



Delaware State Housing Authority

Manufactured Housing Assistance Program (MHAP)

Counselor Training





DSHA is committed to follow all aspects of the Fair Housing Act in our efforts to promote responsible homeownership and obtaining competitive and safe financing for same.





CATEGORIES OF ELIGIBILITY

- Hardship Eligibility – 15% or more loss of income due to involuntary layoff, reduction in hours, injury or illness
- Owner-occupied Manufactured Homes – Titled as vehicles with DMV
- Must be 90+ days delinquent on home loan and/or lot loan or rent or have received a notice of intent to evict or foreclose
- Total home loan + lot loan or rent payments greater than 31% of monthly income (for continuing payments)
- Household income within county income limits
- Prior to event DTI does not exceed 55%
- Post MHAP Sustainability
- Pre-hardship credit history

TERMS

- Loans up to \$10K including 12 months of payments.
- MHAP interest rate 0%.
- Repayment deferred until property is sold, transferred or borrower no longer resides in the property.
- Borrower required to make a monthly payment contribution toward their loan/lot rent based on their current income.





ADDITIONAL REQUIREMENTS

- Pre and post-event household income for all household residents/borrowers/owners must be considered.
- Borrower must provide vehicle title to DSHA to record DSHA lien. Borrowers with existing loans must receive confirmation from their lien holder that they will agree to allow subordinate lien to be recorded.





1. Reason for Hardship – MUST BE ONE OF THE FOLLOWING (Check One)

	<i>UNEMPLOYMENT – LOSS OF EMPLOYMENT</i>
	UNDEREMPLOYMENT – INCOME 85% OR LESS OF PREVIOUS INCOME
	INJURY OR MEDICAL EMERGENCY – INCOME 85% OR LESS OF PREVIOUS INCOME



2. Required Documentation – MUST SUBMIT FOLLOWING

- (1) COMPLETED MHAP LOAN APPLICATION INCLUDING 5 YEAR EMPLOYMENT HISTORY**
- (2) AUTHORIZATION TO RELEASE INFORMATION SIGNED**
- (3) HARDSHIP LETTER FROM THE BORROWER INCLUDING MONTH AND YEAR HARDSHIP BEGAN**
- (4) COPY OF CURRENT HOMEOWNER'S HAZARD INSURANCE POLICY**
- (4) COPY OF VEHICLE TITLE (ORIGINAL WILL BE REQUIRED AT CLOSING) OR COMPLETED AND SIGNED FIRST LIEN HOLDER LETTER**



2. Required Documentation – Loss of Income (continued)

WAGE EARNING (W2) EMPLOYEE	SELF EMPLOYED
<p>LETTER FROM EMPLOYER VERIFYING JOB LOSS (OR CHANGE IN FULL TIME STATUS TO LESS THAN FULL TIME STATUS FOR UNDER-EMPLOYED BORROWER) OR DEPT OF LABOR UNEMPLOYMENT INSURANCE DETERMINATION NOTICE WITH PRIOR YEAR'S EARNINGS</p> <p>MOST RECENT FEDERAL INCOME TAX RETURN</p> <p>SIGNED FORM 4506T</p> <p>LAST 2 PAYSTUBS <u>OR</u> LAST FULL YR FEDERAL TAX RETURN & W2 PRIOR TO INCOME REDUCTION <u>AND</u> UNEMPLOYMENT CHECK STUB <u>OR</u> MOST RECENT PAYSTUB WITH YTD EARNINGS SINCE INCOME REDUCTION (FOR UNDER-EMPLOYED BORROWERS) (IF INCOME NOW >85% OF PRE-HARDSHIP INCOME, MUST PROVIDE FEDERAL TAX RETURN OR W-2 DOCUMENTING LOSS OF INCOME DURING HARDSHIP)</p> <p>COPY OF CURRENT MORTGAGE STATEMENT OR AFFADAVIT VERIFYING ACCOUNT 90 DAYS OR MORE PAST DUE</p>	<p>YEAR TO DATE PROFIT & LOSS STATEMENT</p> <p>MOST RECENT PERSONAL AND BUSINESS/CORPORATE TAX RETURNS</p> <p>SIGNED FORM 4506T</p> <p>COPY OF CURRENT MORTGAGE STATEMENT OR AFFADAVIT VERIFYING ACCOUNT 90 DAYS OR MORE PAST DUE</p>



