

Diamond State Community Land Trust

363 Saulsbury Road
Dover, DE 19904

800-282-0477
www.diamondstateclt.org

Frequently Asked Questions

What is the Diamond State Community Land Trust (DSCLT)?

DSCLT is a nonprofit, membership-based organization with the mission to create homeownership opportunities that are permanently affordable to low and moderate-income people now and for generations to come.

The membership is made up of homeowners, people working toward homeownership and others from around Delaware who support the work of DSCLT. Each year, the members gather at the annual meeting to discuss housing issues and elect the board of directors.

This structure ensures that DSCLT homeowners and community members have input into the organization.

DSCLT promotes responsible stewardship and community control by retaining ownership of land designated for affordable homeownership. By holding the land in trust, DSCLT ensures that a supply of homes remains affordable for future generations. This approach is designed to help working families achieve the dream of owning a home, now and in years to come.

How does the Land Lease work?

The Land Lease Agreement is a legal document that is designed to protect the rights and interests of all parties involved in the purchase of the house.* Some of the key points are:

- A resale formula that keeps the house affordable for future buyers
- Provision for full rights to use the land
- Payment of a land lease fee of \$40 per month
- Owner must occupy the home as their primary residence
- Before purchasing a DSCLT home, you are required to review the Land Lease with a lawyer.

What is Permanently Affordable Housing?

The term "permanently affordable housing" means housing that is affordable to each buyer in the future, not just the first buyer.

It is important to maintain affordable housing in all communities. In Delaware, house and land costs are rising much more rapidly than wages. Homeownership is out of reach for many working people. DSCLT is working to bridge the gap between wages and home prices. It takes significant public resources to create affordable housing, so it makes sense to ensure that the community's investment is protected over the long term. DSCLT maintains permanent affordability through the land trust model of homeownership.

DSCLT holds the land in "trust", or community ownership. This permanently removes the cost of the land from all future transactions involving that property. The land is then leased through a renewable 99-year lease that provides them with the right to full use of the land.

Who Can Buy a DSCLT Home?

Anyone who is income-qualified, able to get a mortgage loan and wants to live in Delaware can purchase a DSCLT home.

DSCLT staff will work with you to establish a homeownership plan. The plan is based on each individual's income, credit history and saving ability.

The chart below shows the maximum qualifying income (before taxes) based on family size.

Household Size	Maximum Allowed Income (2009)		
	Kent County	New Castle County	Sussex County
1	\$33,300	\$43,600	\$32,800
2	\$38,000	\$49,800	\$37,500
3	\$42,800	\$56,000	\$42,100
4	\$47,600	\$62,200	\$46,800
5	\$51,400	\$67,200	\$50,700
6	\$55,200	\$72,200	\$54,400
7	\$59,000	\$77,200	\$58,100
8	\$62,800	\$82,100	\$61,900

Where Are These Homes?

DSCLT is a statewide organization that partners with many community development organizations as well as private developers. Our homes available for sale are ever changing. Visit our website www.diamondstateclt.org for the most recent inventory. Completing the steps to homeownership will ensure you are ready when the right home for you becomes available.

Benefits of Owning Your Own Home

People who live in DSCLT homes have full rights to the use of the land and receive the traditional benefits of homeownership, including:

- Tax deductions
- Control over you own housing
- Stability of housing costs
- The opportunity to build up equity
- A legacy that you can pass on to your family and future generations
- Lower affordable monthly mortgage payment – no private mortgage insurance

Steps to Homeownership Through Diamond State Community Land Trust (DSCLT)

- **Contact Diamond State Community Land Trust for Information Session**

This is a free one-hour session where staff provide the details of how the Land Trust operates and how you can become a Land Trust homeowner. **Information sessions** may be scheduled in group or individual meetings

- **Fill out a DSCLT Housing PreApplication**

Filling out the application does not obligate you to work with our program, but it provides more details about your financial situation. This allows us to work with you more effectively in reaching your goal of owning a home. Return the application to our office, 363 Saulsbury Rd., Dover, DE 19904.

- **Attend a Homebuyer Education Workshop**

DSCLT partners with HUD approved homeownership counseling agencies for their First Time Homebuyer Workshops. Learn about the many stages of becoming a homeowner, from determining how much you can afford to the closing process, from people who know. Housing experts including realtors and loan officers, lead these sessions. The Workshop is for anyone thinking about buying a home, not just for DSCLT homebuyers. These three certified homeownership counseling agencies are our primary training partners:

NCALL Research – 302-678-9400 – info@ncall.org

Interfaith Community Housing of Delaware – 302-995-7428

First State Community Action Agency – 302-856-7761

- **Schedule time with DSCLT staff to review your application and make a plan**

Everyone's situation is different. This is a chance for us to help you review your mortgage eligibility and make a home buying plan. Banks want to see that you have a solid financial record for mortgage approval. Do not worry if your credit is not perfect, though, because there are steps you can take to help clean up your credit report. In addition, you will have to save for an earnest money deposit, down payment and closing costs, and other home purchase expenses.

