

Governor's House Pilot Program



The objective of the Governor's House Pilot Program is based on the needs identified by the South Dakota Housing Development Authority (SDHDA), SDHDA will provide gap financing for low income homebuyers approved for financing the purchase of a Governor's House. The available financing is for filling the gap between what the borrower can repay and the cost of the home.

Terms: No monthly principal or interest payments are required. The rate of interest is zero percent (0%). All unpaid Principal amount of the loan shall be due and payable on the earlier of the following dates (the "Maturity Date"):

1. The date the Property is sold or transferred by the Mortgagor, whether voluntarily or involuntary or by operation of law; or
2. The date a default occurs under the terms of any loan secured by a lien to which the Mortgage and Security Agreement is subordinate (the "First Mortgage"); or
3. The date the Property ceases to be the principal residence of the Mortgagor; or
4. The date the debt evidenced by the First Mortgage is refinanced.

Eligible Mortgagor: Individuals purchasing a Governor's House who will receive a mortgage loan from usual sources, i.e., Rural Development and/or Licensed Mortgage Lending Institutions for which evidence must be provided. The mortgagor must qualify for mortgage financing, which is amortized on a monthly basis, that equals at least seventy (70%) of the home's total Acquisition Cost. SDHDA will issue the gap loan check to the escrow closing agent.

Property Location: Property must be fee simple title located in SDHDA HOME - qualified areas of South Dakota.

Homebuyer Education: Certificate of Completion is required.

Income Limit: Homebuyer(s) must be at or below eighty (80%) area median income, based on family size.

Downpayment: Minimum of \$500 required cash investment.

Maximum Loan Amount: Limited to \$20,000 or thirty (30%) of the Acquisition Cost minus any grant and/or donated items, whichever is less, taking into consideration the maximum first mortgage for which the borrower is qualified.

Acquisition Cost: The term "Acquisition Cost" means the cost of acquiring a completed Governor's House. Acquisition Cost is comprised of all amounts paid either in cash or in kind as consideration for the residence, including closing costs or the cost of acquiring financing. The Acquisition Cost shall not exceed the latest published HOME Program Allocation Plan 2-bedroom Single Family per unit cost limit.

Escrows: First Mortgage lender required to escrow taxes and insurance. Hazard and/or Flood Insurance policy amounts to cover one hundred percent (100%) of all mortgages.

For further information: Contact SDHDA at (605) 773-3181 or visit our web site at www.sdhda.org.



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