



Delaware State Housing Authority

Delaware Mortgage Programs Training

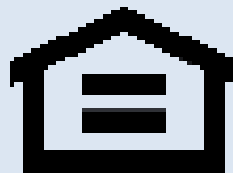
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The mission of the **Delaware State Housing Authority** is to efficiently provide, and assist others to provide, quality, affordable housing opportunities and appropriate supportive services to low and moderate-income qualified Delawareans



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



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Agenda

- Overview of Programs
- Origination
- Processing
- Wire Request
- Post-Closing





Homebuyer Definition

DSHA Homeownership Loan Programs are available for First-Time and Repeat Homebuyers.

- **A First-Time Homebuyer** is a person **who has not had ownership interest** in a **primary residence at any time during the last three years** prior to the closing date. If the borrower(s) is on a Note, Mortgage, and/or Deed this will disqualify them as a first-time homebuyer.
- Mobile homes not permanently affixed to the ground are not considered real estate; the owner would be considered a first-time homebuyer.
- Qualified Veterans as defined in 38 USC Section 101, are exempt from the First-Time Homebuyer requirement. A copy of the DD214 Form is required demonstrating military discharge or release under conditions other than dishonorable.





Homeownership Loan Programs

- Our down payment and closing costs assistance loans are exempt from TRID disclosure requirements.
- DSHA 2nd loan amount and all other applicable fees related to the loan must be disclosed on the first mortgage Loan Estimate and Closing Disclosure provided by the lender.
- DSHA 2nd mortgage loans are deferred at 0% interest with no prepayment penalty and no monthly payment required.
- Income and sales price limits apply.
- Subordination not permitted.
- No loan level price adjustments (LLPA's) on Conventional loan products.
- Conventional Applicants with incomes at or below 80% AMI may qualify for reduced Mortgage Insurance (MI). Please review your Automated Underwriting System (AUS) findings for MI Percentages.





Delaware Mortgage Programs

- ***Welcome Home***

- Available for first-time homebuyers
 - ❖ Smart Start
 - ❖ First State
 - ❖ Keys4You
 - ❖ Take5
 - ❖ Diamond in the Rough

- ***Open Door***

- Available for first-time and repeat homebuyers
 - ❖ Smart Start
 - ❖ First State
 - ❖ Keys4You





Welcome Home

- Must meet the definition of a ***First-Time Homebuyer or a Qualified Veteran*** to be eligible.
- Available for Conventional and Government loans.
- Must meet income limits for household size.
- Only income from those on the Note and/or Mortgage will be used. Income limits are based on household size and county where home is being purchased.

Income Limits As of April 21, 2025

County	1-2 Person Household	3+ Person Household
New Castle	\$119,400	\$137,310
Kent & Sussex	\$108,800	\$125,120





Welcome Home Income Limits

As of April 21, 2025

County	1-2 Person Family	3+ Person Family
New Castle	\$119,400	\$137,310
Kent & Sussex	\$108,800	\$125,120



See Program Notice for targeted area income limits



Open Door

- First-time **and** repeat homebuyers are eligible.
- Available for Conventional and Government loans.
- Must meet income limits for household size.
- Qualifying income used on the lenders mortgage loan application (1003) will be used in DSHA's income calculation.

Income Limits as of April 21, 2025

County	1-2 Person Household	3+ Person Household
New Castle	\$143,280	\$179,100
Kent & Sussex	\$130,560	\$163,200





Open Door Income Limits

as of April 21, 2025

Household Income Limits	
New Castle 1–2-person family	\$143,280
New Castle 3+ person family	\$179,100
Kent & Sussex 1–2-person family	\$130,560
Kent & Sussex 3+ person family	\$163,200

Conventional Applicants with incomes at or below 80% AMI may qualify for reduced Mortgage Insurance (MI). Please review your Automated Underwriting System (AUS) findings for MI Percentages.



See Program Notice for targeted area income limits

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Welcome Home and Open Door Sales Price Limits

New Castle County \$617,514

Kent & Sussex County \$544,232



See Program Notice for targeted area income limits



Smart Start

- First Mortgage Loan with interest rates at or below current market rates.
- Does not include down payment and closing costs assistance.
- Available for Welcome Home and Open Door.





