

# 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 the Delaware State Housing Authority, please call: (888) 363-8808 or visit our website at: [www.destatehousing.com](http://www.destatehousing.com).



For more information, contact:

Delaware State Housing Authority  
Division of Housing Finance  
820 North French Street  
Tenth Floor  
Wilmington, DE 19801

[www.DeStateHousing.com](http://www.DeStateHousing.com)

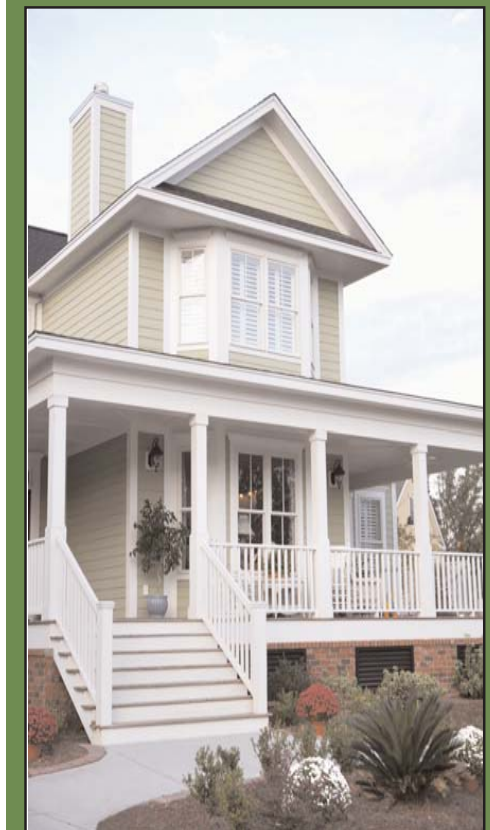
1-888-363-8808



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## Delaware State Housing Authority

Delaware  
First-Time Homebuyer  
Tax Credit



*Up to \$2,000 a year!*



## What is the DE Tax Credit?

The Delaware First-Time Homebuyer Tax Credit (DE Tax Credit) provides a 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.

Utilizing the DE Tax Credit can help the homebuyer qualify for the purchase of the home and may result in increased buyer capacity to qualify for the mortgage loan.

The DE Tax Credit may be utilized with Delaware State Housing Authority's down payment assistance programs.



## How does it work?

**Example:** if you borrow \$150,000 at 3.75%, you will pay approximately \$5,625 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 ( $\$5,625 \times 35\% = \$1,968$ ) for that year.

Like all homeowners, you can also claim the remaining interest as an itemized deduction.

## How to Apply

- Homebuyer must apply for the DE Tax Credit through a participating lender.
- A list of Lenders is available on Delaware State Housing Authority's website at [www.destatehousing.com](http://www.destatehousing.com).
- Read and sign your DE Tax Credit Application and Affidavit and other documentation that the Lender prepares and sends to DSHA.
- Sign the DE Tax Credit Closing Affidavit with the other closing documents at loan closing.

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.



## Eligibility Requirements

- Homebuyer must purchase a home within the State of Delaware.
- Homebuyer 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.



- Homebuyer's household income and the purchase price must not exceed the maximum limits set by the Program.
- Homebuyer must intend to occupy the home as his or her primary residence.

Thinking about buying a home? DSHA offers attractive, low-interest rates along with downpayment and closing cost assistance.

Contact us today, and we'll put you in touch with one of our participating lenders!

**DSHA – Delaware's Key to Housing  
in the First State Since 1968**