

Pre-Foreclosure Sale Guide

Delaware State Housing Authority (DSHA) will consider pre-foreclosure sale requests on mortgages that are assigned/owned by DSHA, and foreclosure imminent.

Please note: Only complete applications are reviewed. Incomplete applications cannot be considered, and therefore will be declined. Please submit complete application packets only. DSHA recognizes time is of the essence and commits to a decision within 72 hours of receipt of a complete package.

All files should be received in hard copy format. (Mail, UPS, FED EX, FAX, or hand delivery, etc.) to DSHA at 820 N. French Street, 10th floor, Wilmington, DE 19801 or 302-577-5021. Once a complete package is received, a decision will be returned within 72 hours.

Required Documentation

- Authorization to Release
- Approval From 1st Lender or Guarantor
 - Government Insured Mortgages -Pre-Foreclosure Form / Lender Approval
DSHA will allow seller's assistance.
 - Conventional Mortgages - Mortgage Insurer / Lender Approval Form.
DSHA will allow seller's assistance on Fannie Mae and Freddie Mac insured loans where the maximum allowed to subordinate lien holders is provided.
- HUD-1 Settlement Statement (Preliminary HUD-1) or Preliminary Closing Disclosure (CD)
- Documentation of foreclosure proceedings

DSHA reserves the right to request additional information to assist in decisioning. Additional documentation may consist of, but not limited to: appraisal, MLS or trend listing, proof of default, documentation demonstrating concessions by other parties, etc.

Available funds, including but not limited to, subordinate lien release and seller incentive funds are due to DSHA. Owner/seller may not receive proceeds from the sale. DSHA will accept no less than the maximum allowed from HUD or Guarantor to release the lien.

Any unforeseen proceeds due the owner/seller at time of closing are due to DSHA toward payment in full. After settlement, the final HUD-1 or CD settlement statement must accompany check to DSHA.

Feel free to contact homeloans@destatehousing.com with any questions via e-mail or phone at 302.577.5001.