

DELAWARE EMERGENCY MORTGAGE ASSISTANCE PROGRAM (DEMAP)



**Program Manual
October 2020**

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1. Program Summary

Delaware State Housing Authority (DSHA) is making available emergency housing assistance to homeowners affected by Covid-19 Pandemic-related shutdowns, closures, layoffs, reduced work hours, or unpaid leave. These guidelines are effective August 3, 2020.

In early March, Delaware courts placed a moratorium on foreclosure filings and mediation procedures stayed. The purpose of the Delaware Emergency Mortgage Assistance Program (DEMAP) is to assist homeowners, that are in danger of losing their home to foreclosure. DEMAP reinstates delinquent mortgages by paying delinquent principal, interest, mortgage insurance, (real estate taxes, hazard insurance and assessments only when escrowed in the first mortgage payment) late charges, reasonable court costs, reasonable attorney fees incurred by the mortgagee.

2. Eligibility Requirements and Allowable Costs

To be considered eligible for DEMAP assistance, an applicant must meet the following requirements:

- Must be the property owner of record
- Property must be the mortgagor(s) primary residence
- Mortgage must have been current prior to April 1, 2020
- Impact on employment or income beginning March 1, 2020 or later that is attributed to the COVID-19 pandemic and State of Emergency or
- Have had an COVID-19 Medical related illness (or household member) resulting in economic hardship
- Home must be located within the State of Delaware

Borrower(s) income during the qualifying impact (layoff, reduction in work hours, etc.) must be below 115% of AMI for county of residence:

Maximum Borrower(s) Income Limit	
Kent & Sussex	\$95,622
New Castle	\$111,090

Examples of COVID-19-related impact include:

- Layoff
- Furlough
- Reduction in work hours
- Need to take unpaid leave or reduced hours due to illness or family care related to COVID-19, or lack of availability of childcare
- Reduction in income for self-employed individuals (ex: Uber and Lyft drivers; care workers) or small business owners

Maximum Assistance:

- \$10,000 per household, to be paid directly to mortgage servicer.
 - Primary Mortgage Applications only
 - Assistance cannot be applied to payments beyond December 2020

3. Documentation

- DEMAP Transmittal
- DEMAP Income Verification Worksheet
- Employer/Self-Employment Verification Form
- W-9 form (for mortgage lender)
 - The W-9 form should identify the mortgage servicer.
- 2 most recent paystubs prior to COVID qualifying event and 2 most recent paystubs during the event of ALL Borrower(s) on the mortgage.
- Bank statements from past 90 days (*if self-employed*)
- 2018 & 2019 Tax Returns (*if self-employed*)

4. Property Information

- Property must be located in Delaware.
- Fee simple manufactured housing is eligible. Mobile homes on a permanent foundation where the lot is part of the total real estate are also eligible.
 - DEMAP will assist in paying the loan for Mobil homes on rented land, DEMAP cannot pay for lot rent.
- Condominiums are eligible.
- Property must be a one (1) or two (2) family owner-occupied residence. A three (3) or more unit property is not eligible.
- Commercial properties, rental properties, and other form of business properties are not eligible.
- Applicants must be occupying the property as his/her primary residence to be considered for DEMAP.

5. Mortgage Requirements

- A mortgage held by a non-corporate seller is not eligible for assistance.
- Mortgages where the proceeds were used primarily for business purposes are not eligible

6. Process and Instructions

- DSHA will contract with U.S. Department of HUD-approved housing counseling agencies to facilitate the DEMAP application process. To be eligible for a DEMAP contract, the housing counseling agency must be approved by U.S. Department of Housing and Urban Development (HUD) and abide by the standards outlined in the DEMAP agreement, including but not limited

to standard operations and time frames. Contracts may be terminated at any time with written notice to counseling agencies within ten (10) days of the effective date of termination.

- Housing Counselors trained and experienced in default counseling will provide the applicant with advice on their loss mitigation options. Upon review of all loss mitigation options and determination that other home retention options are not feasible, Housing Counselors may review homeowner's circumstances for DEMAP eligibility. Housing Counselors should submit applications ONLY for those homeowners who meet all DEMAP underwriting guidelines.
- Housing Counselors will reserve DEMAP funds online via the Mitas online portal. This reservation will be valid for 5 calendar days.
- During this time, Housing Counselors will submit complete DEMAP applications to DSHA for review. Incomplete files are not reviewed for approval. Missing documents will be posted in Mitas for Housing Counselors to view. Once a complete application is received, the file is forwarded to a Housing Mortgage Application Officer for review. Housing Counselors must hold files until all documentation is able to be submitted. No decisions can be made on incomplete submissions.
- Housing Counselors should view their DEMAP file pipeline, pending conditions, file status, and HMLO assigned to file via Mitas at <https://mitas.destatehousing.com>
- Housing Counselors will serve as liaison and primary point of contact between the DEMAP applicant and DSHA. Communication to and from the applicant will be directed to and handled through the Housing Counselor. Prompt responses will be required for timely application processing.

7. Application Submittal:

1) Complete Application Packet:

- Combine completed forms and any additional documents received from the applicant.
- Prepare application for submittal; compiling all information in the appropriate order as indicated on the transmittal.
- Enter application information into the MITAS Online system.
- Submit the packet, via upload on Mitas Portal.
- Send only one complete and legible copy of each document to DSHA.
- Current file status can be viewed online through the secured MITAS web portal at: <https://mitas.destatehousing.com>
- DSHA retains the right to request additional supporting documentation. In this event, please forward any documents to DSHA that you receive after the application is submitted. These documents must be submitted via Mitas portal upload

Application Review:

Application Processing

After the DEMAP application has been successfully submitted, a DSHA staff member will complete an initial review and make the preliminary decision to approve or deny the Application within 72-hours. When reviewing the application, Program Guidelines as denoted in this Program Manual will be applied. Borrowers must meet ALL program guidelines for approval.

Application Approval or Decline

- 1) Housing Counselors are notified of Application approvals via the MITAS Online Portal. Applicants are contacted by phone to schedule Application closing appointments.
- 2) Any requested legal fees/costs from the lender will be reviewed for reimbursement eligibility.
- 3) Housing Counselor will be notified of an Application decline via Mitas and email.

Closing

Upon receipt of all necessary mortgage and tax information and any required contingencies, the closing will be scheduled. The closing process will occur as soon as possible. Housing Counselors are welcome to attend closing appointments.

Disbursement

Directly following closing, DEMAP Application funds will be sent directly to the mortgage company.

- **DSHA will require a completed W-9 to remit payment to the lender.** The W9 must identify the correct entity who should receive the payment and the correct address to which the payment should be sent.

8. Program Reports and Provider Payments

- DSHA will provide payments on a quarterly basis, for all grants approved in the previous three-month period, Ex. grants approved from August, September and October will be paid in November.

9. Appendix: Program Forms

- a. DEMAP Required Document Checklist
- b. DEMAP Grant Application
- c. DEMAP Transmittal
- d. DEMAP Grant Agreement
- e. DEMAP Grant Recipients Affidavit
- f. W-9 form