- **Meet with a loan officer to get pre-approved for a mortgage**

There are specific banks that have created partnerships with DSCLT to provide mortgages to our homebuyers. A list of approved lenders is available from DSCLT staff. Although it may be tempting to meet with other lenders, it might mean that you would have to do this step twice. We are always willing to work with new lenders, but it can take as long as a year for them to approve the program. We want the process to be as smooth as possible for you.

- **Obtain approval from the DSCLT Selection Committee**

DSCLT staff will provide an overview of your application and financial situation to the Selection Committee at its regular monthly meeting. The DSCLT Selection Committee will review your application and decide to approve it or make recommendations for future approval. Staff will notify you of their decision.

- **Review the DSCLT Land Lease with an Attorney**

You must meet with an attorney to review the Land Lease. This is to ensure you understand the Land Lease, particularly the resale formula. We can provide you with the names of some attorneys who are willing to work with you at a reduced cost.

- **Sign a Purchase and Sale Agreement**

In some instances, there may be an opportunity to reserve a home with DSCLT through a "pre-sale". A pre-sale consists of choosing a home, signing a Purchase & Sale Agreement with DSCLT and making a \$1,500 deposit to an escrow account with a title company. DSCLT will assist you with the purchase process, including the required paperwork. If there are no current properties available, you will remain on the waiting list.

- **Successfully purchase your own home!**

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AUTHORIZATION TO RELEASE INFORMATION

The Diamond State Community Land Trust (DSCLT) is a Delaware non-profit corporation. My signature below authorizes DSCLT to share information relating to my credit history, employment history, income, bank and/or similar accounts and copies of tax returns. In addition I am authorizing DSCLT to share information with third parties such as: investment funders of the DSCLT, mortgage lenders, and/or housing counselors.

The DSCLT will use this information to evaluate my eligibility for the DSCLT Homeownership program. All information collected will be treated with confidentiality.

I agree to hold DSCLT free and harmless from any claims, damages, liabilities and legal action.

Signature _____ Date _____

Signature _____ Date _____

Diamond State CLT Representative Date _____

DIAMOND STATE COMMUNITY LAND TRUST

Pre Application

PLEASE PRINT

NOTE: This pre application is not an application for housing.

Borrower:

Name: _____
First M.I. Last Suffix (Jr. Sr.)

Social Security # Date of Birth Race Gender- Male/Female
Address: _____
Street Address City State Zip
Home Phone: _____ Cell Phone: _____
Residency Status: Rent Own Other Monthly Rental Amount: _____
Occupancy: Years _____ Months _____
Marital Status: Married Separated Unmarried
Number of Dependents: _____ # under 18 _____
Employer's Name & Phone #: _____
Position/Title: _____ Date of Hire: _____
Annual Income: _____ Other source of income? _____
Is anyone in the household disabled? (Circle) No Yes _____

Co -Borrower:

Name: _____
First M.I. Last Suffix (Jr, Sr.)

Social Security # Date of Birth Race Gender – Male/Female
Address: _____
Street Address City State Zip
Home Phone: _____ Cell Phone: _____
Residency Status: Rent Own Other Monthly Rental Amount: _____
Occupancy: Years _____ Months _____
Marital Status: Married Separated Unmarried
Number of Dependents: _____ # under 18 _____
Employer's Name & Phone #: _____
Position/Title: _____ Date of Hire: _____
Annual Income: _____ Other source of income? _____

Household Debt: Please list monthly debt obligations (credit cards, car payments, student loans, etc)

Name of Creditor _____	Total Amount Owed _____	Monthly Payment _____
Name of Creditor _____	Total Amount Owed _____	Monthly Payment _____
Name of Creditor _____	Total Amount Owed _____	Monthly Payment _____
Name of Creditor _____	Total Amount Owed _____	Monthly Payment _____
Name of Creditor _____	Total Amount Owed _____	Monthly Payment _____

Signature of Borrower _____ Date _____

Signature of Co Borrower _____ Date _____

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DOCUMENTATION CHECKLIST

The following items will be required to complete a review of your eligibility for our program(s)

- Signed DSCLT Authorization to Release Information
- Signed/Complete DSCLT Preapplication
- Current pay stubs – one full month
- Other income – documentation to confirm amount of income
- Last 2 years of Federal Tax Returns (2007 and 2008)
- Last 2 months of bank statements (savings, checking, investment/retirement)
- Certificate of Completion Housing Counseling
- Mortgage Preapproval Letter