

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	\$175,000	1st	7 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 - 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.

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.*