GROW SOUTH DAKOTA
HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT

also known as:
Northeast South Dakota Community Action Program
Northeast South Dakota Economic Corporation

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CAPTIAL MAGNET FUND: CMF OVERVIEW

GROW South Dakota is administering the Capital Magnet Fund (CMF) program in South Dakota. The CMF program is a Down Payment Closing Cost Assistance program. This program provides $7,500 in down payment assistance for eligible homebuyers who are purchasing a home within South Dakota.

CMF Funds may be used for any eligible purpose including closing costs assistance, down payment assistance or borrower minimum out-of-pocket investment IF allowed by the first mortgage loan program or other layers of financing.

CMF down payment assistance funds will be disbursed at closing. These funds will be in form of a mortgage secured by the property being purchased. CMF Funds is a 0% interest deferred loan with no monthly required payment and repayable at time of sale, transfer or refinance of 1st mortgage on property.

Specific programs may include down payment requirements from the borrower's own funds in combination with the CMF down payment assistance program. This is dependent on the type of first mortgage loan and rules set by the first mortgage lender or investor.

In order to be eligible for CMF down payment assistance, the homebuyer(s) must meet the following requirements:

- Borrower(s)'s income, adjusted for household size, should not exceed 80% of the Area Median Income for county the property is located at.
- Complete a Homebuyer Education Course approved by GROW SD (specific to program regulations).
- Purchase a home within the state of South Dakota
- Purchase Price Limits cannot exceed 95% of median purchase price for the area based on HOME Program and HUD. County and Bedroom limits.
- Agree to maintain the home as a primary owner occupied residence
- Obtain a first mortgage for an approved CMF Lender

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