

GROW South Dakota Home Ownership Programs

| PROGRAM | TYPE | PURPOSE | MAXIMUM AMOUNT | LIEN POSITION | TERM | MONTHLY PAYMENT | MAXIMUM INCOME CRITERIA | *ELIGIBILITY REQUIREMENTS | SERVICE AREA |
|--|-------------------|----------------------------------|----------------|---------------|--|-----------------|-----------------------------|--|--------------|
| Down Payment/ Closing Cost (SDHOF) Urban & Rural | Deferred Loan | Purchase Primary Residence | \$5,000 | 2nd | Contact Office for details | No | Under 115% AMI (limited) | Income; Underwriting criteria; *HBE – All; 70% - 80% min LTV 1st Mtg.; | Statewide |
| Down Payment/ Closing Cost (CMF) | Deferred Loan | Purchase Primary Residence | \$7,500 | 2nd | Contact Office for details | No | Under 80% AMI | Income, Underwriting criteria, * HBE; Purchase Price Limits, | Statewide |
| Direct Lending | Amortized Loan | Purchase Primary Residence | \$300,000 | 1st | 10 year balloon w/ max 30 year amortization | Yes | None | Underwriting criteria; *HBE | Statewide |

***HBE – Homebuyer Education required through GROW South Dakota and completed 4 days prior to closing.**

Note: Due to volume, closing dates can be no earlier than 14 days from issued GROW SD Commitment letter.



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General Disclaimer- All programs have various eligibility, income or funding requirements. Funding availability varies. Rates and terms are subject to change. GROW South Dakota encourages applicants to choose mortgage financing that meets their needs, and does not direct or restrict buyers to a particular lender or loan product.



DOWN PAYMENT CLOSING COST ASSISTANCE

Guidelines

| | Ratio | Repayment | Wire | Doc Fee | Origination |
|------------|----------------------|-----------|------|---------|-------------|
| HOF | Lender AUS *40/50 | Deferred | 15 | 30 | N/A |
| CMF | 30/43 | Deferred | 15 | 30 | \$250 |

Funds: The Down Payment and/or Closing Cost Assistance funds are deferred loans to be used for purchase of their primary residence. There is a deferred second mortgage. The clients sign both a note and a mortgage.

Eligibility: Income based – varies based on county and household size/purchase limits.

Ratio Maximum Limits: ***HOF** - Determined by Lender AUS. – Approve/Eligible determination * Internal Max. 40/50

***CMF** - Determined by Lender AUS – Approve/Eligible determination * Housing Max 30% Total Debt Ratio 43%

Term: Matched to Lender's first mortgage loan. Cannot exceed 30 year (Direct USDA RD only exception)

Rate: 0% **Payments:** No Monthly/Annual payments due.

Co-Signer (guarantor only non occupying – does not live on property) Signs Note, does not sign Mortgage or take title to property. Income used only for ratios.

Co-Borrower (occupying or non-occupying property) Income used for eligibility, takes title to property and signs Note and Mortgage.

Repayment Deferred: The entire balance of the note is due immediately when any of the following events occur:

1. Property is refinanced
2. Property is sold or exchange of the residence takes place
3. Property ceases to be the principal residence of the homeowner
4. First Mortgage and note reach maturity or note is paid in full whichever comes first

FHA Loans: *per FHA guidelines, any subordinate financing (GROW SD funds) must be disclosed to the client at the time of application or prior to closing to be eligible for FHA loan guaranty. Grow SD will need proof subordinate financing was disclosed and can be listed on the Loan Estimate, 1003 or 1008. Grow SD funds cannot be used for the 3.5% borrower equity requirement.*