IDAHO HOUSING AND FINANCE ASSOCIATION
BORROWER AFFIDAVIT
AND
LENDER/BROKER CERTIFICATION
(Pursuant to Section 143 of the Internal Revenue Code)

STATE OF IDAHO

COUNTY OF _____
County Subject Property is located in

I, the undersigned, being first duly sworn, state, under penalty of perjury, that each and every one of the following statements is true and correct.

I certify that: My Legal name(s) is: My current address and phone are:

_____ _____
Street

_____

Social Security # _____ City State Zip
Social Security # _____

Phone (work) (home)

1. The residence being purchased is a single-family dwelling located in the State of Idaho at the following address:

_____

and will become, and remain, my principal residence within sixty (60) days after the date of the Mortgage Loan closing. All of the land being purchased along with the residence, if any, or any land on which the residence is located, reasonably maintains the basic livability of the residence and does not and will not provide, other than incidentally, a source of income to me.

2. The residence will not be rented or otherwise used as an investment property, vacation home, or recreational home. No more than 15% of the total area of the residence will be used in a trade or business and I will not deduct any portion of the cost of the residence as a home business expense on my state or federal income tax return(s).

3. If the loan application is for a newly constructed residence:

   (i) It has not and will not be occupied prior to the Lender's/Broker's loan commitment.

   (ii) The proceeds of the Mortgage Loan will not be used to replace an existing mortgage, land contract, bridge loan, or similar temporary initial financing unless such temporary initial financing has a term of twenty-four (24) months or less.

4. If the loan application is for a previously occupied existing residence, the proceeds of the Mortgage Loan will not be used to replace my existing mortgage or my existing land contract.

5. BORROWER'S SWEAT EQUITY: Idaho Housing and Finance Association will not recognize or allow credit to be granted to the borrower(s) from the Seller and/or Contractor for labor performed by the Borrower(s) in the construction of the residence in the case of a conventionally financed loan.

6. ACQUISITION COST: Maximum acquisition cost is limited by Federal regulation. However, home purchase price limits for the Program are set by the Idaho Housing and Finance Association and may be lower than the maximum set by applicable Federal regulation. Acquisition cost shall mean the cost of acquiring a residence from the seller as a completed residential unit and includes the following:

   (i) All amounts paid either in cash or in kind, by the purchaser (or related party for the benefit of the purchaser) to the seller (or a related party for the benefit of the seller) as consideration for the residence, including any improvements to the residence paid for by the purchaser and all commissions, whether paid by the buyer and/or seller. However, it shall not include usual and reasonable settlements costs or permanent financing charges (but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the mortgagor where financing is not provided through tax exempt bonds).

   (ii) If a residence is incomplete, the reasonable cost of completing the residence, including all builders' fees, hook-up and tap- in fees, permits, architectural fees, all site improvements, work credits, subcontracted items and construction loan interest. However, it shall not include the value of services performed by the mortgagor or members of the mortgagor's family in completing the residence.

   (iii) The purchase price of the land. If the land has been received as a gift or obtained more than two years before the date of the applicable Borrower Affidavit and Lender/Broker Certification (this form), the acquisition cost shall be deemed to be the appraised value of the land. Where a residence is purchased subject to a ground rent, the capitalized value of the ground rent.

   Total Acquisition cost will be $_____and will not exceed the acquisition cost limitation applicable to the residence.

7. No side deal or agreement, either verbal or written, is presently contemplated for the completion of or the addition to this residence, unless the estimated cost of the completion and/or addition is included in the acquisition cost.

8. The total amount of payments made to date and to be made in the future by me, or a person related to me, or for the benefit of me, for purchase of the residence is

   $_____; OR if the Residence has not been completely constructed as of the date of my execution of this Affidavit, a reasonable estimate of the cost of completing the Residence is $_____.

9. I do not own any other property purchased under any Idaho Housing and Finance Association program which will be retained for any purpose.

