



## **DELAWARE STATE HOUSING AUTHORITY NEWS RELEASE**

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### **Delaware State Housing Authority *Doubles* Downpayment Assistance for First Time Homebuyers** *Increase in funds expected to help many more Delawareans*

Effective immediately, Delaware homebuyers – regardless of family size – may qualify for up to \$15,000 in down payment assistance through the Delaware Housing Partnership (DHP) Second Mortgage Program for new construction in Delaware. Recent increases in home prices throughout Delaware spurred the DHP to revise its homeownership assistance program. In addition to the increased money available to families, the program can now be utilized to purchase one- or two-bedroom homes. Previously, the assistance was available only for homes having three or more bedrooms.

Delaware State Housing Authority (DSHA) Director Sandy Johnson was pleased with the changes. “The high cost of housing is one of the biggest barriers to Delaware’s moderate-income families in becoming homeowners. The increased down payment assistance will make homes more affordable. The more money you can put toward the down payment means a lower monthly mortgage payment - allowing more families to achieve the American Dream of owning a home.”

Delaware Housing Partnership Chairman Andrew DiSabatino noted, “As Delaware’s older population increases, so will the demand for smaller, one- or two-bedroom homes. We feel confident that the revamped DHP Program will encourage developers to build more of the smaller homes for couples looking to downsize, as well as young people looking to buy their first homes.”

Additionally, when the DHP is used in combination with the First-Time Homebuyers Program, the maximum purchase price limits match the higher limits of that program - with the added benefit of a below market interest rate mortgage.

Several important changes have also been implemented in the Second Mortgage Assistance Loan Program. The maximum amount that homeowners may borrow in SMAL program funds has been increased to \$6,000 – a \$1,000 increase over the previous amount. Additionally, borrower income limits and purchase price limits of homes have also risen to allow more prospective homeowners to qualify for assistance in purchasing a home.

Both the DHP and SMAL programs can be used for down payment and/or closing costs, and carry a 6% interest rate. Borrowers have the option to defer interest and principal payments.

In February of this year, DSHA issued \$60M in bonds for First Time Homebuyer mortgages at below market interest rates. Because the First Time Homebuyer Program has been so successful, DSHA recently issued another \$80M more for the program. DSHA expects to assist another 450 families in becoming homeowners with this bond issue.

The First Time Homebuyer Program offers two types of mortgages: the low-rate option has an interest rate of 5.85%; and the assisted loan option has a slightly higher interest rate at 6.3%, which gives the borrower a grant equal to 3% of the mortgage amount. All mortgages are for 30 years, with a fixed interest rate. Borrowers can use the SMAL and DHP programs for downpayment and closing cost assistance in conjunction with the First Time Homebuyer program, bringing the cost of the home even lower.

Under Governor Minner’s administration, DSHA has provided more than \$450 million in mortgage money, and has assisted approximately 2,400 families in achieving the American Dream of homeownership.

For more information on DSHA’s affordable homeownership programs, contact Community Relations at (888) 363-8808, or visit our website via [www.delaware.gov](http://www.delaware.gov), search word DSHA.

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