**

- Hijo, hija, niño adoptivo, hijastro o hijastra, nieto o nieta.
- Hermanos, hermanas o hijos adoptivos que califiquen, tanto si reciben cuidado de usted como si fueran hijos propios o no.
- Hermanastro, hermanastra, sobrina o sobrino que reciben cuidado de usted como si fueran hijos propios.

Para informarse sobre donde hacer sus impuestos gratis y si usted califica para el Crédito Tributario por Ingreso del Trabajo (EITC) vaya a la página web: <http://www.eitcdelaware.net>. También puede llamar a la Línea de Ayuda de Delaware al: **1-800-464-HELP (4357)**

Source: www.consumer-action.org