

## Housing Incentive Program

The following guidelines will be used to determine eligibility for the Housing Incentive Program sponsored by the Herreid Economic Development Corporation. These are only guidelines and are subject to change based on H.E.D.C. approval and discretion. The program will be effective beginning September 13, 2018 until terminated by H.E.D.C..

- A loan up to \$500.00 per person not to exceed \$2,500.00 per family will be awarded to a person or family to purchase an existing home or construction of a new home located within the city limits of Herreid, SD. (See examples below)
- 0% interest and no principle due for 5 years. After 5 years of residency, the loan will be forgiven.
- Security will be a 2<sup>nd</sup> Mortgage on real estate if primary financing is needed. Security will be a 1<sup>st</sup> Mortgage on real estate if no other financing is needed. The mortgage will be released after a period of 5 years. If homeowners sell the home within 5 years, the mortgage will be in effect and note will be due and payable.
- Only full time residents will be eligible.
- Existing homeowners in Herreid do not qualify.
- A person or family can only qualify one time.
- Existing renters also qualify.
- New home construction will be based on cost of home.
- Mobile homes will be encouraged to be set up on a permanent foundation.
- \$100,000.00 and over homes may qualify for the \$2,500.00 maximum or 2.5%.
- Homes under \$100,000.00 will be prorated based on 2.5% of purchase price.

The following are examples:

Cost of Home	Loan
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\$10,000.00 x 2.5%	= \$250.00 maximum or \$50.00 per person
\$20,000.00 x 2.5%	= \$500.00 maximum or \$100.00 per person
\$30,000.00 x 2.5%	= \$750.00 maximum or \$150.00 per person
\$40,000.00 x 2.5%	= \$1,000.00 maximum or \$200.00 per person
\$50,000.00 x 2.5%	= \$1,250.00 maximum or \$250.00 per person
\$60,000.00 x 2.5%	= \$1,500.00 maximum or \$300.00 per person
\$70,000.00 x 2.5%	= \$1,750.00 maximum or \$350.00 per person
\$80,000.00 x 2.5%	= \$2,000.00 maximum or \$400.00 per person
\$90,000.00 x 2.5%	= \$2,250.00 maximum or \$450.00 per person
\$100,000.00 x 2.5%	= \$2,500.00 maximum or \$500.00 per person

If you or anyone you know may be interested in purchasing or building a home in Herreid, please contact the HEDC for possible assistance and more information: 605-437-2302 or email: [cityofherreid@valleytel.net](mailto:cityofherreid@valleytel.net)

I have read and understand the rules of the Housing Incentive Program and agree to the terms and conditions of the program. I wish to participate in the program, and will provide the following information, including a copy of the purchase agreement or invoices for new construction:

Cost of Lot (if separate): \$ \_\_\_\_\_

Cost of Home: \$ \_\_\_\_\_

Cost of Additions (if any): \$ \_\_\_\_\_

Number of people living in home @ time of purchase: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date