



**DELAWARE STATE HOUSING AUTHORITY  
HOMEOWNERSHIP PROGRAM  
CLOSING INSTRUCTIONS WITH DSHA DPA**

**IMPORANT: It is imperative that Attorneys/Lenders follow all instructions listed below**

**ATTORNEY CLOSING INSTRUCTIONS:**

**CLOSING DOCUMENTS (Borrower must sign all documents)**

- DSHA Mortgage – signed by all borrowers and notarized
- DSHA Note – signed by all buyers and notarized
- Closing Verification - completed by closing Attorney
- Seller's Affidavit – signed by sellers/agents and notarized
- Lender's Affidavit – signed by lender and notarized
- Reaffirmation of Mortgagor's Affidavit must be signed by all borrowers at closing and notarized

**DELAWARE MORTGAGE CREDIT CERTIFICATE (MCC) (If eligible, Borrower must sign)**

- Closing Affidavit must be signed by all BUYERS at closing and notarized

**DELIVERY – DSHA DOCUMENTS**

- DSHA Mortgage(s)
  - Send to the Recorder of Deeds in that respective County
  - DSHA DPA Mortgage (2<sup>nd</sup>) once recorded must be returned to Delaware State Housing Authority ONLY. 820 North French Street, 10<sup>th</sup> Floor, Wilmington DE 19801  
**Please do not alter document (i.e. DO NOT return to closing Attorney)**
- DSHA Note
  - Send original to  
**Delaware State Housing Authority**  
820 North French Street, 10<sup>th</sup> Floor, Wilmington, DE 19801

**COPIES OF DSHA DOCUMENTS CAN GO TO LENDER IN LENDER CLOSING PACKAGE**

**LENDER CLOSING INSTRUCTIONS**

**FIRST MORTGAGE DOCUMENTS (all first mortgage documents and COPIES of DSHA closing documents)**

Deliver file to:

Lakeview Loan Servicing LLC Lender Support

Telephone 855-253-8439 Option 2

Email: [Clientservices@bayviewloanservicing.com](mailto:Clientservices@bayviewloanservicing.com)

Lakeviews Correspondent website for Post closing: <https://lakeviewcorrespondent.com>

**MORTGAGE CREDIT CERTIFICATE DOCUMENTS (all MCC documents and COPIES of DSHA closing documents including all documents from MCC checklist including the MCC closing affidavit – found in the MCC approval)**

Deliver file to:

Hilltop Securities

717 N. Hardwood St, Suite 3400, Dallas, Texas 75201

Telephone 214-953-4176 Email: [htshousing@hilltopsecurities.com](mailto:htshousing@hilltopsecurities.com)

Hilltop Securities website for Post closing: <https://dsha.hilltopsecurities.com>

Tax Parcel No.: \_\_\_\_\_

Prepared By: Delaware State Housing Authority

Return to: Delaware State Housing Authority  
820 North French Street, 10<sup>th</sup> Floor  
Wilmington, DE 19801

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OFFICIAL USE ONLY ABOVE THIS LINE

DELAWARE STATE HOUSING AUTHORITY  
DOWN PAYMENT ASSISTANCE SECOND MORTGAGE LOAN PROGRAM

**MORTGAGE**

**THIS MORTGAGE** is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ Mortgageor (herein "Borrower"), and Mortgagee, DELAWARE STATE HOUSING AUTHORITY, a public corporation organized and existing under the laws of the State of Delaware whose address is 18 The Green, Dover, Delaware 19901 (herein "Lender").

**WHEREAS**, Borrower is indebted to Lender in the principal sum of \_\_\_\_\_ U.S. (\$\_\_\_\_\_) which indebtedness is evidenced by Borrower's note of even date herewith and extensions and renewals thereof (herein "Note"), providing for payment of principal which, if not sooner paid, shall be due and payable on the Maturity Date as defined therein.

