



DELAWARE STATE HOUSING AUTHORITY

## NEWS RELEASE

Anas Ben Addi, Director

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### Partnership Helps Family Realize Dream

Looking to save money so they could purchase their first home, Erik and Corina Steeley moved in with friends. Together for more than a decade, the Steeleys had been renting for years and were looking to the future to raise a family in a home of their own. They began looking around, but continually found that the homes that fit their needs were priced out of their reach. They were becoming frustrated and discouraged until their lender, Mark Randolph of Fairway Mortgage, suggested they consider the Delaware State Housing Authority's (DSHA) 203K Acquisition /Rehabilitation Program. The 203K program would allow them to widen their search to include homes that were more affordably priced but needed some repairs. Quickly, the Steeleys were able to find a home they loved, met their needs, and was well within their budget. Using the 203K program, they were also able to roll the funding for the mortgage and the repairs into one easy payment. With the repair work now underway, the Steeleys have a home with equity over and above what they've put into it and a payment lower than what they were paying for rent, and they are expecting their first child on July 4th. Erik lightheartedly said, "My wife said she would give me a baby, if I gave her a house."

Combining the 203K program with DSHA's Second Mortgage Assistance Loan (SMAL), the Steeleys only needed to use a small amount of their savings to cover downpayment and closing costs. Erik says because of the 203K program, they were able to move into the home of their dreams with most of the money they saved still in their pocket to use toward furnishing their house. Their new home is only half a mile from Erik's work place, and is a great community to raise a family.

In 2010, median home prices in Delaware were down between 10% and 20% across all three counties from their peak in 2007. Housing prices and mortgage rates remain low, which are prime opportunities for buyers to purchase. However, many affordable homes for sale frequently need minor repairs. These easily remedied repairs to the otherwise 'perfect house' have kept families from being able to purchase their first home. Sellers have often not been able to perform ongoing necessary maintenance and upkeep because of financial reasons, or the neglect is due to a foreclosure or short sale. The inability of the seller or the buyer to make the repairs required by the lender often prevents the deal from going to closing.

"This program puts the dream of homeownership within reach for many families," said Governor Markell. "When houses get repaired, our communities and our economy benefit. People are put to work; materials are purchased; neighborhoods come alive, and renters become owners."

To help overcome the growing number of challenges buyers face, DSHA teamed up with the U.S. Department of Housing & Urban Development (HUD) to offer the 203K Acquisition/Rehabilitation Program to first-time homebuyers in Delaware. This product provides homebuyers the opportunity to purchase and rehabilitate the home of their dreams, while taking advantage of below-market interest rates.

"Now, more than ever, it is crucial that American families make informed decisions about their housing choices and finance programs available to them," said HUD Regional Administrator Jane C. W. Vincent. "HUD has the programs to help families buy a home and

keep their homes. The 203K program is an excellent tool to help families finance housing they can afford and repairs that are needed to make it a home.”

DSHA Director Anas Ben Addi stated, “Buyers risk getting in over their heads paying for costly repairs out of pocket or competing for scarce rehab funds when they find a home that they fall in love with but needs some TLC. This program allows them to combine the purchase and needed repairs under one simple financial umbrella.”

Since the addition of the 203K program, DSHA has issued 39 Acquisition/Rehabilitation loans totaling more than \$5.5 million. This not only has provided a boost to the housing market, but has also contributed to the economy by creating jobs for the contractors, workers, and the businesses that provide the materials – not only the bricks and mortar, but other things such as paint, carpet, sheetrock, and fixtures. This spending goes back into the economy.

The Delaware real estate community has called the addition of the 203K program a “game changer” in the remarketing of properties in Delaware. Mark Randolph of Fairway Mortgage said, “Sellers had a hard time attracting buyers for their properties because the homes lacked updates or they required repair. Even if a buyer was interested in the home, financing was not available due to the condition of the property. The 203K, with the Bond loan, allows a buyer to purchase and fix up a home. What a great opportunity!”

Since 1968, the mission of Delaware State Housing Authority has been to provide quality, affordable housing opportunities. The agency provides a variety of homeownership, rental, and community development programs. June is Homeownership Month nationally and in Delaware. For more information on the 203K Acquisition/Rehabilitation Program, contact Cynthia Karnai at (302) 577-5001 or [Cynthia@DeStateHousing.com](mailto:Cynthia@DeStateHousing.com). To learn more about DSHA’s homeownership programs, please visit our website at <http://www.DeStateHousing.com>.

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