ALTERNATIVE HARDSHIP DOCUMENTATION

Involuntary loss of income for W-2 employee:

- Letter from employer verifying involuntary job loss (or change in full time status to less than full time status for under-employed borrower) **or** proof of unemployment eligibility determination/receipt of unemployment benefits
- 2 last paystubs prior to income reduction **or** W2 for last full year **or** Dept of Labor Unemployment Eligibility Determination showing prior year's earnings
- 2 most recent paystubs since income reduction (for under-employed borrowers)
- Most recent year's federal income tax return & W-2



2. Required Documentation – If Claiming Injury or Illness MUST Also SUBMIT FOLLOWING (continued)

WAGE EARNING (W2) EMPLOYEE If Claiming Injury of Illness-Must Provide	SELF EMPLOYED If Claiming Injury or Illness-Must Provide
<p>SIGNED STATEMENT FROM ATTENDING PHYSICIAN(S) CONFIRMING THAT THE INJURY OR OTHER MEDICAL EMERGENCY HAS IMPACTED THE MORTGAGOR’S ABILITY TO MAINTAIN THE LEVEL OF EMPLOYMENT AND INCOME AS HAD BEEN THE CASE BEFORE THE INJURY OR MEDICAL EMERGENCY, WHEN IT OCCURRED, AND AN ESTIMATE OF WHEN THE PATIENT WILL BE ABLE TO RETURN TO WORK</p>	<p>SIGNED STATEMENT FROM ATTENDING PHYSICIAN(S) CONFIRMING THAT THE INJURY OR OTHER MEDICAL EMERGENCY HAS IMPACTED THE MORTGAGOR’S ABILITY TO MAINTAIN THE LEVEL OF EMPLOYMENT AND INCOME AS HAD BEEN THE CASE BEFORE THE INJURY OR MEDICAL EMERGENCY, WHEN IT OCCURRED, AND AN ESTIMATE OF WHEN THE PATIENT WILL BE ABLE TO RETURN TO WORK</p> <p>A LETTER OF EXPLANATION FROM BORROWER HOW THE INJURY OR MEDICAL EMERGENCY HAS DIRECTLY, NEGATIVELY IMPACTED THE MORTGAGOR’S INCOME AND/OR ABILITY TO MANAGE THEIR BUSINESS IN THE SAME CAPACITY AS PRIOR TO THE EVENT</p>



REQUIRED HARDSHIP DOCUMENTATION

Involuntary loss of income due to illness or injury must also provide:

- Permanently disabled individuals must demonstrate they have a reasonable prospect of resuming their full monthly payment after their assistance period ends.



3. Income Limits – Income May Not Exceed Income Limits (CIRCLE ONE)

NEW CASTLE	KENT	SUSSEX
\$93,265	\$85,560	\$85,560

Income limits subject to change annually.





4. Borrower's Payment Assistance Amount

<p style="text-align: center;">Scheduled Monthly Housing Payment (Total of home loan payment and lot rent)</p>	
<p style="text-align: center;">Less Borrowers Total Monthly Income $\\$ \underline{\hspace{2cm}} \times .31\% =$ (Required Monthly Payment Contribution)</p>	
<p style="text-align: center;">= Maximum Monthly MHAP Benefit*</p>	

***If required payment contribution exceeds the regular scheduled PITI payment, borrower is eligible for arrearages only.**



MONTHLY PAYMENT REQUIREMENT

Applicant will be required to make a monthly contribution toward their housing payment(s).

