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### **FOR IMMEDIATE RELEASE**

#### **DELAWARE STATE HOUSING AUTHORITY TO OFFER FUNDING TO HELP INDIVIDUALS PURCHASE FORECLOSED OR ABANDONED HOMES**

**November 21, 2011 – (DOVER, DE)** – The Delaware State Housing Authority (DSHA) announced today that it is working with lenders on the launch of a new program that will help interested individuals to purchase and refurbish foreclosed and abandoned homes in the State of Delaware. DSHA's Rebuilding Our Communities Homebuyer Program (ROC) was created by the Authority to promote the purchase of homes that have experienced high foreclosure rates in New Castle, Kent and Sussex Counties. Delaware State Housing Authority (DSHA) was able to create this program through funds allocated by the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program-3.

“This is another great program provided by the Delaware State Housing Authority that gives our State tools to encourage investment in foreclosed and abandoned homes in Delaware,” said Governor Jack Markell. “Foreclosed and abandoned properties help no one. We want to see families in these homes. The ROC program provides a means to address properties in a way that helps communities and families.”

ROC is forgivable over a 10 year period pro-rated monthly, interest-free second mortgage that can be used for the purchase of foreclosed or abandoned single family housing in qualified census tracts. ROC loans provide eligible homebuyers with \$15,000 towards down payment and closing costs and must be used in connection with a DSHA-financed primary mortgage. Presently, mortgage rates for loans with assistance are available at 4.50% with 0 points.

“We recognize that Delaware has seen an unprecedented rise in the number of foreclosure filings over the past few years,” said Anas Ben Addi, Director of DSHA. “While we have programs available to help prevent families from losing their homes, sadly, not all of them can be saved. We developed ROC to support the recovery of the communities that have been hit hardest by this crisis.”

Any funds available in excess of down payment and customary closing costs will be used to reduce the initial loan amount of the first mortgage loan. Homes that need rehabilitation must meet guidelines of and use FHA's 203(k) acquisition rehabilitation mortgage loan product(s) in connection with DSHA financing.

Additional details on the ROC program:

- This is a forgivable loan over a 10 year period.
- The maximum ROC loan amount is \$15,000.
- There is no required monthly payment.
- All ROC loans are interest free (0%).
- ROC loans are subject to a prorated repayment prior to maturity.
- ROC is secured by a second mortgage recorded against the property.

- Funds are applied first to down payment and closing costs and the balance to reduce the initial amount of the first mortgage.

Additional facts about eligible properties under the ROC program:

- Must be in a qualified census tract.
- Homes must be sold at a minimum of 1% below appraised value.
- The subject property must remain the primary residence to be eligible for forgiveness.
- Must meet the definition of foreclosed/abandoned.
- Appraisal of the property must be completed within 60 days of closing.
- All homes must be inspected by an approved home inspector.
- Homes will receive a lead based paint visual inspection if built prior to 1978.
- Sales Price may not exceed:
  - New Castle County: \$382,784
  - Kent County: \$342,911
  - Sussex County: \$341,772

Individuals who do not meet the qualification criteria for the ROC program may still meet the qualifications for our Second Mortgage Assistance Loan (SMAL) and are encouraged to apply. SMAL is also a DSHA program that provides loans to individuals for down payment and closing cost assistance up to \$10,000. DSHA also offers unassisted first mortgage loans with rates as low as 3.5%.

This no interest loan can be used toward down payment and settlement costs, and must be secured by a second lien position on the property. The SMAL can only be used with DSHA Single Family Mortgage Revenue Bond (SFMRB) Program loan as a first mortgage product. All SFMRB compliance requirements apply to SMAL, so if your borrower qualifies for one of DSHA's 1st mortgage programs, they are eligible for SMAL. Borrowers using SMAL must participate in a HUD-approved housing counseling program/ homeownership education. Borrowers using SMAL must also have the property inspected by an ASHI-Certified, NACHI-Delaware Chapter, or NAHI-CRI Home Inspector.

Please visit our website <http://www.destatehousing.com> for additional information on eligibility requirements for both programs.

#### **About the Delaware State Housing Authority**

The Delaware State Housing Authority (DSHA), formed in 1968, is dedicated to providing quality, affordable housing opportunities and appropriate supportive services to responsible low- and moderate-income Delawareans. In addition to its role as the State's Housing Finance Agency, DSHA is unique in that it also serves as a Public Housing Authority and acts as a Community Development and Planning Agency. As a Public Housing Authority, DSHA receives funding from HUD to build, own and operate public housing in Kent and Sussex counties, two of Delaware's three counties. For more information about the Delaware State Housing Authority, please call: (302) 739-4263 or visit our website at: [www.destatehousing.com](http://www.destatehousing.com)

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