



DELAWARE STATE HOUSING AUTHORITY
NEWS RELEASE

Anas Ben Addi, Director

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**STATE TAKING APPLICATIONS FOR \$250M IN BONDS FOR
AFFORDABLE LOANS – RATES AS LOW AS 4.25%**

Delaware State Housing Authority (DSHA) today announced \$250 million in bonds are available for affordable home loans, which includes a set aside of 10 % (up to \$25 million) for new construction home purchases.

The initiative is a unique partnership with the U.S. Treasury and the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac which allows DSHA to leverage its bond authority with a powerful federal resource that will assist an estimated 1,500 future Delaware home buyers.

Other traditional mortgage products continue to be available through DSHA for existing home purchase. For first-time homebuyers choosing to purchase an existing home, DSHA offers 30-year fixed-rate mortgages as low as 4.75% with zero points and a deferred second mortgage up to \$10,000 for down payment and/or closing cost assistance.

In order to stimulate the local real estate market, DSHA is setting aside up to \$25 million at reduced interest rates of 4.25% for first time homebuyers purchasing existing new construction, or building a new home. This will assist homebuyers while also creating

construction-related jobs, and therefore further energizing the local economy.

Governor Jack Markell stated, "We want to create jobs, help the housing market and help families. This initiative creates both jobs and homes for first-time homebuyers. By making loans available to first-time homebuyers in a tight credit market, we stimulate the economy while providing homeownership to Delawareans who might not otherwise be able to afford it."

DSHA Director Anas Ben Addi added, "Our goal is to continue to provide affordable housing opportunities and help support a strong, local economy. The new set-aside also provides potential homebuyers with more choices when making the investment in their first home."

A 2009 study by the National Association of Home Builders estimated that the construction of 100 single-family homes generates \$21.1 million in local income, \$2.2 million in taxes and other revenue for local government, and 324 local jobs.

Mark Grahne, President of the Home Builders Association of Delaware, added, "This DSHA program truly supports the Governor's goals for creating jobs and building a stronger economy because the funds are set aside exclusively for purchasers buying new construction homes. New home construction stimulates job growth and drives a ripple effect into the economy which will last as long as the home does. In addition, every new home built is substantially greener and more energy efficient as compared to existing homes."

Low- and moderate-income Delawareans who have not owned a home within the past three years are eligible to apply for any of the loans affiliated with DSHA. Eligible veterans may take advantage of the program even if they have previously owned a home. To qualify, eligible families can earn up to \$89,470 and the maximum purchase price for a home is up to \$366,990. Loans will be available on a first-come, first-served basis.

For more information, interested homebuyers should contact DSHA at (302) 577-5001 in Wilmington, (302) 739-4263 in Dover or toll free, 1-888-363-8808. Complete details are available on DSHA's website at www.DeStateHousing.com.

Banks interested in partnering with DSHA's bond program should contact Cynthia Karnai, Director of Housing Finance, at (302) 577-5001 or via e-mail at Cynthia@destatehousing.com.

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