First State Home Loan

- 3% down payment and closing costs assistance calculated using final loan amount available for Welcome Home and Open Door programs.
- Zero interest 2nd mortgage loan.
- DSHA must be in 2nd lien position.
- Other down payment and closing costs assistance programs can be layered with this program.
- Principal will be deferred until the following events: Refinance, sale, transfer of title, property is no longer the borrower(s) primary residence (whichever comes first)





Keys4You

- 4% down payment and closing costs assistance calculated using final loan amount available for Welcome Home and Open Door programs.
- Zero interest 2nd mortgage loan.
- DSHA must be in 2nd lien position.
- Other down payment and closing costs assistance programs can be layered with this program.
- Principal will be deferred until the following events: Refinance, sale, transfer of title, property is no longer the borrower(s) primary residence (whichever comes first)





Take5

- 5% down payment and closing costs assistance calculated using final loan amount available for the Welcome Home program.
- Zero interest 2nd mortgage loan.
- DSHA must be in 2nd lien position.
- Other down payment and closing costs assistance programs can be layered with this program.
- Principal will be deferred until the following events: Refinance, sale, transfer of title, property is no longer the borrower(s) primary residence (whichever comes first)





Diamond in the Rough

- Borrower(s) must qualify for FHA 203k Limited program.
- Only available for Welcome Home Loan Program.
- 5% of the final loan amount provided in down payment and closing costs assistance.
- Principal will be deferred until the following events: refinance, sale, transfers of title, property is no longer the borrower(s) primary residence (whichever comes first).
- Minimum credit score of 640 required.





Limited 203 (k)

- All borrowers must have a 640-credit score.
- Follow Household limit
- The subject property may not have a sales price in excess of:
 - \$571,946 in New Castle County
 - \$510,939 in Kent and Sussex Counties.
 - ***Diamonds in the Rough*** is a 5% DPA





DSHA Lender Resource Center

Where you can find DSHA contacts, program documents, Program Notice, and Lakeview guidelines.

[Lenders - State of Delaware - Delaware State Housing Authority](#)





Loan Reservations

1. Loan reservations can be made on the Mitas Lender Portal [DSHA Lender Portal](#) from 10am – 5:30 on days DSHA is open for business.
2. Once the loan is reserved a Reservation Confirmation will be available print.
3. Reservation modifications needed after loan is reserved must be completed by DSHA staff. Email DSHA_homeloans@delaware.gov
4. Registrations/locks are valid for **60 days**. Closed loans must be delivered and funded by the Master Servicer, Lakeview Loan Servicing, within the reservation period or are subject to additional fees (see Program Notice).
5. DSHA will allow a one-time program switch. When switching loan products, borrowers are subject to “worst case” scenario in pricing. This is based on the original lock date or product switch date. Email DSHA_homeloans@delaware.gov for program change.
6. A **one-time 15 or 30-day rate extension** may be purchased prior to the expiration of the initial reservation period. The extension fees are .125% for a 15-day extension and .25% for a 30-day extension. These fees will be assessed at the time the extension is granted. Lenders may pass this fee along to the borrower(s).
7. Should a Lender require more time in excess of an expired lock, such fees required to purchase the loan cannot be passed along to the borrower and will be netted out of the lender compensation once closed loan has been delivered to the Master Servicer, Lakeview Loan Servicing. This cost will be 25bps per each 15-day period beyond the expiration or extended expiration date. Should the loan reach a period of 120 days beyond original reservation all lender compensation will be forfeited, should DSHA or its Master Servicer elect to purchase the loan.





Homeownership Loan Programs Eligible Loan Products

- **FHA** 203(b); 203(b)(2); 234(c); 223(e); 203(ks)
- **VA** - originated and guaranteed in accordance with VA guidelines under 1810 and 181A.
- **USDA** - Rural Housing Service Loans - originated and guaranteed in accordance with USDA guidelines.
- **Conventional** - Freddie Mac HFA Advantage & Fannie Mae HFA Preferred





Additional information

- All loans must meet DSHA income limits. Income includes ALL income at time of application for anyone signing the Note and/or the Mortgage for Welcome Home Loans.
- Income includes child support, alimony, bonus income, SSI, etc. Income limits can be found on the Program Notice on the Lenders Resource website, www.destatehousing.com/partner/lenders/
- Qualifying income entered on the lenders 1003 will be used for anyone signing the Note and/or the Mortgage for Home Again loans.
- Minimum credit score is **620**. If 3 scores are available the middle score will be used, if 2 scores are available the lower of the 2 will be used and if only one score available that will be used
- All files must follow DSHA guidelines, Lakeview overlays (link to matrices found on the Lenders Resource Center) - www.destatehousing.com/partner/lenders/





