



Native Homeownership Coalition

www.sdnativehomeownershipcoalition.org

Down Payment Assistance Program Memorandum of Understanding

This Memorandum of Understanding (MOU) is agreed to by the following partners: South Dakota Native Homeownership Coalition (hereinafter referred to as the “Coalition”) and _____.

Coalition Member Organization

The purpose of this MOU is to outline the partner responsibilities in carrying out the **South Dakota Native Homeownership Coalition Down Payment Assistance Program.**

1. PROGRAM DESCRIPTION

The South Dakota Native Homeownership Coalition offers a statewide Down Payment Assistance Program to homebuyers who are clients of Coalition Member Organizations in good standing. Coalition Members in good standing have paid their annual membership dues and are current on all the Coalition’s data reporting requirements.

2. PURPOSE

The purpose of the program is to close the affordability gap for Native families in South Dakota¹ who are seeking to achieve homeownership both on and off reservation. The targeted percentage split is 80% on reservation and 20% off reservation, but this may fluctuate based on funding requirements, availability of funds, or need.

3. PARTNER ROLES AND RESPONSIBILITIES

A. The South Dakota Native Homeownership Coalition agrees to:

1. Design and implement the program.
2. Fundraise to capitalize the program.
3. Accept DPA requests from Coalition Member Organizations.
4. Provide Coalition Member Organizations with written notice of the obligation of DPA funds.
5. Disburse funding by wiring funds to the loan closing agent.

¹ Eligible borrowers also include those seeking to purchase homes on the North Dakota portions of the Standing Rock or Lake Traverse Indian Reservations.



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B. _____ agrees to:

Coalition Member Organization

1. Conduct outreach about the availability of the Coalition's DPA program.
2. Determine the eligibility of homebuyers for the DPA program.
3. Submit DPA requests to the Coalition along with an attestation of borrower eligibility and prioritize the submission of those requests to the Coalition based on anticipated closing dates.
4. Communicate with borrowers throughout the process, including providing the borrower with the notice of Coalition's obligation of DPA funds.
5. **For DPA assistance provided prior to April 3, 2024**, Recapture and return DPA funds to the Coalition if the terms of the Security Agreement are not met.
6. **For the DPA assistance provided prior to April 3, 2024**, subordinate liens to lenders to accommodate borrowers for a rate or term refinance with no cash out or debt consolidation refinance.
7. Provide additional information to Coalition for data reporting or other Coalition purposes.

4. DISTRIBUTION AND ELIGIBILITY

A. The South Dakota Native Homeownership Coalition agrees to:

1. Provide up to \$10,000 in available funds to eligible borrowers for down payment assistance, closing costs, and other eligible expenses related to permanent mortgage financing.
2. Review the request to confirm the eligibility of the request, including confirmation that the member organization is in good standing and able to participate in the DPA program.
3. Provide the Member Organization with written notice of the obligation of funds, if DPA funds are available.
4. Notify Member Organizations when funding is limited and discontinue accepting applications until funds become available.
5. Obligate funds for eligible applicants for a term not to exceed 60 days, allowing one 30-day extension for extenuating circumstances.

B. _____ agrees to:

Coalition Member Organization

1. Ensure members are eligible for the Coalition's DPA program.
2. Use funds for subsidies for down payments and principal reduction, closing costs associated with the loan or purchase of the home, or other homebuyer expenses such as appraisals, inspections, credit report fees, or hazard insurance.



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- 3. Provide DPA request form with attestation of borrower eligibility and executive *Authorization of Release of Information* to the coalition.
- 4. **For DPA assistance provided prior to April 3, 2024**, File a Security Instrument with five-year retention period in the appropriate jurisdiction.

By signing below, each partner indicates that they have fully read and understood this Memorandum of Understanding:

SOUTH DAKOTA NATIVE HOMEOWNERSHIP COALITION

Signature

Date

Title

LAKOTA FUNDS

Signature

Date

Title

Coalition Member Organization

Signature

Date

Title

