

Dear Homeowner,

Thank you for selecting our agency, Housing Opportunities of Northern Delaware, Inc., to complete your Mortgage Foreclosure Prevention/Mortgage Default Counseling.

It is imperative that we review your mortgage payment history, savings, and budget plan to view options available to you. Our goal is to save your financial investment—your home.

Please gather and make **copies** of the following documents for your appointment scheduled for _____.

The appointment should last about two hours. We will contact your mortgage servicing company and arrange follow-up meetings to resolve your problem.

- Photo ID and Social Security Card
- Pay Stubs [One Month]
- Checking & Savings Account Statement/s [One Month]
- Most recent year's Tax Return (if self-employed, two years most recent Tax Returns and YTD P&L certified true & correct)
- Credit Report/with Scores [If we obtain, \$20.00-\$30.00]
- List of All Monthly Expenses
- Copy of Utility Bills [One Month]
- Credit Explanation/ Hardship Letter, including documentation supporting why the delinquency occurred
- Copy of Deed to Property
- Homeowner's Insurance [Declaration Page]
- Copy of Mortgage Note
- Copy of current Mortgage Statement(s) and/or Delinquency Letter
- Additional income verification if applicable, i.e. child support, boarder/renter, Social Security, pension

Enclosed you will find additional forms to fill out. Please read the information carefully and complete all required documents prior to your appointment. Please note that this program is one of several alternatives that could assist you in saving your home.

If you have any questions, please contact our office at (302) 429-0794. PLEASE CALL TO CONFIRM YOUR APPOINTMENT 24 HOURS PRIOR TO YOUR SCHEDULED APPOINTMENT.

Sincerely,

Gladys B. Spikes

Gladys B. Spikes
Executive Director

MONTHLY EXPENSE SHEET

NAME: _____ SOCIAL SECURITY NUMBER: _____

Indicate the normal **monthly amount** of cost for each applicable expense.
 (Note: Annual or quarterly expenses will need to be divided accordingly for average monthly figures.)

Housing Expenses	Living Expenses
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Mortgage (1 st)	\$	Groceries	\$	Magazine Subscriptions	\$
Mortgage (2 nd)	\$	Lunches	\$	Newspapers	\$
Real Estate/ Property Taxes	\$	Paper Goods	\$	Day Care	\$
Hazard Ins.	\$	Toiletries	\$	Gifts & Entertainment	\$
Condo Fees	\$	Personal Needs	\$	Pet Care	\$
Assoc. Fee	\$	Tobacco Products	\$	Child Support/Alimony	\$
Electric	\$	Alcoholic Beverages	\$	Union Dues	\$
Gas	\$	Clothing	\$	Pension Contr.	\$
Oil	\$	Laundry Detergent	\$	IRA Contr.	\$
Water	\$	Laundromat & Dry Cleaning	\$	401K Contr.	\$
Sewer	\$	TV Cable	\$	Personal Tax	\$
Trash	\$	Telephone	\$	Education	\$
Other	\$	Internet Fees	\$	Church	\$
Notes & Comments:		Gasoline	\$	Tuition	\$
		Car Repairs	\$	Savings	\$
		Bus	\$	Auto Ins.	\$
		Dental & Doctor Bills	\$	Life Ins.	\$
		Prescriptions	\$	Medical Ins.	\$
		Cell Phone	\$	Dental Ins.	\$

TOTAL OF ABOVE
 COLUMN: \$ _____

TOTAL OF ABOVE TWO COLUMNS: \$ _____

**Fill in the names of those creditors where you have balances and/or payments.
Examples as listed are a sample of those accounts to be considered for completion of information.**

- | | | |
|-------------------------------------|------------------------------|--------------------------|
| Credit Cards | IRS | Personal Loans |
| Department Stores | Legal Fees | Delinquent Medical Bills |
| Auto Loans | Delinquent Real Estate Taxes | School Loans |
| Credit Unions | Bankruptcy Trustee Payments | Unsecured Loans |
| Delinquent State/Local Tax Payments | | |

ACCOUNT NAME

NORMAL MONTHLY PAYMENT/BALANCE

_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
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_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____
_____	_____/_____

TOTAL PAYMENTS;/TOTAL BALANCES

DATE COMPLETED: _____/_____

WORKSHEET 2

Your Available Cash and Assets

List here all your sources of cash and any assets you can use for the down payment and closing costs.

Checking account(s)	\$
Savings accounts(s)	\$
Mutual funds, stocks, and bonds	\$
Cash value of life insurance policy	\$
Cash gifts from parents or other relatives	\$
Other assets	\$
Total cash and assets	\$

WORKSHEET 3

Your Gross Monthly Income

List all current, regular gross monthly income for yourself and any co-borrowers. Consider all sources of income during the past 12 months, if they are likely to continue for at least three years.