FHA Manual Underwriting

- Manual underwriting is permitted on FHA loans in cases where the loan receives an Approve/Eligible, Refer/Eligible, or Ineligible/Accept but requires a manual downgrade due to additional information not considered in the AUS decision that affects the overall insurability or eligibility of the loan.
- Maximum DTI of 43%
- Minimum fico of 660
- Manufactured homes not eligible for manual underwriting

See Lakeview guidelines for additional Manual Underwriting guidelines





USDA Manual Underwriting

- The overall insurability and/or eligibility of the loan is not affected or the loan receives an accept recommendation, but requires a manual downgrade due to additional information not considered in the GUS decision
- The loan receives a refer recommendation (refer with caution is not permitted)
- 43% maximum DTI
- 660 minimum FICO for all borrowers

See Lakeview guidelines for additional Manual Underwriting guidelines





Lender Fees

Lakeview: Funding Fee \$275
 Tax Service Fee \$85
 Compliance Review fee \$150

Loan fees are netted out of purchase funds once the first mortgage loan is delivered to Lakeview.



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Required Loan Documents

Lender is required to submit the following items to DSHA – refer to Loan Transmittal checklist on the Lenders Resource Center - www.destatehousing.com/partner/lenders/

1. **Original 1003**
2. **Final typed 1003** application - signature not required
3. **Executed Sales Contract** including all addendum's
4. **Pay Stubs** for **anyone signing the Note and/or Mortgage** reflecting 30 days year to date income and within 30 days of application
5. **W-2's** most recent two years for **anyone signing the Note and/or Mortgage**
6. **Signed Federal Tax Returns** – most recent year with all schedules for **anyone signing the Note and/or Mortgage**
7. **Third Party Verification of Employment required on all loans**
8. **Bank Statements** – most recent for all borrowers and all accounts including all pages
9. **Self Employed Borrowers** – 2 most recent Signed Federal Tax Returns (1040, 1040A and all related schedule) for **anyone signing the Note and/or Mortgage**
10. **Welcome Home Mortgagor's Affidavit** (signed at application. Section 15A mut be completed)
11. **Homeownership Education Certificate** from DSHA's approved HUD-Approved Housing Counseling Agency **Required if credit score is 659 or below for any borrower.**
12. **AUS Findings**
13. **Credit Report**
14. **Rate Lock Agreement** - Signed by borrower and lender
15. **Home Again Mortgagor's Affidavit** (signed at application. Section 15A mut be completed)





Documents and form required at time of underwriting submission to DSHA.

Document can be found on lender resource center at [Lenders - State of Delaware - Delaware State Housing Authority](#)



**DELAWARE STATE HOUSING AUTHORITY
TRANSMITTAL OF LOAN DOCUMENTATION FOR COMPLIANCE REVIEW
CHECKLIST**

LENDER: _____ ANTICIPATED SETTLEMENT DATE: _____
BORROWER NAME: _____ CO-BORROWER NAME: _____
FILE CONTACT: _____ PHONE #: _____
CONTACT EMAIL: _____

**ALL REQUIRED DOCUMENTATION MUST BE UPLOADED THROUGH MITAS
SUBMIT ONLY COMPLETE PACKAGES. INCOMPLETE SUBMISSIONS WILL NOT BE QUEUED FOR COMPLIANCE REVIEW
UNTIL ALL REQUIRED ITEMS ARE RECEIVED.**

**ALL ITEMS REQUESTED TO CLEAR CONDITIONS SHOULD BE UPLOADED AT ONE TIME. PLEASE DO NOT UPLOAD MULTIPLE
DOCUMENTS ON DIFFERENT DATES. CONDITIONS WILL NOT BE REVIEWED UNTIL ALL CONDITIONS ARE RECEIVED.**

INDICATE ALL DOCUMENTS BEING SUBMITTED WITH A CHECK MARK.

STANDARD DOCUMENTS REQUIRED FOR ALL SUBMISSIONS:

1. Copy of original signed and dated 1003
2. Copy of final typed 1003 (signature not required)
3. Executed Sales Contract, including all addendums
4. Most recent paystub for anyone signing the Note and/or Mortgage reflecting 30 days year to date income and dated within 30 days of the application date
5. 2 years most recent W2's for those signing the Note and/or Mortgage
6. Most recent Federal Tax Return with all schedules for those signing the Note and/or Mortgage
7. Third Party Verification of Employment ****Required for ALL loans****
8. Most recent months bank statement including all pages for ALL accounts for all borrowers
9. Self-Employed Borrowers: 2 years most recent Federal Tax Returns (1040, 1040A and all related Schedules)
10. Welcome Home Mortgagor's Affidavit (signed at time of application. Section 15A must be completed)
11. Homeownership Education Certificate from DSHA HUD-Approved Housing Counseling Agency. ****Required if credit score is 659 or below for any borrower****
12. AUS Findings
13. Credit Report
14. Signed DSHA Rate Lock Agreement
15. Home Again Mortgagors Affidavit (signed at time of application)

