



# Delaware State Housing Authority

Delaware's Key to Housing Since 1968

## Delaware First-Time Homebuyer Tax Credit

### What is the Delaware First-Time Homebuyer 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.

### How does it work?

For example: if you borrow \$150,000 at 4.75%, you will pay approximately \$7,075.04 in mortgage interest in the first 12 months of the mortgage. With the DE Tax Credit, you can reduce your federal income tax liability by 35% of interest paid up to \$2,000 ( $\$7,075.04 \times 35\% = \$2,476.26$ ) for that year. Like all homeowners, you can also claim the remaining interest as an itemized deduction.

Homebuyer must apply for the DE Tax Credit through a participating lender.

A list of Lenders is available on DSHA's website at [www.destatehousing.com](http://www.destatehousing.com).

### Am I Eligible?

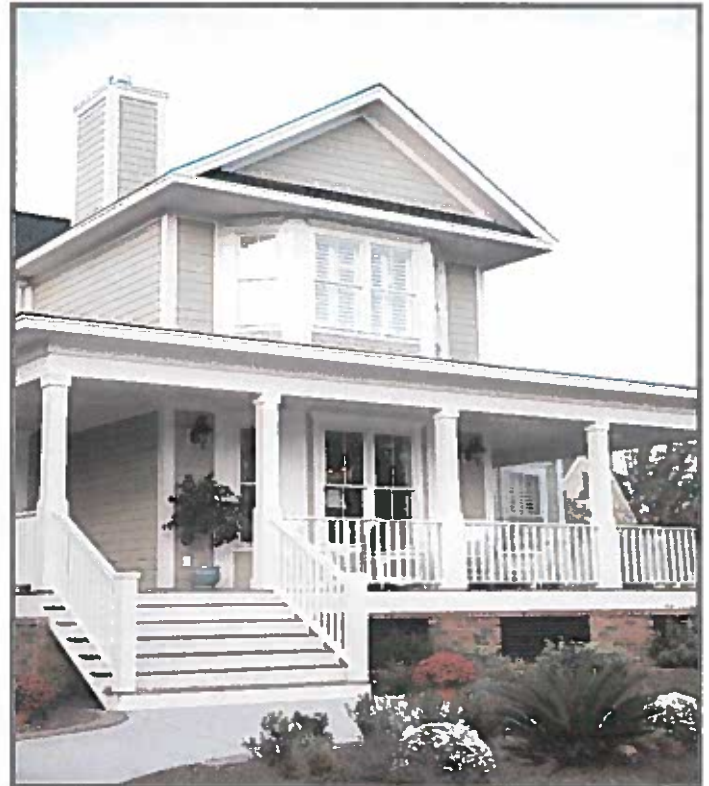
Buyer must purchase a home within the State of Delaware.

Buyer(s) cannot have owned a home in the past three years as his or her primary residence unless purchasing a home in a Targeted Area or the homebuyer is utilizing the Qualified Veteran Exemption.

Household income and the purchase price must not exceed the maximum limits set by the Program.

Buyer must occupy the home as his or her primary residence.

Please note that any statements regarding tax matters cannot be relied upon by any person to avoid tax penalties. You should seek advice based on your individual circumstances from your tax advisor.



### About the Delaware State Housing Authority

The Delaware State Housing Authority (DSHA), formed in 1968, is dedicated to providing quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income Delawareans.

In addition to its role as the State's Housing Finance Agency, DSHA is unique in that it also serves as a Public Housing Authority and acts as a Community Development and Planning Agency. As a Public Housing Authority, DSHA receives funding from HUD to build, own and operate public housing in Kent and Sussex counties, two of Delaware's three counties.

For more information about this program, please call (888) 363-8808 or visit our website at: [www.destatehousing.com](http://www.destatehousing.com).





# Delaware State Housing Authority

Providing quality, affordable housing opportunities

## Mortgage Loan Programs

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

- FHA/VA/USDA
- Conventional



Contact a participating lender for current rates. Visit our website at [www.DeStateHousing.com](http://www.DeStateHousing.com) for the most current list.

### Am I eligible?

Income and purchase price limits apply based on location and family size. Contact us at (888) 363-8808 or visit [www.DeStateHousing.com](http://www.DeStateHousing.com) for more information.

### How do I apply?

Contact a participating lender or housing counselor to start the process. DSHA rates are very competitive and may be a great option for you to consider when purchasing your home.

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### Welcome Home

Welcome Home is a first mortgage for the **first-time buyer**. For Welcome Home, a first-time buyer has not owned their home in the past 3 years. Now is a great time to buy – start the process today!

### Home Again

The Home Again is for **repeat buyers**. When a homebuyer is ready to purchase their next home, DSHA offers financing options that can make the process simple, easy, and affordable! If your family is expanding, or you want to down-size, this is the mortgage for you!

The following downpayment assistance programs are available to any homebuyer using a DSHA first mortgage.

### Second Mortgage Assistance Loan (SMAL)

SMAL provides funds to assist with downpayment and closing costs. Repayment of this loan is deferred until the home is sold, refinanced, or is no longer the primary residence.

### Advantage 4

Advantage 4 provides funds in the form of a grant equal to 4% of the first mortgage amount that are used to pay downpayment and closing costs.