**TO SECURE** to Lender the repayment of the indebtedness evidenced by the Note and the payment of all other sums advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of \_\_\_\_\_, State of Delaware, more particularly bounded and described on Exhibit "A" attached hereto, which has the address of \_\_\_\_\_

\_\_\_\_\_ (herein "Property Address"):

**TOGETHER** with all of the improvements now or hereafter erected on the property, all fixtures, machinery, equipment and other articles of real, personal or mixed property now or hereafter attached to, situate or installed in or upon, or used in the operation or maintenance of the property, whether or not such real, personal or mixed property is or shall be affixed to the same, and all replacements, substitutions, accretions and proceeds of the foregoing, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain part of the property covered by this Mortgage, all proceeds of any of the above-described property, which term shall have the meaning given to it in the Uniform Commercial Code as enacted in the State of Delaware ("UCC"), and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

**UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:**

**1. Payment of Principal.** Borrower shall promptly pay when due the principal on the indebtedness evidenced by the Note and late charges, if any, as provided in the Note. Borrower shall also give Lender ten (10) days prior written notice of a Maturity Date event as provided in the Note.

**2. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall not create any lien or encumbrance subordinate to this Mortgage without the written consent of Lender.

**3. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require and should otherwise be sufficient to prevent Borrower from being a coinsurer.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgagee clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

**4. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**5. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make

such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this Paragraph 5 shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder.

**6. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

**7. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

**8. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment of sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**9. Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 13 hereof. All covenants and agreements of Borrower shall be joint and several.

**10. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**11. Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**12. Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

**13. Transfer of Property.** If all or any of the Property or any interest in it is sold or transferred, or if Borrower fails to occupy the Property as his/her primary residence, or if the first mortgage lien upon the mortgaged premises is refinanced or otherwise paid in full, Lender shall require immediate payment in full of all sums secured by this Mortgage, unless such requirement is prohibited by federal law as of the date of this Mortgage.

Borrower and Lender further covenant and agree as follows:

**14. Acceleration; Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in Paragraph 10 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than ten (10) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right, if any, to reinstate after acceleration and the right to assert in the foreclosure proceedings the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees of twenty percent (20%) of the amount decreed, which fee shall be allowed and paid as part of the decree of judgment in such proceeding, and costs of abstracts, title reports and documentary evidence.

**15. Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would then be due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 14 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**16. Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 14 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 14 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

**17. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

**18. Subordination.** Lender and Borrower acknowledge and agree that this Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the first mortgage loan of even date herewith which is secured by a first mortgage lien on the Property (the "First Mortgage") and to all advances made or that may be made pursuant to the First Mortgage.

**19. Security Agreement.** This Mortgage is also a security agreement under the UCC. Borrower grants, and Lender shall have and may enforce, a security interest in all those property interests included in the Property which may be "personal property" or "fixtures" to secure payment and performance of all obligations of Borrower hereunder. The recordation of this Mortgage shall also constitute a fixture filing in accordance with the provisions of the UCC.

**20. Waiver of Jury Trial.** EACH AND EVERY PARTY HEREBY KNOWINGLY, EXPRESSLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, EACH AND EVERY PARTY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.





**Closing Verification**

**To be returned by the closing attorney**

Please verify the following information and email the completed document to [wires@destatehousing.com](mailto:wires@destatehousing.com)

**DSHA Loan #:**

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**Borrower(s) Name:**

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**Property Address:**

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**Loan Amount:**

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**DSHA wire amount:**

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**Closing Date:**

---

**Approved by:**

---

Representative

---

Attorney office name and contact email address



**DELAWARE STATE HOUSING AUTHORITY  
DOWN PAYMENT ASSISTANCE SECOND LOAN PROGRAM**

**PROMISSORY NOTE**

\_\_\_\_\_ Delaware  
(Principal Amount) \_\_\_\_\_ (County)

\_\_\_\_\_  
(Date of Promissory Note)

Maturity Date: [30 years from Date of Promissory Note]

**FOR VALUE RECEIVED,**

\_\_\_\_\_  
(Print Borrower Name or Names)

(collectively, the "Borrower") promises to pay to the order of DELAWARE STATE HOUSING AUTHORITY, a public corporation of the State of Delaware ("Lender"), at its principal office at 18 The Green, Dover, Delaware, or at such other place as the holder hereof may from time to time designate, the principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Principal Amount").