**DSHA COMMITS TO A TURNAROUND TIME NOT TO EXCEED 3 BUSINESS DAYS FOR INITIAL FILE
REVIEW AND 1 BUSINESS DAY FOR CONDITION REVIEW.**



Housing Counseling Education

- Homeownership classes are required for all borrowers with a FICO score of 659 or below.
- A list of DSHA HUD approved Housing Counseling Agencies is available on:
<https://www.destatehousing.com/maintain/housing-counselors/>





File Submission for Compliance Review

1. To submit a file for compliance review go to the Mitas Lender Portal, [DSHA Lender Portal](#). Search for the file by using the DSHA Application Number found on the reservation confirmation.
2. Click on Manage Documents on the lefthand side.
3. Attach each individual document to the placeholder.
4. Click upload.
5. Once all documents have been uploaded click the Back button and then the Submit button to submit the file to Underwriting.
6. Allow 72 hours for file review for complete files and 24 hours for condition review.

Incomplete files will be placed in suspense status. Once ALL documents are resubmitted through the Mitas Lender Portal allow 72 hours for review.

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Mitas Status Updates

Lenders should check the Mitas Lender Portal for status updates. Once loan has been submitted to Underwriting contact the assigned Underwriter with any questions.

- **Reservation** – loan has been reserved.
- **Submitted for Underwriting** – loan has been submitted for underwriting.
- **Pending Conditions** - can be found under outstanding conditions. To upload conditions click on Manage Documents and attach the document to the appropriate placeholder. Once all documents have been uploaded click the Back button and then the Submit button under Outstanding Conditions.
- **Compliance Approved** - a copy of the Mortgage Certificate of Mortgage Loan Compliance Review is available to print by clicking the print forms button. All applicable closing documents will be available to print by clicking the print forms button.
- **Suspense** - a decision cannot be made, or an incomplete file was submitted.
- **Denied** - this is typically due to the loan exceeding income and/or sales price limits or does not meet the first-time homebuyer requirement for the program chosen.
- **Wire Request Processed** - wire request was uploaded, received, and processed.

****Lenders should cancel reservations/locks** of any "dead loans" prior to reservation expiration to avoid non-cancellation penalty fees. Non-cancellation fees are \$300 and the compliance review fee for ALL loans is \$150.





Delaware State Housing Authority

Wire Request and Closing Procedure



Wire Request/Closing

1. Files using down payment and closing costs assistance must have a completed wire request form uploaded to the Mitas Lender Portal by 2pm the day before closing. This form will be available once the loan has been Compliance Approved in the lender portal.
2. DSHA will wire funds directly to the closing attorney the day of closing. **Early morning closings may have a delay in receipt of funds.**





Delaware State Housing Authority

Post Closing

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Post Closing

- Lender will submit complete 1st mortgage loan package to Lakeview Loan Servicing for purchase, including compliance approval letter.
- Lender will submit all required DSHA loan closing documents to Mitas Lender Portal within 1-2 business days from closing. Any deficiencies will be posted within 1-2 business days after receipt of file.
- DSHA Executed Note must be sent to DSHA after loan closing.
- All DSHA approved documents must be used. No lender alterations are permitted and if done could result in loan not being purchased and suspension from the program.
- Recorded Mortgage must be returned to DSHA after recording

DSHA Mailing Address:

820 N. French St., 10th Floor, Wilmington DE 19801

Contact information **Lakeview**:

Lakeview Loan Servicing LLC Lender Support

Telephone: 855 253 8439 Option 3

Email: ClientServices@bayviewloanservicing.com

Lakeview Correspondent website for Post Closing

<https://lakeviewcorrespondent.com>



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Final Assessment

Please click the link below to take the final assessment required before Mitas credentials will be provided. All users must score an 80% or better. Once training is completed email DSHA_Homeloans@delaware.gov.

Link to quiz - <https://www.quia.com/quiz/7906751.html>

We look forward to working with you!





Contact Information

For all Homeownership Loan Program inquiries email DSHA_Homeloans@delaware.gov. If the loan has been assigned to an Underwriter contact the Underwriter on the loan file.

Megan Faries – Director, Single-Family Mortgage Lending
Megan.Faries@delaware.gov

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Keichau.James@delaware.gov

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