

HOME – HOMEBUYER ASSISTANCE



SDHDA Homebuyer Assistance is available through multiple programs including the HOME Program, Housing Opportunity Fund (HOF), and Fixed-Rate Plus program. The assistance can be structured in a number of ways to encourage the acquisition of affordable homes. Please refer to the SDHDA Homebuyer Assistance Policy and Procedure Manual located on SDHDA's website for more detailed information and program guidelines.

Principal Residence

Purchasers must occupy the property as their principal residence.

Property Location

Property must have a fee simple title or a long-term lease and be located in South Dakota.

Eligible Property Types

- A single-family property (one unit);
- A condominium unit;
- A cooperative unit or a unit in a mutual housing project (if recognized as homeownership by state law); or
- A manufactured home – At the time of project completion, the manufactured home must be (1) permanently affixed to the land by a foundation and taxed as real property (if applicable) HOF; (2) connected to permanent utility hookups; and (3) located on land that is owned by the manufactured homeowner, or on land for which the manufactured housing unit owner has a long-term lease for a minimum of 30 years.

Homebuyer Education

All mortgagors receiving Homebuyer Assistance must participate in homebuyer education, and if warranted, homebuyer counseling and credit counseling.

Eligible Applicant

Household income must be at or below 80% AMI for HOME Program assistance and 115% AMI for Housing Opportunity Fund assistance. Please refer to the SDHDA Homebuyer Assistance Policy and Procedure Manual for additional underwriting guidelines.

Terms

The maximum amount of assistance households can receive across all SDHDA programs, including the Fixed-Rate Plus Program is \$25,000. Assistance to homebuyers, 80% AMI and below, may be repaid, deferred, or forgiven. Assistance to homebuyers, 80.01% and above, must be repaid or deferred.

Minimum First Mortgage

For households at or above 80% AMI, the homebuyer's first mortgage must be a minimum of 80% of the acquisition cost, for households at or below 80% AMI, the homebuyer's first mortgage must be a minimum of 70% of the acquisition cost.

Selling Price

The selling price of the home must not exceed the appraised value.

HOME Program Homebuyer Assistance

The HOME Homebuyer Assistance Program will provide gap financing to qualified households who are able to obtain a portion, but not all, of the financing for the purchase of a home. The maximum loan available for gap financing is determined per the Homebuyer Feasibility Analysis Tool located on SDHDA's website. The tool determines the buyer's maximum first mortgage based on SDHDA's underwriting standards and from there the amount of gap financing needed is calculated based on the total acquisition costs of the home and any other funding sources. Please contact the SDHDA HOME Housing Development Officer for assistance using the tool.

Fixed Rate Plus

Provides downpayment and closing cost assistance (as a deferred loan) equivalent to three percent (3%) of the principal amount of the mortgage loan at a slightly higher interest rate compared to the first option. Only mortgage loans insured by FHA, VA, or USDA Rural Development qualify for this option.

Contact SDHDA at 605.773.3181 or visit our website at www.sdhda.org. Alternative formats of this document are available to persons with disabilities upon request.

For information regarding Section 504 Accessibility, contact the South Dakota Housing Development Authority 504 Coordinator, Andy Fuhrman, at 1-800-540-4241.