

**IDAHO HOUSING AND FINANCE ASSOCIATION AFFIDAVIT
AND LENDER/BROKER CERTIFICATION**

**MORTGAGE REVENUE BORROWERS APPLICATION (Section 143, Internal Revenue Code)
TAX CREDIT APPLICATION (Section 25, Internal Revenue Code)**

STATE OF IDAHO)
)
COUNTY OF)

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 be occupied within thirty (30) days after the date of the Mortgage Loan closing and must remain as my principal residence for the first twelve months from the date of closing.
 2. The residence will not be used as an investment property, vacation home, or recreational home for the first 12 months of the loan and no more than 15% of the total area of the residence will be used in a trade or business.
 3. If the loan application is for a newly constructed residence:
 - a. It has not and will not be occupied prior to the Lender's/Broker's loan commitment.
 - b. The proceeds of the Mortgage Loan will not be used to replace an existing mortgage or land contract unless the existing mortgage or land contract is for a construction period loan of 24 months or less, or a bridge loan or similar temporary initial financing of 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 my 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:** Acquisition cost is subject to the limitations of the Internal Revenue Code and the regulations thereunder. However, home purchase price limits for the Program are set by the Idaho Housing and Finance Association and may be lower than the "Safe Harbor Limits" established 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 appearing below:
(check one)
- New, Never Occupied Residence: \$ _____ (Lender/Broker to insert applicable program limit)
 Existing, Previously Occupied Residence: \$ _____ (Lender/Broker to insert applicable program limit)
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 (as defined in Section 143 of the Internal Revenue Code of 1986 as amended), 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 9a) 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 am required to file Federal tax returns and do hereby submit true and complete copies of my signed Federal income tax returns as filed for the preceding three (3) years or such other verification as is acceptable to IHFA for the years _____, _____, _____.

I was not required by law to file a Federal Income tax return for the years _____, _____, _____ for the following reason(s):

The closing of my Mortgage Loan is occurring between January 1 and April 15, and I have not yet filed my Federal income tax return for the prior year. When I file my Federal tax return for the prior year, I will not be entitled to, nor claim, deductions for real estate taxes or interest on indebtedness with respect to property constituting my principal residence for that year.

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 _____ persons in _____ county.

My total household income to be stated on the Loan Application: 1. _____

My additional household income not included on line 1 is: 2. _____

Borrower must include all income received by the mortgagor(s), the spouse of the mortgagor, and any other person who is expected to live in the residence being financed an/or is secondarily liable on the Mortgage Loan.

My total annual income (ADD lines 1 and 2) 3. _____

I understand that I am not eligible for an IHFA loan or tax credit (MCC) if my total annual income as stated on Line 3 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, undistributed 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 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 education 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. IHFA MRB LOANS HAVE RESTRICTED ASSUMABILITY

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. If this is an application for an MCC under Internal Revenue Code Section 25, I certify that the Mortgage Loan is NOT to be funded with the proceeds of mortgage revenue bonds under Internal Revenue Code Section 143 or qualified mortgage bonds.

I further have reviewed the Tax Credit (MCC) Program Brochure and understand that the MCC, if issued, will entitle me to an annual Federal tax credit of 35% of the interest paid on my mortgage loan for my principal residence up to a maximum of \$2,000 in any year. In addition, I understand that I will be charged a Tax Credit (MCC) fee of \$300.00. I have been advised to consult with my tax accountant to calculate the tax consequences of my participation in the Tax Credit Program that the Tax Credit will reduce my mortgage interest deduction for tax purposes.

16. 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/We have _____ have not _____ within the last year applied for an IHFA loan, nor do I currently have an IHFA loan in process at any other lending institution.

Signature of Borrower(s): _____ DATE _____

Subscribed and sworn before me this _____ day of _____, **20**_____.

Notary Public in and for the
County of _____, State of Idaho
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 Credit Certificate Program Lender Participation Agreement or Mortgage Loan Purchase Contract between Lender/Broker and IHFA, as amended, that may apply to the issuance of a Mortgage Credit (Tax Credit) Certificate or the sale and purchase of this Mortgage Loan under the Mortgage Revenue Bond 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 or a Mortgage Credit Certificate. 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:

Its: