

BUILDSPEC LOAN PROGRAM

BUILDSPEC is a partnership loan program with the South Dakota Home Builders Association and South Dakota Housing Development Authority that is available to SDHBA Builder Members.



Program Fast Facts:

- Available Only to SDHBA Builder Members
 - Not a Member? Contact SDHBA Directly
- Funding for Residential Speculative Builds
- Maximum House Cost: \$385,000
- Maximum Loan Amount: 80% of Home Value
- 6-Months Interest Free Financing
- 1% Origination Fee
- Full Details & Application Online:

www.sdhomebuilders.com/buildspec-loan-program/



Applications are processed through the South Dakota Housing Development Authority!

(605) 773-5236

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Pierre, SD 57501

BUILDSPEC Loan Program

Exclusive Builder Member Benefit

BENEFIT UPDATE!

As of May 31, 2023 the maximum home value of the BuildSpec program is \$385,000

The BuildSpec Loan program is an exclusive member benefit for SDHBA Builder Members. The loan program incentivizes builder members of the South Dakota Home Builders Association to build speculative homes. The program is a partnership with the SDHBA and the South Dakota Housing Development Authority whereby the South Dakota Development Authority offers low-interest construction loans to builder members of the South Dakota Home Builders Association for speculative homes.

Builder members of the South Dakota Home Builders Association qualify with a limit of one loan at a time. If a builder has had a BuildSpec Loan previously, and there is a waiting list, the builder must go to the end of the waiting list.

The value of the speculative home can be up to \$385,000, and the loan maximum is 80% of the home's value. There is \$2 million available in the revolving loan fund. Six loans can be out simultaneously if each loan is funded at the maximum limit. Each loan requires a 1% origination fee. The maximum term of a loan is 12 months. For the first six months of the loan, it is 0% interest. The interest rate for the second six months is ½ of the market rate used by the South Dakota Housing Development Authority.

A third 6-month extension request will require that the builder pay an additional origination fee of ½% of the loan amount, and the interest rate rises to the full market rate used by the South Dakota Housing Development Authority.

The applications are reviewed and administered by the South Dakota Housing Development Authority. SDHBA Builder Members may apply for the BuildSpec Loan program anytime during the year. The South Dakota Housing Development Authority does verify current membership with SDHBA.

Builder members can access the complete application form on the SDHBA website. Additional inquiries should be directed to Mike Harsma of the South Dakota Housing Development Authority by calling 605.773.5236 or emailing mike@sdhda.org.

Interested builders not members of the South Dakota Home Builders Association should contact the SDHBA office for guidance on joining their nearest local association.