

# DELAWARE STATE HOUSING AUTHORITY (DSHA) Housing Programs

Delaware State Housing Authority (DSHA) offers first mortgage options for new and repeat qualified buyers, as well as down payment and closing cost assistance. All products offered by DSHA are 30 year fixed-rate loans FHA, VA, USDA, & Conventional.

## Product Overview

- ◇ **Second Mortgage Assistance Loan (SMAL)** provides funds to assist with down payment and closing costs and is available to homebuyers using the first-time and repeat homebuyers. Repayment is deferred until the home is sold, refinances or is no longer the primary residence.
- ◇ **Advantage 4** provides funds in the form of a grant equal to 4% of the first mortgage amount that are used to pay down payment and closing costs.

Product Comparison *	SMAL (Second Mortgage)	Advantage 4 (Grant)
1 <sup>st</sup> Mortgage Amount	\$200,000.00	\$200,000.00
Interest Rate **	4.375%	5.125%
Term (months)	360	360
APR	5.494%	6.259%
Principal & Interest Payment	\$980.48	\$1,069.25
Down Payment Assistance Provided	\$8,000.00	\$8,000.00
Repayment Amount †	\$15,424.38	\$0.00

## First-Time Tax Credit

The **Delaware First-Time Homebuyer Tax Credit** (DE Tax Credit) provides an annual federal income tax credit up to \$2,000 each and every year as long as the homebuyer occupies the home and has a mortgage loan.

**For example:** If you borrow \$150,000.00 at 3.75%, you will pay approximately \$5,625 in mortgage interest. With the DE Tax Credit, you can reduce your federal income tax liability by 35% of interest paid up to \$2,000 ( $\$5,625 \times 35\% = \$1,968$ ) for that year. The remaining mortgage interest may also be itemized.

\* Comparisons based on 30 yr. fixed rate mortgage; tax & insurance payments not included

\*\* Rates as of 04/13/17 and are subject to change

† Assumes no payments made on SMAL during 30-yr. deferment period

**INCOME AND PURCHASE PRICE LIMITS MAY APPLY. SPEAK WITH YOUR TRIDENT MORTGAGE CONSULTANT FOR FULL PRODUCT DETAILS AND ELIGIBILITY REQUIREMENTS.**



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