



A TYPICAL RURAL HOUSING STORY

Meet the Bettermans. They aren't a real family—but they could be. Local housing experts tell us that something like this has happened in many Dakota towns.

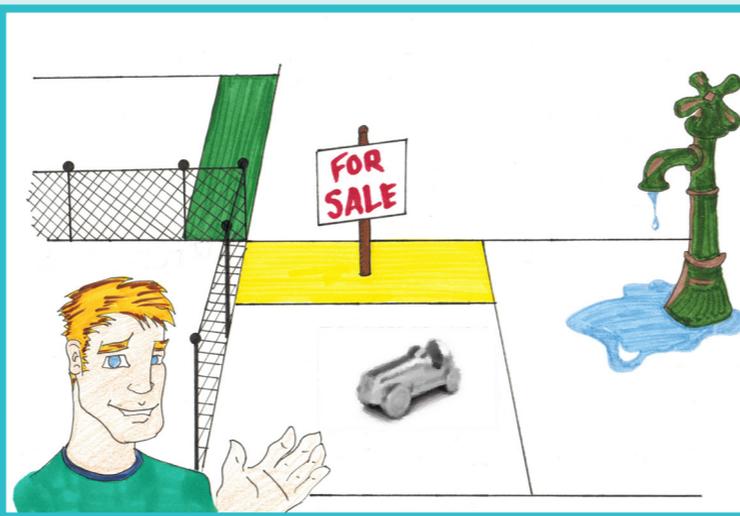
Mike and Jill Betterman grew up in Smallton, S.D. After 10 years away, they want to move back home so their two young children could grow up the way they did. Things start to fall into place—Mike finds a good job in his field in Biggerton, just 30 miles from Smallton! Jill doesn't have work lined up, but she's planning on spending time at home with the kids for a few years. She's sure she can find something part-time when she's ready. Next on their list: Finding a place to live. And that's where they hit some roadblocks.

FIRST, THEY START SHOPPING FOR A HOUSE TO BUY.

There are not many houses for sale in Smallton. Just two, actually. One is fairly old, and has not been maintained well. The price is low, but the Bettermans know it will need a lot of work before they can live in it. They also see some foundation problems that make them leery. The second house has just been built. It is quite nice. But the price is very high—higher even than some of the houses in the city they are moving from. Even with a good salary from Mike's new job, they aren't sure they could afford it if Jill isn't working, too. And it isn't exactly what they want. If they are moving into a new house, why not have one built to order?



SO THEN THEY LOOK AT BUILDING A HOUSE.



The first problem is figuring out where to build. They look on the edge of town, but no one is willing to sell ag land, which in any case would require rezoning—plus additional costs to hook up water, sewer and electricity, and to put in a driveway. And they'd really prefer to be in town and close to the school so the children could walk there someday. There are open lots in town, but no one is willing to sell. There are some houses that need to be torn down, but they are held up by legal difficulties. They finally find one person willing to sell them a lot. They head to the bank to discuss getting a loan.

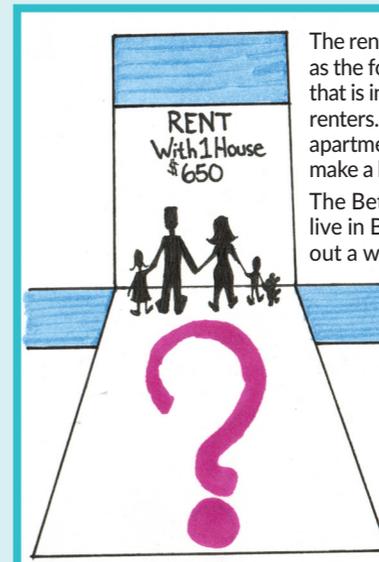
Story by HEIDI MARTTILA-LOSURE • Illustrations by JASON UPHOFF

FINDING FINANCING PROVES TO BE DIFFICULT.

The local banker says he no longer deals in mortgages. He recommends a bank in Biggerton that could do loans. So the Bettermans go to Biggerton, where a banker has them fill out paperwork. She cautions them that rules were made stricter after the financial meltdown in 2008, so they will need to come up with a fairly sizable deposit. Like many people their age, they don't have very much money saved up, so this is concerning to them. Then they start discussing estimates for the size of home they want to build. The banker sees a problem: The cost of building that home looks to be more than the house will be appraised at when it's done. The house would be difficult to resell at the cost it took to build it. One problem is there's a lack of "comparables"—few houses have been sold in Smallton recently, and their sale prices were really low. The banker is not sure they'll be approved for financing, a decision made in an office in another state.



FEELING A LITTLE DISCOURAGED, THE BETTERMANS LOOK INTO RENTING A HOME FOR A WHILE, UNTIL THEY CAN BUILD UP A DOWN PAYMENT AND FIGURE OUT SOME OTHER OPTIONS.



The rental housing market has about as few choices as the for-sale market. There is one home available that is in very rough shape from the previous renters. Other than that, there are income-qualified apartments available, but with Mike's new job, they make a little too much to qualify. The Bettermans regretfully decide they'll have to live in Biggerton for a while, until they can figure out a way to make their home in Smallton.

HOW CAN TOWNS LIKE SMALLTON HELP PEOPLE LIKE THE BETTERMANS FIND A PLACE TO LIVE?