



# HELP

HOUSING ENHANCEMENT LOAN PROGRAM



**Low  
Interest Rate  
Construction  
Loans For  
Speculative Homes**

SOUTH DAKOTA  
**Housing**  
DEVELOPMENT AUTHORITY



*South Dakota*  
Home Builders Association





# What is the Housing Enhancement Loan Program?

What you need to **KNOW!**

## The Housing Enhancement Loan Program is...

A program that provides an incentive for builder members of the South Dakota Home Builders Association to build speculative homes. The program is a partnership with the South Dakota Home Builders Association and the South Dakota Housing Development Authority whereby the South Dakota Housing Development Authority makes low interest construction loans to builder members of the South Dakota Home Builders Association for speculative homes.

## Who qualifies for a HELP Loan?

Builder members of the South Dakota Home Builders Association qualify with a limit of one loan at a time. If a builder has had a HELP Loan previously, and there is a waiting list, the builder must go to the end of the waiting list.

## How much money is available in the Housing Enhancement Loan Program?

A total of \$2 million is available in the program.

## What are the Terms of a HELP? Loan

- Only speculative homes qualify.
- The maximum value of the home is \$250,000.
- The maximum loan is 80% of the value of the home.
- There is an origination fee of 1% of the amount of the loan.
- The maximum term of a loan is 12 months, however, a builder may be considered for an extension of 6 months if requested.
- The interest rate the first six months of the loan is 0%. The interest rate the second six months period is 1/2 of the market rate used by the South Dakota Housing Development Authority.
- If a builder requests a third six month extension and is approved, the builder will pay an additional origination fee of 1/2% of the loan amount, and pay the full market interest rate used by South Dakota Housing Development Authority.

## How does a builder member of the South Dakota Home Builders Association apply for a HELP Loan?

**South Dakota Housing  
Development Authority**

**(605) 773-5236  
Mike@SDHDA.org  
PO Box 1237  
Pierre, SD 57501**

# HELP

HOUSING ENHANCEMENT LOAN PROGRAM