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DSHA Welcome Home in Delaware: 5% Down Payment Help for First-Time Buyers

Delaware first-time buyers can pair DSHA Welcome Home's below-market 30-year fixed rate with up to 5% down payment assistance, says John Thomas, NMLS #38783.

DSHA Welcome Home Program helps Delaware first-time buyers with down payment and closing cost assistance

NEWARK, DE, UNITED STATES, June 24, 2026 /EINPresswire.com/ -- The DSHA Welcome Home mortgage loan program is a 30-year fixed-rate first mortgage from the Delaware State Housing Authority for first-time homebuyers in Delaware that pairs a below-market interest rate with down payment assistance of up to 5% of the loan amount. The assistance comes through one of four DPA options, and each one is a zero-interest second mortgage with no monthly payment, repaid only when the buyer sells, refinances, or stops using the home as a primary residence.

Welcome Home sits on top of a standard FHA, VA, USDA, or Freddie Mac Conventional first mortgage. The Delaware State Housing Authority sets a below-market interest rate through its bond program, then lets the buyer add down payment assistance through one of four DPA products: First State Home Loan (3%), Keys4You (4%), Take5 (5%), or Diamond in the Rough (5% paired with FHA 203k Limited renovation financing). Buyers who don't need assistance can choose Smart Start, the unassisted option that carries the lowest rate. Take5 and Diamond in the Rough are available only with Welcome Home.

The program is built for first-time buyers, which DSHA defines as anyone who has not owned a primary residence in the past three years. Two exceptions widen that door: qualified veterans, and buyers purchasing in DSHA-designated targeted census tracts. To use Welcome Home, a borrower needs a minimum 620 credit score (660 for manufactured homes) and income at or below the county limit. Buyers with a credit score between 620 and 659 complete an eight-hour HUD-approved housing counseling course before closing; buyers at 660 or higher are exempt.

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>
> *John Thomas, NMLS #38783, John Thomas Team, Newark, Delaware*

As of new reservations on or after June 8, 2026, the non-targeted income limit for a one-to-two-person household is $122,700 in New Castle County and $111,400 in Kent and Sussex counties, with higher limits in targeted areas. The purchase price limit is $659,385 in New Castle County and $566,354 in Kent and Sussex counties. Since April 15, 2025, DSHA counts only the income of the borrowers actually on the loan — a change that helps many buyers who once assumed household income placed them over the limit.

Welcome Home is available statewide. New Castle County buyers in Wilmington, Newark, Bear, and Middletown have the highest limits and the most inventory; Kent County buyers in Dover, Smyrna, and Milford rarely bump against the price ceiling; and Sussex County buyers find the program works well inland in Seaford and Georgetown, while beach towns such as Lewes and Rehoboth can press against the purchase price limit. Buyers apply through a DSHA-approved lender, since DSHA does not accept applications directly. The John Thomas Team in Newark is a DSHA-approved lender.

"DSHA Welcome Home is the strongest first-time buyer program we have in Delaware — a below-market 30-year fixed rate paired with up to 5% down payment assistance that's a zero-interest second mortgage with no monthly payment," said John Thomas, NMLS #38783, a Delaware mortgage loan officer with the John Thomas Team in Newark, Delaware.

"Our goal is to make the process as simple as possible, so there are no surprises along the way. We walk every buyer through which Welcome Home option fits their situation before they ever write an offer," said John Thomas, NMLS #38783, a Delaware mortgage loan officer with the John Thomas Team in Newark, Delaware.

"The most common mistake I see is buyers assuming they earn too much to qualify. Since April 2025, Welcome Home counts only the income of the people actually on the loan, so a parent, sibling, or roommate who isn't on the mortgage doesn't count against the limit," said John Thomas, NMLS #38783, a Delaware mortgage loan officer with the John Thomas Team in Newark, Delaware.

John Thomas has originated DSHA loans in Delaware for more than 20 years and has closed over 1,000 DSHA loans across all three Delaware counties. He works with first-time buyers in New Castle, Kent, and Sussex counties to match the right first mortgage and the right assistance option to each borrower's income, credit, and purchase goal.

First-time buyers in Delaware can take the next step in three ways. Schedule a free 30-minute consultation at https://schedule.johnthomasteam.com/30min, call 302-703-0727.

About John Thomas
John Thomas (NMLS #38783) is a Delaware mortgage loan officer with the John Thomas Team in Newark, Delaware. With more than 20 years of experience and over 3,000 Delaware families served, he specializes in first-time homebuyer, VA, FHA, USDA, DSHA, and conventional loans across Delaware and Maryland. His office is at 248 E Chestnut Hill Rd, Newark, DE 19713. Learn more at delawaremortgageloans.net.

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