

## DOWN PAYMENT SETTLEMENT (DPS) PROGRAM

### OBJECTIVE:

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



### PROGRAM DESCRIPTION:

Deferred payment loans offered to aid in covering normal and customary down payment and settlement costs. To apply for DPS assistance, contact one of the Housing Counseling Agencies listed on the back of this brochure. The DPS Program is funded by the U.S. Department of Housing and Urban Development (HUD) through Community Development Block Grant Program Funding.

### 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:** \$477,250 for a one-dwelling structure set by the FHA single-family mortgage limit
- ◆ **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 Residential International Building (RIB) Code and New Castle County 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:** \$10,000
- ◆ **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.
- ◆ **DTI** cannot exceed 52.00%
- ◆ **Terms:** Loan is a fifteen-year loan, segmented into two periods.  
  
Period 1: The first two years are a deferral period, and payments are optional.  
  
Period 2: The remaining thirteen years require monthly payments on the new loan.
- ◆ **Interest Rate:** 0%
- ◆ **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 New Castle County area and is adjusted for family size as follows (per HUD Guidelines):

- 1 Person Household: \$59,050
- 2 Person Household: \$67,450
- 3 Person Household: \$75,900
- 4 Person Household: \$84,300
- 5 Person Household: \$91,050
- 6 Person Household: \$97,800
- 7 Person Household: \$104,550
- 8 Person Household: \$111,300

**First-time home buyers:** Borrower cannot have owned a principal residence for the last three 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 HUD Approved Housing Counseling Agencies

### Clarifi

Phone: 1-800-989-2227

### First State Community Action Agency, Inc.

Phone: (302) 498-0454 FAX (302) 575-1409

### Housing Opportunities of Northern DE (HOND)

Phone: (302) 429-0794 FAX (302) 429-0795

### Interfaith Community Housing of Delaware, Inc.

Phone: (302) 652-3991 FAX (302) 652-3945

### NCALL Research, Inc.

Phone: (302) 283-7505 FAX (302) 283-7587

### Neighborhood House, Inc.

Phone: (302) 658-5404 FAX (302) 778-6522

### YWCA Homeownership Education

Phone: (302) 224-4060 FAX (302) 224-4057

For further information on the First Time Homebuyer Program, please visit our web site: [nccde.org/housing](http://nccde.org/housing).

# FIRST TIME HOMEBUYER PROGRAM

Down Payment Settlement (DPS) Program



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

(302) 395-5600

July 2022

LENDING A HAND....HELPING PEOPLE  
CREATE COMMUNITIES OF OPPORTUNITY



**Matthew Meyer**  
New Castle County Executive