



DELAWARE STATE HOUSING AUTHORITY
NEWS RELEASE
Anas Ben Addi, Director

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State Program Leverages Federal Funding
*Combining the New Federal Tax Credit with State Programs
Can Greatly Reduce Up-Front Cost for Homebuyers*

Dover, DE ----- In response to the current housing crisis and to help reinvigorate homeownership in the First State, Governor Jack Markell today announced a plan to partner state programs to leverage federal funds now available for first-time homebuyers. A new federal tax credit is part of the Stimulus Plan — equivalent to 10% of the purchase price of the home, up to \$8,000. To maximize the benefit of the tax credit, Delaware State Housing Authority (DSHA) has lowered its 30-year fixed-rate mortgage interest rate to a low 5.5% , with zero origination points. As an even further boon for homebuyers, these programs can now also be used in conjunction with DSHA’s Second Mortgage Assistance Loan Program (SMAL) which provides up to \$10,000 in downpayment and closing cost assistance.

Governor Markell noted, “By using its bonding authority, DSHA’s first mortgage program provides much-needed resources to homebuyers at no cost to the taxpayers. This is a fantastic opportunity for Delaware to leverage federal funding to increase prudent homeownership opportunities and help stimulate the economy through construction, jobs, wages, and federal, state and local revenue.”

The federal tax credit is available to qualified first-time homebuyers who purchase homes between January 1, 2009 and December 1, 2009. The tax credit does not have to be repaid unless the homeowner sells the home within the first three years.

DSHA Director Anas Ben Addi commented, “Thanks to the efforts of our Congressional delegation, based on income and other first-time homebuyer guidelines, we anticipate that nearly 100% of our borrowers will qualify for the new federal tax credit. Since the credit will not be realized until tax time, buyers may still face a barrier to homeownership – the cash needed up front. We hope that these program changes help to meet that need and fill the funding gap.”

Buyers are advised to seek tax advice from a qualified advisor for specifics of their personal tax liability. Applying for the credit requires no additional paperwork, other than that submitted with the buyer’s tax return preparation.

For more information, please visit DSHA’s website at www.DeStateHousing.com, or call them at (888) 363-8808.

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