10. PRIOR NON-HOME OWNERSHIP REQUIREMENT: (Targeted Counties Exempt) I understand that I am not eligible for a Mortgage Loan, under this program, if I individually or together with another person had an ownership interest in a principal residence within three (3) years from _____(projected date of closing). For this purpose, a principal residence includes a single family residence or condominium owned by me (including any mobile or manufactured home which is permanently affixed to real property but excluding any mobile or manufactured home located on rented land with a lease term of one (1) year or less) during the three (3) year period prior to the date of execution of the Deed of Trust, in addition, mobile homes located on real property owned by the borrower will be considered prior home ownership. Interests which constitute present ownership include but are not limited to (a) a fee simple interest, (b) a joint tenancy, (c) a tenancy in common, (d) a tenancy by the entirety, (e) the interest of a tenant shareholder in a cooperative, (f) a life estate, (g) a land contract (i.e., a contract pursuant to which possessions and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time), and (h) an interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that will constitute a present ownership interest if held directly by the Mortgagor. I have not had a present ownership interest in a principal residence with the three years prior to the closing date.

11. Check and complete the following sections that correctly apply to you, the undersigned borrower(s):

☐ I have not owned a principal residence within the three (3) year period prior to_____(projected date of closing), and do hereby submit a true and complete credit report obtained by the Lender/Broker related to my application for the Mortgage Loan.

☐ I am exempt from the three (3) year non-ownership requirement because the Residence is located in a Targeted County of the State of Idaho. I acknowledge that I have received a list of Targeted Counties prior to execution of this Affidavit.

12. INCOME REQUIREMENTS

My gross annual household income does not exceed the maximum program for a household of___ person(s) in

_____County.

(i) Qualifying income from Loan Application/AUS: $_____.
Income listed on AUS/URLA that is used to qualify borrower per agency guidelines.

(ii) Household Income (as defined below) $_____
Annual Gross Household income is the total of all sources of income from anyone: on title, all spouses, whether borrowing or non-borrowing, and all other adult individuals 18 years or older who will both occupy the residence and be liable (primarily or secondarily) on the deed, mortgage, or note. This income calculation methodology is applied to each loan to accurately and completely measure the household's total gross income for the prospective 12 months (in the future) from the application date.

This calculation is used to determine adherence with current IRS Income Limits per IRS Mortgage Revenue Bond requirements.

I understand that I am <u>not</u> eligible for an Idaho Housing and Finance Association qualified tax-exempt loan if my total annual income as stated on Line ii exceeds $_____. (Lender/Broker to insert applicable program limit)

ADDITIONAL INCOME DEFINED: Child support, alimony or separate maintenance payments; periodic payments from trusts, annuities, inheritance, insurance policies, pensions, retirements funds, and lotteries; all public assistance payments (excluding Medicaid and food stamps) including any amount by which educational grants, scholarships, and/or Veterans Administration education benefits exceed expenses for tuition, fees, books, and equipment and reasonable rent and utility costs for a student living away from home; recurring investment income not including gains on a one-time sale or any gains from the sale of the Borrower(s) prior residence; all public assistance payments; voluntary deferred compensation plans; payments in lieu of earnings, including social security, unemployment benefits, worker's compensation, severance pay, disability or death benefits; income from partnerships, undisbursed profits from a business owned by Borrower(s) in whole or in part; regular cash contributions received from persons not living in household; income from contracts receivable, net rental income, and one-time severance pay.

EXCLUDED INCOME DEFINED: Such temporary, non-recurring or sporadic income as casual, sporadic or irregular gifts; the income of a live-in assistant; amounts that are specifically for in reimbursement of the cost of medical expenses; lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), nonrecurring lottery winnings, capital gains for settlement for personal or property losses; amounts of educational scholarships paid directly to the student or to the educations institution and amounts paid by the Government to a Veteran, for use in meeting the costs of tuition, fees, books and equipment, materials supplies; transportation and miscellaneous personal expenses of the student; income from employment of children (including foster children) under the age of 18 years, payments received for the care of foster children; special pay to a household member serving in the Armed Forces who is exposed to hostile fire; amounts received under training programs funded by HUD; amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out- of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc., and which are made solely to allow participation in a specific program) temporary, nonrecurring or sporadic income (including gifts); or amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1927.