- Borrower will be required to pay at least 31% of their household income to DSHA – due on the first of each month.
- Borrowers with no income will be required to make a \$25 minimum payment – due on the first of each month.

Borrowers who do not comply with making their monthly payment contribution on the due date may be terminated from the program.



When Income Has Been Restored to >85% of Pre-Hardship Level

- Loss of income must be documented at 15% or more of pre-event income. However, a borrower whose income has been restored to a level greater than 85% of the pre-hardship level, but requires assistance with existing home loan/lot loan/rent arrearages can apply for assistance with those arrearages only.



5. Verification of 15% Reduction in Income

1. Prior to Event Income \$ _____ X .85%	
2. Annual Household Income during hardship or Current Annual Household Income (if still experiencing the hardship)	
If #2 exceeds # 1, borrower is not eligible for MHAP.	

Example:

**If prior to event income = \$50,000;
income during hardship must be 85% or
less = \$42,500.**



6. Sustainability Calculation

1. Prior to Event Monthly Income \$ _____ X .55%	
2. Total of All Monthly Obligations from Credit Report (do not include collection/charged off loan accounts)	
If #2 exceeds # 1, borrower is not eligible for MHAP.	

If pre-event DTI exceeds 55%, borrower is not eligible for assistance.



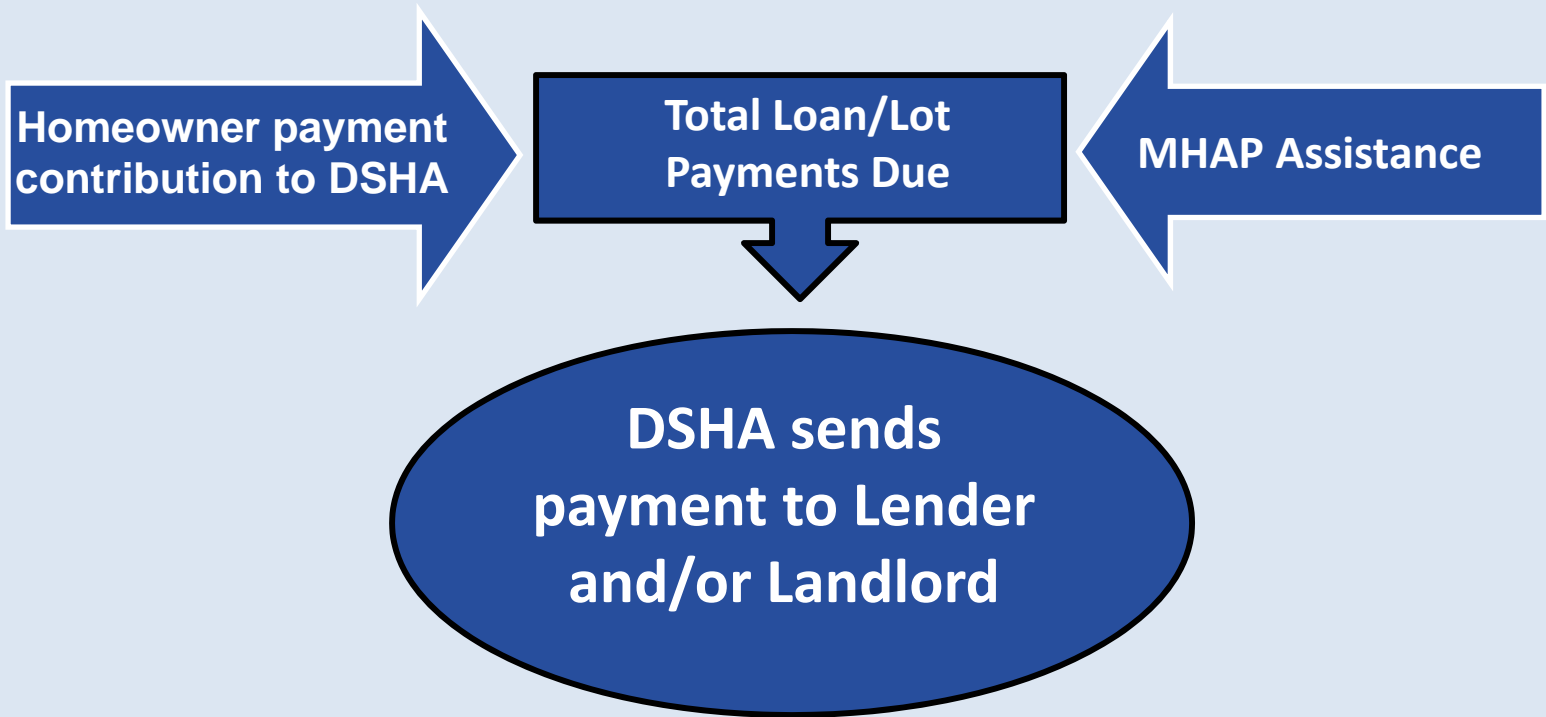
Sustainability For Applicants Requiring Continuing Payment Assistance

