



# DELAWARE STATE HOUSING AUTHORITY NEWS RELEASE

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CONTACT: **Christina Hardin**  
**Community Relations Office**  
**302/739-4263**

## **Delaware To Provide Another \$60 Million in Mortgage Funds For First-Time Homebuyers**

*Increase in funds expected to help many more Delawareans*

*Dover* – Governor Ruth Ann Minner today announced that \$60 million worth of below-market interest rate mortgages are now available at 5.30 percent to first-time homebuyers with low and moderate incomes through Delaware State Housing Authority (DSHA). This series is one of the largest Single Family Mortgage Revenue non-refunding bond issues ever released by DSHA.

“It is exciting to be able to pull together a financing package that helps Delaware’s hard-working families purchase their first home and invest in their future,” Governor Minner said. “In making homeownership affordable to a greater number of families, we are increasing the impact on Delaware’s overall economy and social structure.”

DSHA expects to serve approximately 500 families with this series, and this will bring the total number of families assisted with low-interest mortgages to nearly 1,900 under the current administration.

“Becoming a homeowner for the first time is important to the residents we serve,” DSHA Director Sandy Johnson said. “Delaware is ranked third in the nation for homeownership—over 77%. Many families are able to afford a mortgage, but face challenges in meeting the up-front costs in the homebuying process and finding homes within their reach – especially in Sussex County where the median home price is \$250,000. To help them attain the American Dream, this bond issue will again include grants equal to 4% of the loan to assist with downpayment and settlement costs.”

Under Governor Minner’s tenure, DSHA has issued approximately \$160 million in low-interest mortgage money. The additional \$60 million in mortgage money will be released all at once.

Families 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 four percent of the mortgage amount. For example, a borrower applying for an Assisted Loan amounting to \$100,000 will receive an additional grant of \$4,000. In exchange for this assistance, the borrower pays a slightly higher interest rate on the mortgage amount, currently 6.10 percent.

To qualify for the programs, families must meet certain 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. The household income for a family of three or more, for instance, may not exceed \$85,905 in New Castle County or \$77,452 for Kent and Sussex Counties. In some cases, buyers’ income may exceed these limitations when a home is located in an area targeted for economic development. Targeted areas, as defined by the U. S. Census Bureau, include Census Tracts 1, 7, 9, 17, 20, 21 and 22 in the City of Wilmington, and Tract 411 in Kent County. (To locate homes for sale in these targeted areas, please contact your local Realtor®.)

In New Castle County, the purchase price of an existing home must not exceed \$281,250 in non-targeted areas, or \$343,750 in targeted areas. In Kent County, the price of an existing home cannot exceed \$222,187 in non-targeted areas or \$271,562 in targeted areas. In Sussex County, the price of an existing home cannot exceed \$204,432. There are no targeted Census Tracts in Sussex County.

Applicants may also be eligible for a Second Mortgage Assistance Loan (SMAL) of up to \$5,000 at 6.0 percent interest for downpayment and closing cost assistance. DSHA recently increased the income limits and home purchase price for SMAL loans to match those of the First Time Homebuyer's Program. Families seeking to use the SMAL program must participate in DSHA's first mortgage bond program to take advantage of the higher limits. Families using another mortgage product may still apply to the SMAL program. However, they will have to meet the lower income limits of \$36,500 for one and two person families, and \$41,500 for 3 or more person families. Additionally, the house purchase price can not exceed \$105,000.

With the rise in housing costs, combining DSHA's below-market interest rates with the SMAL downpayment assistance gives prospective homeowners more buying power, and brings otherwise unattainable homes within affordable range.

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

For more information, interested homebuyers should contact one of the participating lenders listed below, or contact DSHA at (302) 577-5001 in Wilmington or (302) 739-4263 in Dover. Information is also available on the DSHA website at [www2.state.de.us/dsha](http://www2.state.de.us/dsha).

#### Participating Lenders

<b>LENDERS</b>	<b>NEW CASTLE COUNTY</b>	<b>KENT COUNTY</b>	<b>SUSSEX COUNTY</b>
AccuBanc Mortgage	800-377-5643	741-2200	800-377-5643
American Home Mortgage	800-743-3599	800-736-3785	800-643-9268
Artisan's Bank	658-6881	744-9315	744-9315
C & F Mortgage	302-607-0030	800-646-8391	800-646-8391
Cendant Mortgage Corp.	866-256-9350	866-256-9349	866-256-9349
Chase Home Finance	453-4455	678-9696	866-299-4582
Citizens Bank	421-2233	421-2251	421-2227

Countrywide Home Loans	283-3500	283-3500	283-3500
Eastern Mortgage Services	800-245-1175	730-3896	800-245-1175
First Horizon Home Loans	456-0776	734-5770	800-238-6662
1 <sup>st</sup> Mariner Mortgage	657-0181	657-0181	657-0181
Gilpin Financial Services, Inc.	656-5400	672-6659	672-6659
GMAC	877-851-4622	877-851-4622	877-851-4622
New York Mortgage Corp.	239-9666	239-9666	239-9666
Sun Trust Mortgage	453-2350	453-2350	453-2350
Trident Mortgage	334-6170	334-6170	334-6170
Wachovia Mortgage	421-7005	730-5482	730-5482
Wilmington Trust	651-8848	735-2070	800-736-3785

For information on affordable homeownership programs, please visit our website at [www2.state.de.us/dsha](http://www2.state.de.us/dsha).

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CONTACT FOR MORE INFORMATION:  
Christina Hardin, Chief, Community Relations  
Delaware State Housing Authority  
18 The Green, Dover, DE 19901  
(302) 739-4263  
(302) 739-3178 (Fax)  
[tinah@dsha.state.de.us](mailto:tinah@dsha.state.de.us)



