DSHA Smart Start Home Loan in Delaware: Learn How to Get Below Market Interest Rates

The DSHA Smart Start Home Loan is the Delaware State Housing Authority first mortgage taken without down payment assistance with below market interest rates.

Delaware buyers reviewing DSHA loan options with the John Thomas Team in Newark. The DSHA Smart Start Home Loan is the DSHA first mortgage taken without down payment assistance, available statewide. Call 302-703-0727 to compare your options with John Tho

NEWARK, DE, UNITED STATES, August 10, 2026 /EINPresswire.com/ -- Updated income and purchase price limits from the Delaware State Housing Authority took effect for loan reservations on or after June 8, 2026, changing eligibility for the DSHA Smart Start Home Loan, the agency's first mortgage offered without down payment or closing cost assistance.

Under the Welcome Home track, the income limit is $122,700 for a one or two person household in New Castle County and $111,400 in Kent and Sussex Counties. Under the Open Door track, the limits are $147,240 and $133,680. Purchase prices are capped at $659,385 in New Castle County and $566,354 in Kent and Sussex, with higher figures in DSHA-designated targeted census tracts.

Smart Start is a fixed-rate first mortgage offered through the Delaware Mortgage Program. It is not itself an FHA, VA, USDA or conventional loan; it sits on top of one of those loan types, as every DSHA first mortgage does, with an interest rate set through the agency's bond program rather than by the individual lender. For years the industry referred to it as the DSHA unassisted loan.

The distinction between Smart Start and DSHA's other products is what it omits. The agency's other Delaware Mortgage Program options attach down payment assistance as a zero-interest second mortgage: First State Home Loan at 3 percent of the first mortgage amount, Keys4You at 4 percent, and Take5 at 5 percent. Diamond in the Rough pairs 5 percent with FHA 203(k) Limited renovation financing. Smart Start attaches none of them, and DSHA's published rate sheet prices it below all four within the same track.

John Thomas, NMLS #38783, explains the rule he gives Delaware buyers choosing between Smart Start and DSHA down payment assistance. Schedule a consultation at schedule.johnthomasteam.com/30min

The program's own terminology is a frequent source of confusion.

"The name causes most of the confusion," said John Thomas, a mortgage loan officer with the John Thomas Team in Newark, Delaware, NMLS #38783. "No down payment and closing costs assistance means there is no assistance for those costs, not that no down payment is required."

Whatever down payment the underlying loan type requires still applies, and the borrower supplies it from verified savings, a documented gift, or a seller credit negotiated into the purchase contract. VA and USDA loans carry their own down payment rules, which is why some eligible veterans and rural borrowers reach closing with less cash required.

> “Smart Start is not a lesser version of DSHA. It is the same program without assistance attached, and DSHA prices it below every assisted option in its track.”
>
> *John Thomas, NMLS #38783, John Thomas Team, Newark, Delaware*

Eligibility follows the DSHA track a borrower falls under. Welcome Home applies to buyers who have not owned a primary residence in the past three years, to qualified veterans, and to buyers purchasing in a targeted census tract. Open Door applies to repeat buyers and to buyers whose qualifying income exceeds the Welcome Home limit; it replaced the former Home Again program in DSHA's April 2026 rebrand. DSHA requires a minimum 620 credit score, and 660 for manufactured homes. Borrowers scoring 620 to 659 complete an eight-

hour HUD-approved housing counseling course before
closing, typically costing about $125. The property must be a Delaware primary residence, and applications are submitted through a DSHA-approved lender, as the agency does not accept loan applications directly.

A separate rule change continues to affect who qualifies. Since April 15, 2025, the Welcome Home track counts only the income of borrowers on the note and mortgage, and Open Door counts only qualifying income on the loan application. Household size still determines which limit tier applies.

"Only the income of borrowers on the loan is tested against the limit," Thomas said. "Buyers who add up everyone in the household often conclude they are over the limit when they are not."

Smart Start is available in all three Delaware counties. Some third-party summaries describe it as limited to Kent and Sussex County buyers, which is inaccurate; New Castle County borrowers use the program as well. Targeted areas, concentrated in parts of Wilmington, Dover and Sussex County, raise income and purchase price limits and waive the first-time buyer requirement, but do not carry lower pricing than standard Welcome Home tiers.

County-level income and purchase price limits, eligibility rules, and program comparisons are published at https://delawaremortgageloans.net/dsha-smart-start-home-loan-delaware/. Current DSHA program terms are published by the Delaware State Housing Authority at destatehousing.com.

John Thomas is a mortgage loan officer with the John Thomas Team in Newark, Delaware, NMLS #38783, and originates DSHA loans as a DSHA-approved lender.

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