1. INTEREST. No interest shall be payable on the outstanding Principal Amount, unless an Event of Default has occurred and continued as described in Section 4(a) below.

2. PRINCIPAL PAYMENTS. The unpaid Principal Amount shall be due and payable on the Maturity Date.

The Borrower may at its option repay the principal in whole or in part at any time prior to the Maturity Date.

This Note shall be subject to mandatory repayment in whole prior to the Maturity Date as follows:

- (a) on the date when title to the property (the "Property") described in the mortgage of even date herewith (the "Mortgage") securing this obligation is conveyed;
- (b) on the date when the first mortgage loan on the Property is refinanced; or
- (c) on the date when the Property is no longer the Borrower's primary or principal residence.

Borrower shall give Lender ten (10) business days' prior written notice of any optional or mandatory repayment in whole or in part of the Principal Amount of this Note.

3. DEFAULT. Each of the following shall be an "Event of Default":

(a) The failure of Borrower to pay any Principal Amount, or any other amount due under this Note or the Mortgage, when it is due under the terms of this Note or the Mortgage, and such failure is not fully cured within five (5) days after notice thereof is given to Borrower.

(b) A default under the Mortgage shall also be an Event of Default under this Note.

(c) An event of default under any promissory note or loan agreement or other instrument, or the related mortgage, relating to a prior lien mortgage loan on the Property shall also be a default under this Note and the Mortgage.

(d) Any court of competent jurisdiction shall make an order, judgment or decree (i) adjudicating the Borrower bankrupt, (ii) appointing a trustee or receiver of the property of the Borrower, (iii) approving a petition for, or effecting an arrangement in, bankruptcy, a reorganization pursuant to any present or future federal or state bankruptcy law, or any other judicial modification or alteration of the rights of Lender or of other creditors, or (iv) assuming custody or sequestering any substantial part of the property of Borrower. Also if the Borrower shall (i) file such petition, (ii) take or consent to any other actions seeking any such judicial order, (iii) make an assignment for the benefit of creditors, (iv) make an admission in writing of inability to pay debts generally as they become due, (v) become insolvent, (vi) make a transfer in fraud of the holder of this Note or of other creditors, or (vii) fail to pay Borrower's debts as they become due.

4. REMEDIES. Remedies after the occurrence of an Event of Default:

(a) Upon the occurrence of an Event of Default that has continued beyond the expiration of any applicable notice and cure period, Lender, at its option and without notice to Borrower, may, notwithstanding anything herein or in the Mortgage to the contrary, declare immediately due and payable: (i) the entire unpaid balance of principal hereunder; (ii) interest after the date of default on such principal at the interest rate of 5% per annum; and (iii) all other sums due by Borrower hereunder or under the Mortgage. Payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided to Lender in this Note or the Mortgage. In such case, Lender may also recover all costs of suit and other reasonable expenses in connection therewith, including attorneys' fees actually incurred, together with interest on any judgment obtained by Lender at a rate which shall be at the interest rate of this Note, including interest at such rate from and after the date of any sheriff's sale until confirmation thereof or, if objection to confirmation is made, until actual payment is made by the sheriff to Lender of the full amount due Lender.

(b) Any failure to exercise any of the remedies shall not constitute a waiver of the right of said holder to exercise said remedies at a later time concerning a continuing or subsequent Event of Default.

