

2021 South Dakota Legislature

Senate Bill 117**AMENDMENT 117B FOR THE INTRODUCED BILL**

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 ~~for which insurance is unavailable~~, the authority shall, as provided by
18 this Act, administer no-interest loans to qualified applicants whose property values were
19 decreased due to the natural disaster stated in the bill, resolution, or order. The bill,
20 resolution, or order shall state:

- 21 (1) A declaration of emergency and a description of the disaster;
22 (2) A description of affected persons who qualify for a loan; and
23 (3) A date, or a range of dates, on which the disaster occurred.

24 **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.

