DOWN PAYMENT SETTLEMENT (DPS) PROGRAM

OBJECTIVE:

To enable low and moderate income households to purchase their first homes by providing loans to aid in covering the cost of down payment and/or settlement charges.

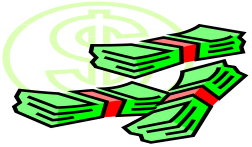
PROGRAM DESCRIPTION:

Deferred payment loans (maximum loan: **$5,000;** minimum loan: **$1,000**) to aid in covering customary settlement costs and/or up to one half of the required down payment to purchase a home in suburban New Castle County. To apply for DPS assistance, contact one of the Housing Counseling Agencies listed on the back of this brochure.

Borrower must occupy home as principal residence throughout the duration of the loan.

ELIGIBLE PROPERTIES:

- **Location:** Existing residential structures or new construction located in New Castle County, outside the City of Wilmington.
- **Maximum selling price:** $292,685 for a one-dwelling structure; set by the FHA single-family mortgage limit for 203(b) and 234(c) programs.
- **Property condition:** Property must be inspected by an ASHI, NAHI or InterNACHI certified home inspector as a condition of sale. Certain DPS funding may require property to pass RIB (Residential International Building) Code and NCC adopted codes. All homes built prior to 1978 must have a lead visual inspection. Repairs must be completed according to HUD guidelines.



FINANCING TERMS:

- **Maximum loan amount:** **$5,000**
  Minimum loan amount: **$1,000**
- **Determination of loan amount:** Amount based on Housing Counselor's certified estimate of financing needed for down payment and/or settlement costs, accompanied by a good faith estimate.
- **Terms:** Loan is an 8-year loan, segmented into 2 periods.
  Period 1: The first 3 years are a deferral period, 3% simple interest per year and payments are optional.
  Period 2: The remaining 5 years require monthly payments on the new loan and interest amortized at 3% interest over the 5 year period.
- **Interest rate:** 3%
  The Interest is forgiven if the loan is paid in full prior to the end of the 3-year deferral "Period 1".
- **Minimum cash contribution by borrower:** $500.00
- **Resale restrictions:** Loan must be paid in full upon the sale of your property; or the transfer of ownership.

ELIGIBLE HOUSEHOLDS:

Income: Total household income may not exceed 80% of median income for the NCC, DE area and is adjusted for family size as follows (per HUD Guidelines):

1 Person Household: $44,150
2 Person Household: $50,450
3 Person Household: $56,750
4 Person Household: $63,050
5 Person Household: $68,100
6 Person Household: $73,150
7 Person Household: $78,200
8 Person Household: $83,250

First-time home buyers: Borrower cannot have owned a principal residence for the last 3 years. If you owned a mobile home, you still qualify as a first-time homebuyer.

Principal residence: Borrower must occupy home as principal residence throughout the duration of the loan.

***Housing Counseling*:** Prior to closing on a home – all borrowers must be certified as having completed a Homeownership Education Program with a New Castle County recognized HUD approved housing counseling agency.

Recognized Housing Counseling Agencies

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First State Community Action Agency, Inc.
(302) 498-0454
FAX (302) 575-1409

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Clarifi 1 (800) 989-2227

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Hockessin Community Center (302) 239-2363
FAX (302) 239-2364

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Housing Opportunities of Northern DE (HOND)
(302) 429-0794
FAX (302) 429-0795

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Interfaith Community Housing of Delaware, Inc.
(302) 652-3991
FAX (302) 652-3945

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NCALL Research, Inc. (302) 678-9400
FAX (302) 678-9058

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Neighborhood House, Inc. (302) 652-3928
FAX (302) 778-6522

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West End Neighborhood House (WENH)
(302) 658-4171
FAX (302) 888-5314

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YWCA Homeownership Education
(302) 224-4060
FAX (302) 224-4057

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For further information on the Down Payment Settlement (DPS) Program, please visit our web site: nccde.org/housing and select Homebuyers.

EQUAL HOUSING LENDER

Thomas P. Gordon
New Castle County Executive

FIRST TIME HOMEBUYER PROGRAM

Down payment Settlement

NEW CASTLE COUNTY
DEPARTMENT OF COMMUNITY SERVICES
Down Payment Settlement (DPS) Program
Gilliam Building, 77 Read's Way
New Castle, DE 19720

(302) 395-5602

January 2014

LENDING A HAND….HELPING PEOPLE
CREATE COMMUNITIES OF OPPORTUNITY