**(c) IF ANY ACTION, SUIT, MATTER OR PROCEEDING IS BROUGHT FOR THE ENFORCEMENT OF THIS NOTE, AND IF THE PLAINTIFF OR LIENHOLDER IN THE SAID ACTION, SUIT OR PROCEEDING SHALL RECOVER JUDGMENT IN ANY SUM, SUCH PLAINTIFF OR LIENHOLDER SHALL ALSO RECOVER AS REASONABLE COUNSEL FEES AN AMOUNT NOT TO EXCEED TWENTY PERCENT (20%) OF THE AMOUNT DECREED FOR THE PRINCIPAL AND INTEREST, WHICH SAID COUNSEL FEES SHALL BE ENTERED, ALLOWED AND PAID AS A PART OF THE DECREE OR JUDGMENT IN ANY ACTION, SUIT OR PROCEEDING; AND BORROWER DOES HEREBY AUTHORIZE AND EMPOWER ANY CLERK, PROTHONOTARY OR ATTORNEY OF ANY COURT OF RECORD IN THE STATE OF DELAWARE, OR ELSEWHERE, TO APPEAR FOR IT, ITS SUCCESSORS OR ASSIGNS, AT THE SUIT OF LENDER, A PUBLIC CORPORATION AS AFORESAID, ITS SUCCESSORS OR ASSIGNS, ON THE OBLIGATION CONTAINED HEREIN AS OF ANY TERM OR TIME PRIOR OR SUBSEQUENT TO THE DATE HEREOF, AND THEREUPON TO ENTER AND CONFESS JUDGMENT AGAINST BORROWER IN FAVOR OF LENDER FOR THE PRINCIPAL SUM TOGETHER WITH INTEREST, COSTS, PREMIUMS AND COUNSEL FEES AS ABOVE PROVIDED BY NON SUM INFORMATUS, NIHIL DICIT, OR OTHERWISE, WITH STAY OF EXECUTION UNTIL DAY OF PAYMENT; AND BORROWER DOES HEREBY FOR BORROWER AND BORROWER'S SUCCESSORS OR ASSIGNS, REMISE, RELEASE AND FOREVER QUITCLAIM UNTO LENDER, IT'S SUCCESSORS AND ASSIGNS, ANY AND ALL MANNER OF ERROR OR ERRORS, MISPRISIONS, MISENTRIES, DEFECTS AND IMPERFECTIONS WHATEVER, IN THE ENTERING OF SAID JUDGMENT, OR ANY PROCEEDING THEREON, OR THERETO, OR ANYWISE TOUCHING OR CONCERNING THE SAME. BEING FULLY AWARE OF BORROWER'S RIGHTS TO PRIOR NOTICE AND HEARING ON THE VALIDITY OF ANY CLAIMS THAT MAY BE ASSERTED AGAINST IT BY LENDER UNDER THIS NOTE BEFORE JUDGMENT CAN BE ENTERED, BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THESE RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LENDER, UPON THE OCCURRENCE OF A DEFAULT OR AN EVENT OF DEFAULT, OR AT ANY TIME THEREAFTER, ENTERING JUDGMENT**

**AGAINST BORROWER BY CONFESSION, WITHOUT PRIOR NOTICE OR OPPORTUNITY FOR A HEARING.**

(d) The Borrower (i) waives demand, presentment for payment, protest, notice of protest, and notice of nonpayment of this Note; (ii) consents to any number of renewals or extensions of the time for payment thereof; (iii) agrees that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon; (iv) consents to the release of any part or parts of all of the security for the payment hereof; and (v) consents to the release of any party or parties liable hereon, all without affecting the liability of any other party liable for the payment of this Note.

(e) **BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY BORROWER AND LENDER MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS NOTE.**

5. MISCELLANEOUS.

(a) There shall be no amendments or modification of this Note unless mutually agreed upon in writing by Borrower and Lender.

(b) Borrower shall not assign its interest hereunder without Lender's prior written approval.

(c) The covenants and agreements contained herein shall be binding upon and inure to the benefit of Borrower and Lender, their respective permitted successors and assigns.

(d) This Note shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws, and such laws shall govern all rights, remedies, liabilities, powers and duties of the parties hereunder.

(e) Any suit, action, or proceeding against any of the parties hereto arising out of or relating to this Note shall be brought exclusively in the Superior Court of the State of Delaware, the Court of Chancery of the State of Delaware, the Court of Common Pleas of the State of Delaware, or the United States District Court for the District of Delaware as any party hereto in its sole discretion may elect, and each party hereto irrevocably submits to the jurisdiction of such courts for the purpose of any such suit, action or proceeding.

