

Loan Terms

- SEDF's interest rate: 3%
- Rural Development's interest rate may be as low as 1% based on income
- No down-payment required
- \$500 loan origination fee
- Closing costs can be rolled into loan
- SEDF's Amortization Schedule: 30 years with a 15-year balloon
- Rural Development's Amortization Schedule: Up to 33 years
- Borrower is responsible for title insurance, necessary inspections, survey costs, all filing fees, and other miscellaneous fees as required which may be included in loan proceeds.

USDA is an equal opportunity provider, employer, and lender. To File a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-5964 (TDD).

The South Eastern Development Foundation is an equal opportunity lender and provider.

Equal Housing Opportunity



502 Home Loan Program Contacts

In Lincoln and Minnehaha Counties:

Diane Byer, Loan Specialist
(605) 886-8202 Ext. 118

OR

Donner Plucker, Loan Technician
(605) 886-8202 Ext. 123

In Clay, McCook, Turner, and Union:

April Norton, Loan Specialist
(605) 996-1564 Ext. 102

OR

Tamara Haki, Loan Technician
(605) 665-2662 Ext. 118



502 Home Loan Program



*Making it possible for
South Dakotans
to own a home!*



500 N. Western Ave., Ste. 100
Sioux Falls, SD 57104
(605) 367-5390

South Eastern Development Foundation (SEDF)

502 Home Loan Program Facts:

- **502 Home Loan Partnership Program will provide loans to fund the following:**
 - Purchase an existing home
 - Build a new home
 - Purchase a new manufactured home from an approved dealer or contractor
 - Purchase and set up a Governor's House
- **Eligible counties:**
 - Clay, Lincoln, McCook, Minnehaha, Turner, and Union counties in SD
- **Homes inside the city limits of Sioux Falls are not eligible**
- **Maximum loan amount:** \$220,532
- **Borrower does not have to be a first-time homebuyer**
- **Income Limits Apply:**
 - Based on Adjusted Income Limits for Low and Very Low Income families
 - Dependent upon number of persons in household
 - Dependent upon County the home is located in

Owning Your Own Home

Owning a home is part of the American dream, but in rural areas, financing a home can be difficult. Jobs often pay less than in more populated areas. Rural lenders generally require a large down payment and often interest rates and construction costs are higher than in urban areas. If you want to own a home in a rural area (outside the city limits of Sioux Falls), the South Eastern Development Foundation is partnering with Rural Development in its 502 Home Loan Partnership Program to provide affordable housing opportunities.

The purpose of this loan program is to provide financing at reasonable rates and terms, with no down-payment required, to families wishing to obtain homeownership in rural areas. Mortgage payments are based on a household's adjusted income. Families must fall within the income guidelines, but be able to afford the mortgage payments, including taxes and insurance.

Buying vs. Renting

Reasons to Buy:

- Mortgage payments may be less than rent
- Purchasing a home builds equity
- Sense of community, stability, and security
- Free to change decor and landscaping
- Not dependent on maintenance by landlord
- Interest paid on the loan is tax deductible

Reasons to Stop Renting:

- Rent may be more than mortgage payment
- No tax benefits
- No equity is built up
- No control over rent increases
- Possibility of eviction

Buying vs. Renting: The Difference is Clear

Monthly Payment

A 2 bedroom, 1 bathroom house for \$120,000 would cost:

Rental
\$750

Ownership
\$386

A 3 bedroom 2 bathroom house for \$135,000 would cost:

Rental
\$850

Ownership
\$434

Based on a 3 person household living in Minnehaha county with a \$31,450 annual income. This does not include escrow payments for insurance or taxes. This is an example only. Depending on your household size, income and variables, your payment may be adjusted slightly or subsidized.