

Application Process

Potential applicants will contact the BASEC Housing Staff. BASEC staff will inform the applicant on the requirements and determine eligibility.

The applicant will supply documentation such as income sources, home ownership verifications and a completed application.



The information contained in this brochure gives an overview of the HP Loan Program. For more detailed information, or to request an application, contact the BASEC Housing Staff at the numbers or address listed on the reverse of this brochure.

BASEC's Vision, Mission and Values

VISION

Healthy, vital communities with the capacity to produce results they care about.

MISSION

Promote and support community improvement efforts

VALUES

Economic self reliance
Community involvement
Cooperation and partnerships



For more information on this and other BASEC programs contact

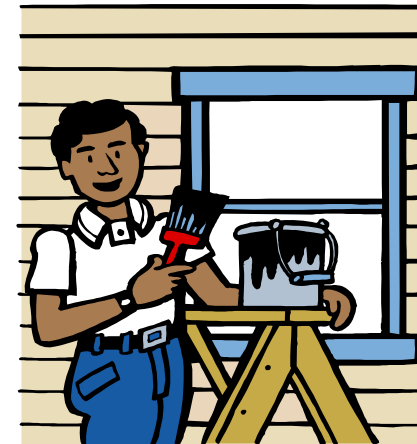
BASEC
P.O. Box 68
Yale, SD 57386

Toll Free Phone 866-599-2991
Ph. 605-599-2991
Fax 605-599-2992
SD Relay Service dial 711
email: housing@santel.net
web page: www.basec.org

*This is an equal opportunity program.
Discrimination is prohibited by Federal Law.
Complaints of discrimination should be sent to:
USDA Director, Office of Civil Rights
Washington D.C. 20250-9410*

Revised 8/04

Housing Preservation Loan Program



Affordable low interest lending program for home improvements or repairs for income eligible homeowners

Basec
BEADLE & SPINK
ENTERPRISE COMMUNITY

Objective & Purpose

The objective of BASEC's Housing Preservation Loan Program is to provide assistance to income eligible homeowners for the repair, rehabilitation, and preservation of their homes.

Loan Terms & Interest

A Housing Preservation Loan allows the client to borrow up to \$5,000 at an interest rate of 5% for up to 10 years.

There is no penalty for early payment of loan.



The BASEC Board of Directors and its authorized representatives, reserve the right to change these policies as funding and circumstances warrant.

Applicant Eligibility & Restrictions

- ◆ The applicant must have income that meets the very low or low-income definitions in accordance with USDA Rural Development Income Guidelines.
- ◆ The home must be used as the applicant's primary residence and applicant must have lived in the home at least one year.
- ◆ The home must be located within the BASEC geographic area.
- ◆ Evidence of ownership will be required.
- ◆ The applicant must show repayment ability and good credit.
- ◆ Funds may not be used to refinance existing debt.
- ◆ Loan proceeds may not be used for home furnishings, or window treatments.
- ◆ The cost of repairs must be considered economically feasible when considering the present and future value of the home.
- ◆ The loan proceeds, along with any owner cash contribution, must cover the total cost of the rehabilitation project.

Other Requirements

- ◆ Hazard insurance will be required with BASEC listed as the loss payee. Flood insurance will also be required if home is located in recognized flood zone.
- ◆ Mobile homes and manufactured housing must be on a permanent foundation. Loan funds may be used for permanent foundations.
- ◆ A mortgage will be filed. The borrower is responsible for this filing fee which is typically \$22.
- ◆ The credit history of the applicant will be reviewed according to USDA/Rural Development Instructions 1980.345d.
- ◆ There will be a \$20 loan origination fee charged to the borrower.
- ◆ Written bids will be used for project costs. It is the borrower's responsibility to secure the contractor.
- ◆ The borrower's input of labor will not be paid for with loan proceeds.
- ◆ All projects are subject to inspections to monitor the progress and quality of work. This is done strictly for the benefit of assuring program compliance. No warranty to the homeowner is implied.