	Average Monthly Amount
Gross pay (before taxes and other deductions)	\$
Overtime/part-time/seasonal/commissions	\$
Bonuses/tips	\$
Dividends/interest earnings	\$
Business or investment earnings	\$
Pension/Social Security benefits	\$
Veterans Administration benefits	\$
Unemployment compensation	\$
Public assistance	\$
Alimony, child support, or separate maintenance income	\$
Other	\$
Total Gross Monthly Income	\$

EMPLOYMENT HISTORY
(For past five years)

NAME OF APPLICANT _____ SOCIAL SECURITY # _____

CURRENT EMPLOYMENT/OTHER INCOME (Include Social Security, Pension, Rental Income, Child Support, etc.):

Start Date	Employer (include address & phone #) or Source of Income	Position	Hourly Rate & Average Hours per Week or Monthly Benefits

PREVIOUS EMPLOYMENT/OTHER INCOME (Include Social Security, Pension, Rental Income, Child Support, etc.):

Start Date	Employer (include address & phone #) or Source of Income	Position	Hourly Rate & Average Hours per Week or Monthly Benefits	Reason for Leaving

**ANSWERS TO COMMON QUESTIONS ABOUT
THE DELAWARE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE
LOAN PROGRAM ADMINISTERED BY THE
DELAWARE STATE HOUSING AUTHORITY**

WHAT IS THE DELAWARE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM?

The Delaware Homeowner's Emergency Mortgage Assistance Loan Program (DEMAP) is administered by the Delaware State Housing Authority (DSHA) and is funded by appropriations in the state budget. The purpose of the program is to prevent widespread mortgage foreclosures and distress sales of homes which result from default caused by circumstances beyond a homeowner's control.

WHAT IS THE ROLE OF THE COUNSELING AGENCY?

The Counseling Agency is under contract with DSHA to help prepare an applicant for the DEMAP loan. The Counseling Agency does not make the decision to approve or deny DEMAP loan applications. They do not make any recommendations to DSHA as to whether or not a homeowner should be granted a loan. Their job is to help homeowners present the most complete and accurate application possible. Homeowners must provide all necessary information with their loan application. The circumstances that caused their financial hardship and the factors affecting their reasonable prospect of resuming mortgage payments should be explained in detail. Certain income and expense information must be documented. The Counseling Agency should offer suggestions which will help homeowners obtain the necessary information.

The Counseling Agency is prepared to counsel homeowners with their financial matters and spending habits. If appropriate, the Counseling Agency will attempt to work out a forbearance agreement with the lender. The Counseling Agency should also provide information about other financial assistance or employment training opportunities in their communities.

WHAT KIND OF MORTGAGE ASSISTANCE LOANS ARE AVAILABLE?

DEMAP provides the following two types of loans: 1) **Continuing loan** – the Agency brings the homeowners mortgage current and provides continuing assistance with monthly mortgage payments. Total assistance cannot exceed 12 monthly payments. Homeowners approved for a continuing loan will be required to make a monthly contribution toward their mortgage payment based on their income and housing expenses, with the minimum payment being \$40.00 per month depending on their income. 2) **Non-continuing loan** – the Agency simply brings the homeowner's mortgage current. Homeowner's are responsible for their own mortgage payments after the closing and repayment of the DEMAP loan beginning the first full month after disbursement.

IS THE DMAP LOAN A LIEN AGAINST THE HOME?

DMAP's loan is recorded as a mortgage lien against the homeowner's property.

WHEN DOES REPAYMENT BEGIN AND ON WHAT TERMS?

Repayment of DEMAP loans will begin in the first full month following loan disbursement. Loan repayment is based on 40% of the homeowner's net effective income minus total housing expense. Total housing expense includes mortgage payments, escrows for taxes, and insurance and home utility expenses. DEMAP loan recipients are charged interest at a simple annual rate of 3%.

$$\text{Monthly payment} = 40\% \text{ Net Income} - \text{Total Housing Expenses}$$

WHO QUALIFIES FOR A DEMAP LOAN?

- ❖ Homeowner must be at least 90 days delinquent in their mortgage.
- ❖ The home must be located in Delaware and be owner-occupied.
- ❖ The property must be a one or two family residence. A home used primarily for business purposes is not eligible.
- ❖ Mortgage loans obtained primarily for business purposes are not eligible.
- ❖ The homeowner must have had a favorable mortgage credit history prior to the delinquency during the previous 5 years. If the mortgage is less than 5 years old, the applicant's complete 5-year credit history will also be reviewed.
- ❖ The homeowner must be suffering financial hardship due to circumstances beyond their control.
- ❖ The homeowner must have a reasonable prospect of resuming full mortgage payments within 12 months* and paying the mortgage in full by maturity.
- ❖ DEMAP loan cannot exceed \$15,000 nor exceed 12 months* of assistance.
- ❖ DSHA/DEMAP must have at least a 3rd lien position.

WHAT ARE CIRCUMSTANCES BEYOND YOUR CONTROL?

To be eligible for a DEMAP loan, a homeowner must be suffering financial hardship due to circumstances beyond their control. Loss of employment due to layoff, strike, plant closing, serious medical problems, or divorce or separation are typically circumstances beyond one's control. On the other hand, quitting a job, committing a crime and being jailed, or money mismanagement are all examples of circumstances within one's control.

