



SOUTH DAKOTA  
**Native Homeownership  
Coalition**

[www.sdnativehomeownershipcoalition.org](http://www.sdnativehomeownershipcoalition.org)

**South Dakota Native Homeownership Coalition  
Down Payment Assistance (DPA) 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 . 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 Dakota<sup>1</sup> 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 the following:

1. Design and implement the program.
2. Fundraising 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 funds to the loan closing agents.

B. \_\_\_\_\_ agrees to:

1. Conduct outreach about the availability of the Coalitions’ 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.

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<sup>1</sup> 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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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 funds to the Coalition if the terms of the Security Agreement are not met.
6. **For 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 purposes 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 Organization 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 the following:

1. Ensure members are eligible for the Coalition's DPA program.
2. Use of 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.
3. Provide DPA request form with attestation of borrower's eligibility and executive of *Authorization of Release of Information* to the Coalition.
4. **For DPA assistance provided prior to April 3, 2024**, file a Security Instrument with the five-year retention period in the appropriate jurisdiction.



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**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

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Date

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Title

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Signature

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Date

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Title