



DELAWARE STATE HOUSING AUTHORITY NEWS RELEASE

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DSHA/Discover® Bank Agreement Spurs Mortgage Help For First-Time Homebuyers

Partnership nets \$60 Million in below-market interest rate mortgages

Dover – Governor Ruth Ann Minner today announced that \$60 million worth of “Zero Point,” below-market interest rate mortgages are now available at 5.39 and 5.99 percent to first-time homebuyers with low and moderate incomes through Delaware State Housing Authority (DSHA).

The \$60 million Single-Family Mortgage Revenue Bond (SFMRB) is the result of meetings among DSHA Finance staff and Community Reinvestment Act (CRA) officers from several Delaware banks. Discover® Bank signed a pre-pricing bond agreement to buy \$18 million of the SFMRB at below-market rate, and will provide a 2% premium on each bond. Discover® Bank’s contribution is estimated at \$800,000, which will be passed on in the form of lower interest rates to the homebuyers served by this bond issue. In exchange, Discover® Bank will benefit from purchasing \$18 million worth of DSHA loans. This unique partnership is the first of its kind for Delaware.

“It is exciting that DSHA and Discover® Bank were able to pull together a financing package that helps about 400 hard-working families purchase their first homes and invest in their futures,” Governor Minner said. “While the bond program has always offered below-market interest rates, this partnership with Discover has helped lower them even further. This is great news for Delaware homebuyers.”

With the addition of this bond issue, nearly 2,300 families will have received low-interest mortgages during Governor Minner’s tenure. Additionally, DSHA has issued approximately \$220 million in low-interest mortgage money during her administration.

DSHA Director Sandy Johnson noted, “The Discover® Bank contribution will offer an average savings of \$2,000 for each homebuyer. We hope the partnership will open the doors to other banks to work with us in satisfying their CRA lending and investment requirements.”

“We are proud to be joining forces with DSHA to offer a more affordable mortgage product for first-time homebuyers,” said Kathy Roberts, President of Discover® Bank. “With housing prices on the rise, we are continuously looking for unique and innovative ways to assist homebuyers and offer below-market rate loans.”

Families who do not need assistance with their downpayment or closing costs can choose the “Zero Point” Mortgage, offered at the 5.39% interest rate. Those who need help with downpayment or closing costs can take advantage of an ‘Assisted Loan’ alternative. The assistance comes in the form of a grant equal to three percent of the mortgage amount. For example, a borrower applying for an Assisted Loan amounting to \$100,000 will receive an additional grant of \$3,000. In exchange for this assistance, the borrower pays a slightly higher interest rate on the mortgage amount, currently 5.99 percent.

To qualify for the programs, applicants must meet area income requirements, and may not have owned a home within the past three years. Family gross income limits for the program vary by county location and family size. For example, the household income for a family of three or more may not exceed \$85,905 in New Castle County or \$77,452 for Kent and Sussex Counties.

The maximum purchase price for an existing home in New Castle County is \$320,625. The maximum is \$265,011 in Kent County, and \$292,500 in Sussex County.

Income-eligible Delaware residents may apply to any participating lender for a loan. Money will be available on a first-come, first-served basis.

Delaware State Housing Authority offers additional programs to help homebuyers with downpayment and closing costs. For program details, please see contact information listed below.

For more information, interested homebuyers should contact one of the participating lenders listed below, or contact DSHA at (302) 577-5001 in Wilmington, (302) 739-4263 in Dover, or toll free, 1-888-363-8808. Banks interested in partnering with DSHA’s bond program may contact Anas Ben Addi, Housing Finance Administrator, at (302) 577-5001. Information is also available on DSHA’s website at www2.state.de.us/dsha.

Participating Lenders:

LENDER	TELEPHONE NUMBER
American Home Mortgage	(800) 743-3599
Artisans’ Bank	(800) 282-8255
Cendant Mortgage Corporation	(866) 256-9350
Chase Home Finance	(800) 780-6962
Citizens Bank	(888) 801-4651 ext. 7101
Countrywide Home Loans	(800) 556-9568
First Horizon Home Loans	(800) 654-3410
1 st Mariner Mortgage	(866) 362-4500
Gilpin Financial Services, Inc.	(800) 343-8323
GMAC	(877) 851-4622
New York Mortgage Corporation	(888) 988-3717
Sun Trust Mortgage	(877) 915-9159
Trident Mortgage	(800) 334-6170
Wachovia Mortgage	(877) 371-2715
Wells Fargo	(800) 869-3557
Wilmington Mortgage Services	(888) 696-1660
Wilmington Trust	(800) 441-7120

For information on affordable homeownership programs, please visit our website at www2.state.de.us/dsha.

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