**IN WITNESS WHEREOF**, the undersigned has executed this Note under seal this \_\_\_\_\_ day of

\_\_\_\_\_  
(Month)                      (Year)

SIGNED, SEALED & DELIVERED  
IN THE PRESENCE OF:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date:

\_\_\_\_\_  
PROPERTY ADDRESS

#373618464v6





Date \_\_\_\_\_

\_\_\_\_\_  
Lender Name [print]

By: \_\_\_\_\_  
Lender Representative Signature

Name: \_\_\_\_\_  
Lender Representative Name [print]

Title: \_\_\_\_\_  
Lender Representative Title

Sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**DELAWARE STATE HOUSING AUTHORITY**

**MORTGAGOR’S AFFIDAVIT**

*(TO BE COMPLETED AND EXECUTED BY BORROWER(S) AT LOAN APPLICATION AND CONFIRMED AT CLOSING)*

Borrower(s) _____
Date of Application: _____
Address of Residence being Purchased: _____ _____
Lender: _____

*Note: It is a federal offense punishable by a maximum of a \$5,000 fine, two (2) years imprisonment, or both, to knowingly make a false statement in connection with a loan application to a federally chartered or insured lending institution (Title 18, United States Code, Section 1014). In addition, false statements in this affidavit may subject the applicant to penalties of perjury under the laws of the State of Delaware. Further, any false statement will affect the eligibility of the mortgage loan under the Authority’s lending program, and if applicable, the mortgage credit certificate issued with respect to a mortgage loan, resulting in cancellation of mortgage loan approval or acceleration of a previously funded mortgage loan, and termination of the mortgage credit certificate tax credits. Please review this document carefully to be sure the information is true and correct before signing.*

STATE OF DELAWARE )  
 ) ss.:  
COUNTY OF \_\_\_\_\_ )

Each of the undersigned, under penalty of perjury, does hereby depose and say:

1. The Residence is located in the State of Delaware.
2. (I/We) intend to occupy the Residence as a principal residence<sup>1</sup> within sixty (60) days after loan closing. (I/We) do not intend to use the residence as a second, weekend, or vacation home, nor, except in the case of a two-to-four family Residence, do (I/we) intend to hold the Residence as an investment property.
3. Neither (I/we) nor anyone else intends to use more than fifteen percent (15%) of the total area of the Residence or any other property to be financed by the mortgage loan for any or all of the following:
  - (a) a home office or other property used solely and on a regular basis in connection with a trade or business (either as an employee or a self-

<sup>1</sup>The term “principal residence” does not include a vacation home or time-sharing residence which is not used as a permanent residence or a mobile home which is located on land which is leased for less than two years.



employed person) or for the purpose of meeting patients, clients or customers in the normal course of conduct of a business;

(b) a place where inventory, held for use in a retail or wholesale business the sole fixed location of which is the Residence, is regularly stored;

(c) a place for conducting on a regular basis a trade or business of providing day care services for children, for individuals who are age sixty-five or over, or for individuals who are physically or mentally incapable of caring for themselves; and

(d) except in the case of a two-to-four family Residence, rental to any person for a period in excess of fifteen (15) days in any calendar year.

4. All land being financed with the mortgage loan is required to maintain basic livability of the Residence and will not provide (me/us) a source of income. No land can be separated from the land being financed and offered for sale as a separate residence or building lot without obtaining a subdivision approval.
5. No portion of the moneys received by (me/us) from the mortgage loan is intended to be used to purchase any personal property other than fixtures which are considered a necessary part of the Residence under the laws of the State of Delaware.
6. DE Tax Credit Recipients Only: The Residence contains a single residential unit or multiple residential units suitable for occupancy by two, three or four family(ies), in which case the (I/we) occupy one of the residential units. If the Residence is for two-to-four families, to the best of my knowledge, the Residence was first occupied as a residence at least five years prior to the date of this affidavit. The Residence is a complete residential unit and includes all fixtures necessary for the occupancy of the Residence. To the best of my knowledge, no law forbids the occupancy of the Residence.
7. (I/We) have not purchased the Residence for purposes of resale and will not allow the mortgage loan on the Residence to be assumed unless permitted by the mortgage insurer or guarantor and, if applicable, the Delaware State Housing Authority.
8. Except for the additional undersigned parties (if any), (I am/we are) the only person(s) acquiring an ownership interest in the Residence.
9. Other than a construction loan or similar temporary financing with a term not exceeding twenty-four (24) months, (I/we) have not had a mortgage (whether or not paid off) on the Residence at any time prior to the execution of the mortgage loan.
10. (I am/We are) familiar with the Program's limits with respect to the purchase prices of Residences. The purchase price of the Residence is within the applicable limit. In determining the purchase price, (I/we) have included the total amount to be paid by (me/us), or by anyone related to (me/us) or acting on (my/our) behalf, to the seller of the Residence, or to anyone related to the seller or acting on the seller's behalf, in connection with the purchase of the Residence and any other property being acquired at the same time as the Residence. This amount includes money to be paid and the