13. <u>IHFA MRB LOANS HAVE RESTICTED ASSUMABILITY</u>

I understand that (a) any transfer of title to or possession of the Residence or any portion thereof, (b) any assumption of the Deed of Trust which secures the Mortgage Loan for which the Association has not given its prior written consent and (c) any untrue or incorrect statement in this Affidavit, may result in the entire unpaid balance of the Mortgage Loan becoming immediately due and payable and may result in the disallowance of the Federal income tax deduction with respect to the interest on the Mortgage Loan.

14. I authorize the Association, its agents or assigns and the Lender/Broker or the Servicer of the Mortgage Loan to conduct such investigation as they deem necessary to ascertain the truth and correctness of the statements made in this Affidavit, and agree to provide such information as the Association, its agents or assigns and the Lender/Broker or the Servicer of the Mortgage Loan shall reasonably request for such purpose.

15. Any restrictions on conveyance in any loan document or deed of trust will automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary of HUD.

I further certify that I have not been required to obtain my Mortgage Loan from any particular lender.

I/WE CERTIFY THAT THE INFORMATION LISTED ABOVE IS GIVEN FOR THE PURPOSES OF OBTAINING AN IDAHO HOUSING AND FINANCE ASSOCIATION LOAN AND IS TRUE AND COMPLETE. I/WE REALIZE THAT THE LENDER/BROKER AND THE ASSOCIATION WILL RELY UPON THIS INFORMATION IN APPROVING THIS MORTGAGE LOAN. (THIS LOAN MUST CLOSE WITHIN 60 DAYS OF EXECUTION OF THIS AFFIDAVIT OR THE INCOME MUST BE REVERIFIED). I UNDERSTAND THAT MONEYS FOR THE PURCHASE OF SUCH RESIDENCE ARE BEING PROVIDED FROM PROCEEDS OF QUALIFIED MORTGAGE REVENUE BONDS ISSUED BY THE IDAHO HOUSING AND FINANCE ASSOCIATION. AS A BORROWER, I MAY RECEIVE BENEFITS FROM THIS FINANCING SUCH AS SAVINGS IN MORTGAGE LOAN INTEREST COSTS. AS A RESULT, PURSUANT TO SECTION 143(M) OF THE INTERNAL REVENUE CODE, I MAY, AT THE TIME OF RESALE BY ME OF THE RESIDENCE FINANCED BY THE MORTGAGE, BE SUBJECT TO A SPECIAL "RECAPTURE TAX" FOR FEDERAL INCOME TAX PURPOSES

I/We have ☐ have not ☐ within the last year applied for an Idaho Housing and Finance Association loan, nor do I currently have an Idaho Housing and Finance Association loan in process at any other lending institution(s).

DATED this _____ day of _____, 20_____

Borrower Signature _____
Typed Name

Borrower Signature _____
Typed Name

SUBSCRIBED AND SWORN to before me, the undersigned Notary in and for said State, this _____ day of _____, 20____

_____
Typed Name of Notary

NOTARY PUBLIC For IDAHO
Residing at _____, therein
My Commission Expires:_____

LENDER/BROKER CERTIFICATION

Lender/Broker hereby reaffirms and restates all its representations, covenants and warranties referenced and contained in that most recent Mortgage Loan Purchase Contract between Lender/Broker and Idaho Housing and Finance Association, as amended, that may apply to the sale and purchase of this Mortgage Loan under the Mortgage Revenue Bond Program (the "Program"), including without limitation that all required insurance and surveys have been obtained, that the residence and the Borrower meet all purchase price and other program limits and that all applicable mortgage insurance or guaranty provisions and state and federal laws have been complied with. The Lender/Broker certifies that upon reasonable investigation, the Borrower meets applicable Program eligibility requirements and neither the Lender/Broker, Borrower, nor the Seller of the Residence have made any negligent or fraudulent, material misstatements in the above affidavit or otherwise in connection with the Borrower(s) application for a Mortgage Loan. Based upon its review of the application and related documents, the Lender/Broker further certifies that this Mortgage Loan is in all respects a prudent investment (except as to interest rate).

Date: _____

Lender/Broker: _____

By: _____

Title: _____