



2025 South Dakota Legislature

House Bill 1253

Introduced by: **Representative Rice**

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 to a NEW CHAPTER in title 11:**

5 Terms used in this chapter mean:

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

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

9 (3) "Disaster," any disaster, whether natural or man-made, as declared pursuant to
10 section 2 of this Act; and

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

12 **Section 2. That a NEW SECTION be added to a NEW CHAPTER in title 11:**

13 If the Legislature, through a bill or joint resolution, or if the Governor, through an
14 executive order, makes a declaration that a housing emergency exists due to a disaster,
15 the authority must, as provided in this chapter, administer no-interest loans to qualified
16 applicants whose property values were decreased due to the disaster stated in the bill,
17 resolution, or order. The bill, resolution, or order must contain:

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

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

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

21 **Section 3. That a NEW SECTION be added to a NEW CHAPTER in title 11:**

22 An applicant shall complete an application in order to receive a loan pursuant to
23 this chapter. The application must contain:

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

After receiving the application, the authority shall evaluate the application to ensure the applicant's qualification pursuant to section 4 of this Act and the proper loan amount as allowed pursuant to section 5 of this Act. The authority may reject an applicant if the applicant does not qualify or request that the applicant amend the application in order to come into compliance. Once both the applicant's qualification and the loan amount have been determined, the authority shall approve the application.

Section 4. That a NEW SECTION be added to a NEW CHAPTER in title 11:

In order for an applicant to qualify for a loan pursuant to this chapter:

- (1) The applicant must own a property, the value of which was substantially affected by the emergency stated in the declaration made under section 2 of this Act;
- (2) The applicant must be an affected person as provided in the declaration, pursuant to section 2 of this Act;
- (3) The applicant or a member of the applicant's immediate family must have:
 - (a) Lived at the property at the time of the emergency; or
 - (b) Stopped residing at the property due to the disaster;
- (4) The property must have become uninhabitable, and likely will remain uninhabitable for a year or more from the date of the application, due to the disaster; and
- (5) The disaster must not have been caused by the applicant or a person authorized to be living on the property.

Section 5. That a NEW SECTION be added to a NEW CHAPTER in title 11:

The loan amount may be no more or no less than the amount remaining on the mortgage for a qualifying property as displayed on the approved application pursuant to section 3 of this Act. The loan may not require the applicant to pay interest, but must require the applicant to repay the full amount of the loan to the authority. Any moneys received by an applicant from a loan contracted for pursuant to this chapter may only be applied toward repaying the mortgage documented in the application. Any moneys not applied to repaying the mortgage must be immediately repaid to the authority.

Section 6. That a NEW SECTION be added to a NEW CHAPTER in title 11:

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

Section 7. That a NEW SECTION be added to a NEW CHAPTER in title 11:

The authority shall promulgate rules, under chapter 1-26, to establish:

- (1) The form of the application required pursuant to section 3 of this Act;
- (2) Allowable forms of documentation that must be supplied pursuant to section 3 of this Act;
- (3) Additional information or documentation to be included in an application pursuant to section 3 of this Act, to ensure compliance with this chapter;
- (4) The application fee as required in section 3 of this Act;
- (5) Procedures for determining the loan amount pursuant to section 5 of this Act and the length of repayment pursuant to section 6 of this Act;
- (6) The form and terms of the contract to be signed between the applicant and the authority pursuant to section 6 of this Act; and
- (7) The form of any other document that must be signed by the applicant and the authority pursuant to section 6 of this Act.