Down Payment and Settlement Assistance Program & Home Repair Program Updates

New Castle County Council
Community Services Committee Meeting

May 24, 2022
Current Down Payment and Settlement Assistance Program (DPS)

• No interest loan
• Minimum loan amount $1,000 and maximum amount of $5,000
• 8-year repayment term
  • First 3 years payments are deferred
  • Final 5 years monthly payment is required
• Requires
  • Housing counseling
  • Home inspection
  • Lead Inspection for homes built prior to 1978
DPS: Why Proposing Change?

• Reduced number of loans processed
  • FY2021: 53 closed
  • FY2020: 34 closed
  • FY2019: 66 closed
  • FY2018: 116 closed

• DSHA product more heavily utilized by consumers

• The rising costs of homes - $5,000 is not enough

• Settlement costs are NOT eligible
Proposed Changes: DPS

• Increase the loan a maximum of $10,000
  • Current limit is not addressing closing costs for homebuyers

• Increase term of loan from 8 years to 10 years
  • First 2 years will be deferred
  • Monthly payments will be required for 8 years

• Housing counseling, home inspections and lead inspections (when necessary) will still be required

• Roll Out
  • June 2022 – Letters to housing counselors and lenders describing changes to NCC program
  • June 2022 - Zoom webinar
  • July 1, 2022 – effective change date
New Castle County Home Repair Programs

• Senior Repair
  • Homeowners 62 and older
  • Focus on major items, weatherization and architectural repairs

• Architectural Accessibility
  • Focus on accessibility repairs

• Emergency Home Repair
  • Repair one item in the home that is considered threat to health and safety

• General Repair
  • Non-emergency repairs, weatherization and accessibility
  • Homeowners provide the county with a list of contractors
  • County bids and manages work
Proposed Changes: Home Repair

• No change to Senior and Architectural Accessibility Programs

• Combine the Emergency and General Repair Programs
  • Emergency Program will now have a $20,000 loan limit – if the cost of repairs exceed this amount will require Loan Review Board approval
  • County contractors selected through a public bid will be used for work
  • Focus on emergency repairs only
  • Streamline the process
    • Eliminate the need for board approval
    • Eliminate the additional bid requirement
    • Allow for multiple emergency repairs to be made at one time
Implementation

- June 1, 2022 - letters will be sent to homeowners on waiting list
  - The letter will review the programmatic changes and provide contact information for homeowners with questions
  - Marketing materials (brochure/website) on changes
- July 1, 2022 - proposed effective change date
- July 1, 2022 – program will return to loans
  - During COVID-19, loan programs were converted to grants
QUESTIONS?

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