HOW DO YOU DEMONSTRATE A REASONABLE PROSPECT OF RESUMING FULL MORTGAGE PAYMENTS?

Some circumstances which cause financial hardship are by nature temporary and predictable. A job layoff or temporary unemployment due to a curable medical condition are examples of circumstances which will clearly come and go, and the homeowner will be re-employed and be able to resume making their mortgage payments. The loss of a job usually created a longer term problem; however, the homeowner's job skills, training, job history, efforts at retraining, etc. are all relevant factors which the Agency will consider in determining whether there is a reasonable prospect of the homeowner being able to resume full mortgage payments within 12 months*. If a person demonstrates a good employment history, a good credit history while employed, employable skills, and an active search for employment, they will probably meet the reasonable prospect issue.

On the other hand, a person who has mortgaged their home to the limit, whose spouse dies without life insurance, who has no employable skills, and has no plans of entering into an employment training program probably has little prospect of resuming their mortgage payments within 12* months and would not be found eligible.

It is extremely important for the homeowner to do a complete self evaluation of their job history, job skills, and potential for securing future employment in order to present an accurate picture of whether or not there is a reasonable prospect of being able to resume mortgage payments in the future.

HOW LONG DOES THE PROCESS TAKE?

A homeowner should arrange to have a face-to-face meeting with a DEMAP-approved housing counselor when he or she becomes 90 days or more delinquent in making his or her mortgage payments. The Counseling Agency must forward the application to DSHA within 30 days of the face-to-face meeting date. DSHA has 15 days from application receipt to make a decision. If the application is approved, it takes approximately 60 days for the loan to close. Within 15 days after the closing, the Agency will disburse checks to bring the mortgage(s) and taxes current.

HOW CAN MORE INFORMATION BE OBTAINED ABOUT DEMAP?

DSHA staff can be reached by telephone or by mail as set forth below:

General Information - (302) 577-5001

Toll Free - (888) 363-8808

Fax - (302) 577-5021

PAYMENTS

DSHA/DMAP
18 The Green
Dover, DE 19901

CORRESPONDENCE

DSHA/DEMAP
Housing Finance
820 N. French St./10th Fl.
Wilmington, DE 19801

*12 months repayment period begins from the time of initial delinquency.

**DELAWARE STATE HOUSING AUTHORITY
DELAWARE EMERGENCY MORTGAGE ASSISTANCE PROGRAM (DEMAP)**

**POLICY REGARDING THE CONFIDENTIALITY
OF CUSTOMER INFORMATION**

Introduction

In the course of providing affordable housing and loan products throughout Delaware, the Delaware State Housing Authority (DSHA) obtains personal information of both a financial and non-financial nature from its customers. This information is maintained on our computer systems and is used by DSHA employees to service loans and to perform other job-related duties.

At DSHA, protecting your privacy is important to us. Although the law may not require us to do so, we want to provide you with a statement regarding how we treat information received from our customers. We wish to assure that information about you is used professionally in the normal course of DSHA business and that we do not disclose confidential information about you to unauthorized parties. If you have specific comments or questions regarding DSHA's privacy policy, please contact us.

Use of Confidential Information

Unauthorized disclosure of customer information is considered a serious matter, even if done inadvertently. DSHA employees are instructed to use customer information only for legitimate business purposes and to not discuss customer information among them unnecessarily. Employees should never discuss customer information or business matters outside the office. DSHA employees having access to customers' Social Security numbers, address, telephone numbers, and any other personal information may not use that information to contact the customer for any reason other than the business of DSHA. Breaching customer confidentiality is taken very seriously by DSHA and may result in employee discipline including dismissal.

Disclosing Customer Personal Financial & Non-Financial Information

Customer personal financial information, including, but not limited to, tax returns, income and expense information, loan account balances, payroll information, assets, and liabilities may be released only to the customer, any applicable joint homeowner, co-maker, or co-signer or persons who are authorized in writing to receive such information.

Release of any customer information (whether financial or non-financial) to anyone other than these parties is strictly prohibited, unless DSHA is obligated to provide such information by contract, law or regulation (e.g., credit reporting agencies, consumer dispute resolution agencies, subpoenas, federal or state investigative entities, or as otherwise required by federal, state, or local laws, regulations, or reporting requirements) or unless such disclosures are necessary or appropriate for DSHA to service your account and conduct business.

For instance, some customer information must be disclosed to secondary mortgage entities such as Fannie Mae, to federal or private mortgage insurance or guarantee programs, to local taxing bodies, or to judicial authorities. Likewise, we may from time to time disclose customer information to businesses that help us process or service your transactions or accounts (including businesses that print and mail you invoices and account statements), and we may disclose customer information to businesses, such as financial or educational institutions or marketing firms to assist us in evaluating our programs and in marketing our loan programs or related loan products. Any private vendors, suppliers, or businesses will be restricted in their use of customer information to the performance of the specific service we have requested and will be contractually obligated to maintain strict confidentiality.

DSHA does not sell information about you to anyone.