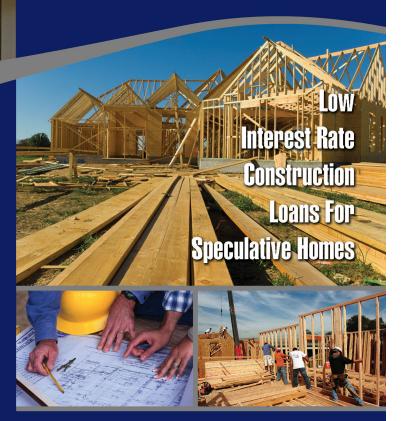


BULDSPEC LOAN PROGRAM



What is the BuildSpec
Loan Program?

What you need to **KNOW!**

The BuildSpec 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 BuildSpec 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 BuildSpec 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 **BuildSpec Loan Program?**

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



What are the

Terms of a BuildSpec ?

BUILDSPEC LOAN PROGRAM

- Only speculative homes qualify.
- The maximum value of the home is \$340,000
- 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 BuildSpec Loan?

South Dakota Housing Development Authority

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