full value of any goods or services to be provided. This amount does not include the cost of any land (I/we) owned for at least two (2) years prior to the date on which construction of the Residence began, nor usual and reasonable settlement or financing costs, such as title and transfer costs, title insurance, survey fees, credit reference fees, legal fees, appraisal expenses and “points” which are paid by the buyer.

11. The maximum Homeownership program loan principal amount for a new or existing Residence are:

<b>Residence Location</b>	<b>Maximum Loan Principal Amount</b>
New Castle, Kent or Sussex County	\$417,000

**For loans that also include a DE Tax Credit**, the following maximum home purchase price limits also shall apply.:

<b>Residence Location</b>	<b>Purchase Price Limit</b>	
	<b>1 Unit</b>	<b>2 Unit</b>
New Castle County	\$377,540	\$483,295
Kent County	\$311,979	\$399,448
Sussex County	\$311,979	\$399,448

12. (I am/We are) familiar with the Program’s Annual Household Income limits applicable in connection with the purchase of a Residence. (I/we) understand that the Annual Household Income means the current annualized family income at the time of closing, as determined in accordance with applicable IRS rules. Current Annual Household Income means the gross monthly income, multiplied by 12, of the mortgagor or mortgagors living in the Residence, a spouse (who is not a mortgagor) who is expected to live in the Residence, and any other person who is expected to live in the Residence and be secondarily liable on the mortgage. Gross monthly income includes the sum of current monthly gross pay and any additional income from investments, pensions, VA compensation, part-time employment, bonuses, dividends, interest, current overtime pay, net rental income, royalties, etc. Other income must also be included such as alimony and child support, public assistance, sick pay, social security benefits, unemployment compensation, and income received from trusts, business activities or investments.

13. The Annual Household Income Limit for a Residence, is not more than:

<b>Property Location by County</b>	<b>Income Limit 1-2 People</b>	<b>Income Limit 3+ People</b>
New Castle	\$113,400	\$141,750
Kent and Sussex	\$99,600	\$124,500

FHLMC Borrower Income Limits:

<b>Property Location by County</b>	<b>Income Limits</b>
New Castle	\$75,600
Kent	\$55,200
Sussex	\$59,280

DE Tax Credit Recipients Only: The Annual Household Income Limits are:

Property Location by County	1-2 Persons Households	3+ Persons Households
New Castle County –Non-Targeted Area	\$94,500	\$108,675
New Castle County –Targeted Area	\$113,400	\$132,300
Kent or Sussex Counties Non-Targeted Area	\$83,000	\$95,450
Kent or Sussex Counties Targeted Area	\$99,600	\$116,200

14. To the best of my/our knowledge, information and belief (but without any independent investigation on my/our part), title and transfer costs, title insurance and other insurance costs, application fees, survey fees, credit reference fees, legal fees, appraisal expenses, broker fees, “points” paid by (me/us) (but not “points” paid by the seller) and similar settlement or financing costs are of a usual and reasonable amount and are not in excess of the amount typically charged in the area of the Residence in connection with the acquisition of residences by home mortgage financing.
15. DE Tax Credit Recipients Only: (I/We) have not had a present ownership interest<sup>2</sup> in a principal residence, including a mobile home or factory-made housing permanently fixed to real property, at any time during the three-year period immediately prior to the closing on the mortgage loan.
- a. The following is a list of all the residences in which (I/we) have lived, either separately or together, **during the three-year period immediately prior to the application for a mortgage loan:**

Address of Residence	Period of Residence (MM/YY to MM/YY)	Name and Full Address of Owner
Street Address:  City State Zip:	/ to /	
Street Address:  City State Zip:	/ to /	
Street Address:  City State Zip:	/ to /	

The following is a list of all the real property which (I/we) have owned either jointly or severally during such three-year period:

<sup>2</sup>The term “present ownership interest” includes not only outright ownership but also any of the following interests if held either directly by you or in trust for you: a joint tenancy, a tenancy in common, a tenancy by the entirety, a community property interest, the interest of a tenant-shareholder in a cooperative, a life estate, or a contract pursuant to which you have possession and the benefits and burdens of ownership although legal title is not transferred until sometime later.

