



## 2021 South Dakota Legislature

# Senate Bill 117

Introduced by: **Senator David Johnson**

1 **An Act to provide for the refinancing of certain mortgages on properties affected by**  
 2 **declared disasters.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1.** That a NEW SECTION be added:

5 **11-11A-1. Definitions.**

6 Terms used in this Act mean:

7 (1) "Applicant," any person or group of persons who owns a property who are seeking  
 8 a loan;

9 (2) "Authority," the South Dakota Housing Development Authority;

10 (3) "Disaster," any disaster, whether natural or man-made, as declared under § 11-  
 11 11A-2;

12 (4) "Property," a single-family home, townhome, condominium, or duplex.

13 **Section 2.** That a NEW SECTION be added:

14 **11-11A-2. Declaration--Emergency.**

15 If the Legislature, through bill or joint resolution, or the Governor, through  
 16 executive order, makes a declaration that a housing emergency exists due to a natural or  
 17 man-made disaster, the authority shall, as provided by this Act, administer no-interest  
 18 loans to qualified applicants whose property values were decreased due to the natural  
 19 disaster stated in the bill, resolution, or order. The bill, resolution, or order shall state:

20 (1) A declaration of emergency and a description of the disaster;

21 (2) A description of affected persons who qualify for a loan; and

22 (3) A date, or a range of dates, on which the disaster occurred.

23 **Section 3.** That a NEW SECTION be added:

1           **11-11A-3. Application--Loan.**

2           An applicant shall complete an application in order to receive a loan under this Act.

3           The application shall require:

- 4           (1) The name of the applicant, which must include every person who owns or co-owns  
5           the property;
- 6           (2) A sworn affidavit stating that the applicant is qualified to apply for a loan as  
7           described under § 11-11A-4;
- 8           (3) Documentation of ownership of the property;
- 9           (4) Documentation showing the value of the property within one year prior to the date  
10           of the disaster;
- 11           (5) Documentation showing the value of the property within two months of the date  
12           of the application;
- 13           (6) Documentation showing the remaining value, within two months of the date of the  
14           application, of any mortgage taken out prior to the date of the disaster;
- 15           (7) Any other documentation or information required by the authority; and
- 16           (8) An application fee, to be no more than twenty-five dollars.

17           After receiving the application, the authority shall evaluate the application to  
18           ensure the applicant's qualification under § 11-11A-4 and the proper loan amount as  
19           allowed under § 11-11A-5. The authority may reject an applicant if the applicant does not  
20           qualify or request that the applicant amend the application in order to come into  
21           compliance. Once both qualification and loan amount have been determined, the authority  
22           shall approve the application.

23           **Section 4.** That a NEW SECTION be added:

24           **11-11A-4. Qualifications--Applicant.**

25           In order to qualify for a loan under this Act an applicant must meet all of the  
26           following:

- 27           (1) The applicant owns a property whose value was substantially affected by the  
28           emergency stated in the declaration under § 11-11A-2;
- 29           (2) The applicant meets the description of affected persons described in the  
30           declaration under § 11-11A-2;
- 31           (3) An applicant or a member of their immediate family:
- 32           (a) Lived at the property at the time of the emergency; or
- 33           (b) Stopped residing at the property due to the disaster;

- 1       (4) The property has become uninhabitable, and likely will be uninhabitable for a  
2           year or more from the date of application, due to the disaster; and  
3       (5) The disaster was not caused by the applicant or a person authorized to be living  
4           on the property.

5       **Section 5.** That a NEW SECTION be added:

6           **11-11A-5. Loan.**

7           The loan amount may be no more or no less than the amount remaining on the  
8           mortgage for a qualifying property as displayed on the approved application under § 11-  
9           11A-3. The loan may not require the applicant to pay interest, but shall require the  
10          applicant to repay the full amount of the loan to the authority. Any funds received from a  
11          loan contracted for under this Act may only be applied toward repaying the mortgage  
12          documented in the application. Any funds not applied to repaying the mortgage shall be  
13          immediately repaid to the authority.

14       **Section 6.** That a NEW SECTION be added:

15           **11-11A-6. Terms--Contract.**

16           If an application has been approved, the authority shall prepare a contract and any  
17           other necessary forms for the repayment of the loan under this Act. All persons who own  
18           or co-own the property, and the authority, shall sign the contract. As feasible, the  
19           authority shall require repayment of the loan in the same amount of time the applicant  
20           had to repay the existing mortgage on the property.

21       **Section 7.** That a NEW SECTION be added:

22           **11-11A-7. Rulemaking.**

23           The authority shall promulgate rules, under chapter 1-26, to establish:  
24           (1) The form of the application required under § 11-11A-3;  
25           (2) Allowable forms of documentation that must be supplied under § 11-11A-3;  
26           (3) Additional information or documentation to be included in an application under §  
27           11-11A-3 to ensure compliance with this Act;  
28           (4) The application fee under § 11-11A-3;  
29           (5) Procedures for determining the loan amount under § 11-11A-5 and the length of  
30           repayment under § 11-11A-6;

- 1        (6) The terms of the contract to be signed between the applicant and the authority  
2            under § 11-11A-6; and  
3        (7) The form of the contract and any other forms that shall be signed between the  
4            applicant and the authority under § 11-11A-6.