



DBA Neighborhood Housing Services of the Black Hills

**“HOF DPCC” Housing Opportunity Funds  
Down Payment and Closing Cost Assistance Program**  
(Effective on new applications dated 01/01/2018)

**Eligibility:**

- Applicants Household Income must be at or below 115% of the area median income (AMI)
- Verification of Liquid Assets – Liquid Assets cannot exceed a maximum of \$10,000
- Completion of NeighborWorks Homebuyers Education Program is required prior to closing
- Loans available in South Dakota (Service area)
- \$500 Minimum Borrower Investment in to the transaction
- No Cash Back at Closing
- The First Mortgage CD must be approved by NeighborWorks 72 hours prior to closing

**Terms and Conditions:**

- Four Loan Amounts to choose from : \$2,500, \$5,000, \$7,500, \$10,000
- Interest Rate: 0% for 30 Years
- Second Mortgage
- Security: Note & Mortgage
- Combined Loan-to-Value (CLTV) not to exceed 115%
- Appraisal of home or Tax assessed Value may be used (provided by 1<sup>st</sup> Mortgage lender)
- Funds not used for closing costs may be applied toward the down payment or as a principal reduction on the first mortgage at closing to avoid cash back to the borrower
- Proof of Insurance Required listing the lender as additional insured and loss payee

**Fees/Closing Costs:**

- Settlement Fee \$99
- 1% Loan Origination Fee
- \$60 Recording Fees
- Credit Report Fee (to be paid at time of application)
- Fees and closing costs may be rolled into the loan with approval

**Payment Amount:** Monthly payments are not required. Payment in full is due at the earliest of the following occurrences: 360 months, the sale of the home, during a cash out refinance or transfer of title

**NOTE: Funds can't be used toward the borrowers' required 3.5% down payment on FHA loans.**

THIS INSTITUTION IS AN EQUAL OPPORTUNITY PROVIDER, AND EMPLOYER