Address of Property	Date Owned	Description of Property	Use of Property During Such 3-Year Period

b. DE Tax Credit Recipients Only: Qualified Veterans are **not** subject to First-Time Homebuyer Requirement. CHECK IF YOU ARE A QUALIFIED VETERAN: \_\_\_\_.

(I/We) am/are a “qualified veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a mortgage loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth in Section 103 of the Heroes Earnings Assistance and Relief Act of 2008, and attached hereto are true and correct copies of my DD 214 form evidencing discharge or release there-from under conditions other than dishonorable.

16. DE Tax Credit Recipients Only: (I/We) have provided true and correct copies of (my/our) signed federal income tax returns (including copies of Schedule A, if completed for any year) for three (3) years preceding the date of the execution of the purchase contract on the Residence. (I/We) did not submit any of these returns if (I was/we were) not required by law to file such returns. In such case, a no file letter will be requested from the IRS confirming that no tax records exist for the specific time period.
17. DE Tax Credit Recipients Only: The undersigned understands and acknowledges that DSHA makes no representation or warranty to the undersigned or any other person with respect to the actual benefit a DE Tax Credit will provide to a specific homebuyer. Each homebuyer’s tax situation is different, and the amount of the credit available to the homebuyer is based on that situation, so homebuyers should not rely on any materials (including examples of hypothetical taxpayer situations) from DSHA as being applicable to them. Homebuyers should review carefully the applicable DE Tax Credit (which is a “mortgage credit certificate” or “MCC” under Section 25 of the Internal Revenue Code and the related regulations) tax rules, and if necessary consult their own tax advisors, to determine the particular DE Tax Credit benefits applicable to their circumstances.
18. (I/We) understand that this document will be relied upon for purposes of determining that the mortgage loan does not cause a violation of any of the requirements of DSHA’s Homeownership Loan Program and, if applicable, its DE Tax Credit program (including the requirements of the Internal Revenue Code relating to DE Tax Credits as “mortgage credit certificates” (MCC) tax credits). (I/We) warrant that all of the information in this affidavit is true, correct, and complete and based upon information (I/we) consider to be reliable, (I/we) authorize its use for such determination, and hereby waive the protection of any acts for the protection of my privacy to the extent that those acts would prohibit the use of the document for such determination.
19. (I/We) will assist DSHA and the applicable lender in obtaining any information or documents required to verify the statements made in this document and (I/we) hereby consent to any inspection of the Residence required for such verification.

**CERTIFICATION**

(I/We) understand that if (I/we) have made any material misstatements in the foregoing representations or omitted to state any of the information requested, the following may occur:

- 1. (I/We) may be fined up to \$5,000 and/or imprisoned not more than two years, or both, pursuant to Section 1014 of Title 18 of the United States Code.
- 2. The outstanding principal balance of the loan may be immediately due and payable together with accrued interest and foreclosing costs (if foreclosure is necessary because payment in full is not made immediately).

(I/We) declare under penalty of perjury that the foregoing warranties and representations are true and correct.

\_\_\_\_\_ Applicant: \_\_\_\_\_  
Date

\_\_\_\_\_ Applicant: \_\_\_\_\_  
Date

**REAFFIRMATION AT LOAN CLOSING**

(I/We) as purchaser(s) of the Residence referenced above hereby restate all of the foregoing representations and warranties previously made by (me/us) and confirm that they are true and correct.

\_\_\_\_\_ Borrower: \_\_\_\_\_  
Date

\_\_\_\_\_ Borrower: \_\_\_\_\_  
Date

Sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Notary Public