- Borrowers who require continuing payments must be eligible for a minimum of 4 continuing payments once the arrearages have been paid to allow time for the applicant to achieve a sufficient level of income to resume their full payment obligations by the end of the benefits period. In the event that \$10,000 is not sufficient for arrearages plus 4 payments, the borrower must bring to closing their own funds in the form of a cashier's check payable to their lender/landlord in an amount adequate to allow DSHA to reserve sufficient funds to provide 4 continuing payments as long as the borrower remains eligible with all of the terms of the program.





MONTHLY PAYMENT PROCESS FLOW





SUBMITTING DEMAP APPLICATIONS

- Counselor reserves funds online through MITAS
- Counselor submits application package via Mitas secure document upload with 5 days of reservation
- DSHA reviews file for eligibility within 72 hours of receipt
- Approved borrowers will have arrearages paid and up to 12 months of continuing payment up to a maximum of \$10,000
- By 20th of each month borrower must remit a payment





SUBMITTING DEMAP APPLICATIONS (CONTINUED)

- DSHA will make up to 12 monthly payments (up to a maximum of \$10,000) for borrowers who continue to comply with all program eligibility requirements.
- Borrowers who provide false information or fail to notify DSHA of any changes in income, employment or residency will result in immediate termination of program benefits, and may face federal prosecution.





ONLINE RESERVATION PROCESS

- **Reservation** – Complete MITAS data once you have a **complete** loan package to submit.
 - Submit all documents via Mitas secure document upload.
Only complete files will be reviewed for eligibility.
- **Pending - Conditions Posted** – Counselor may review outstanding conditions and provide any additional information to complete file. Conditions must be cleared within 10 days.
- **Committed** – Application is approved. Counselors may attend loan closing.
- **Active** – DEMAP closing has occurred.
- **Declined** – Application has been declined. Notice is sent to the Counselor for appropriate action with homeowner.



PARTICIPATING HUD APPROVED COUNSELING AGENCIES

- ☑ CCCS of MD & DE, Inc.
- ☑ CLARIFI
- ☑ DCRAC
- ☑ First State Community Action Agency
- ☑ Hockessin Community Center
- ☑ Housing Opportunities of Northern Delaware
- ☑ Interfaith Community Housing of Delaware
- ☑ NCALL Research
- ☑ Neighborhood House
- ☑ Telamon
- ☑ YWCA Centers for Homeownership Education





IMPORTANT INFORMATION

- MITAS Online website:
<https://mitas.destatehousing.com>
- Contact DSHA:
Toll Free: 888-363-8808
- Visit Website:
www.DeStateHousing.com
- Lender Resource Website
Lenders.DeStateHousing.com



THANK YOU!

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