

**VERMONT HOUSING FINANCE AGENCY
MOVE MCC COMPLIANCE AFFIDAVIT**

Borrower Name: _____ VHFA Loan Number: _____
 Co-Borrower Name: _____
 Non-Borrowing Spouse Name: _____
 Property Address: _____
 Street Address City State Zip code

This executed affidavit is intended to satisfy the requirements of Vermont Housing Finance (VHFA) program criteria, financing sources and the requirements outlined in the Internal Revenue Code for Mortgage Credit Certificates.

Statements made throughout this affidavit in the singular include the plural and apply to all borrowers and any non-borrowing spouse. Each of the undersigned certifies that:

1. PROPERTY TYPE AND REQUIREMENTS

The Property for which the mortgage loan is being requested is located within the State of Vermont and complies with the following:

- A. The Property is one of the following:
 - Existing or newly constructed (never occupied) residence consisting of one dwelling (non-manufactured housing).
 - New or existing condominium unit that meets the eligibility requirements of the applicable agency.
 - Existing 2-family (with contiguous units) both units have been existing and been occupied as residential units for at least five (5) years before the loan closing date. Line D below applies only to the dwelling unit within the 2-family, intended for my/our personal occupancy.
 - Existing or newly constructed (never occupied) permanently affixed multi-width manufactured home on owned land that was manufactured within the last twenty (20) years.
- B. I will occupy the Property as my principal and permanent place of residence within 60 days after the loan closing date, and thereafter continually occupy the Property as my principal and permanent residence for the life of the mortgage loan.
- C. I have no present intent to lease, sell, assign, or transfer any interest in the Property to another party and have not entered into any agreement, understanding or other arrangement to lease, sell, assign, or transfer the Property.
- D. I will not use more than 15 percent (15%) of the total area of the Property for home business or commercial use and not more than 15 percent (15%) of the costs of the Property will be deducted as a home business or commercial expense on my Federal income tax return.
- E. I confirm that the Property as described above does not include more than 15 acres of land and I will not use the Property as a recreational, seasonal, or part-time Property, or as an investment property and do not intend to farm the land and will not receive, other than incidentally, any income from the Property or the land, and I will not subdivide the land, nor apply for a zoning variance to avoid any minimum lot size requirements.
- F. I certify that the total cost of acquiring the property as a completed residence is fully disclosed per the executed Purchase and Sale Agreement with all addenda provided to the lender and is within the acquisition cost limits established by Vermont Housing Finance Agency. I certify that there are no additional agreements pertaining to the property purchase.

2. OTHER REAL ESTATE OWNED

I will not at the time of the loan closing date have an ownership interest in any real estate other than the Property securing the mortgage loan with the exception of the following:

- Vacant land,
- A property that is unsuitable for year-round occupancy and was never occupied as a Property,
- Commercial or industrial property that has no residential units,
- Named on the deed of a parental home that is currently being occupied by a living parent(s) that I have not resided in as my/our principal Property nor claimed any tax benefit for.

3. NEW MORTGAGE REQUIREMENT AND USE OF PROCEEDS

No part of the proceeds of the mortgage loan will be used directly or indirectly to repay any existing loan made in connection with the Property, except construction loans, bridge loans or similar temporary initial financing having a term of twenty-four (24) months or less.

4. HOMEBUYER EDUCATION

I confirm that the lender has reviewed with me the homebuyer education prerequisite and I will complete homebuyer education that meets Vermont Housing Finance Agency requirements prior to loan approval.

5. INCOME COMPLIANCE (Federal Act Income)

- A. I acknowledge that for the most recent tax year I filed, I must furnish the lender with a copy of the as-filed Federal Income Tax Return with all amendments signed by me and the applicable W2s, or a transcript of my Federal Income Tax return obtained directly from the IRS. If required, I will provide tax returns for additional years.
- B. I have disclosed all sources of income to the lender, including any known increases in income expected to occur within sixty (60) days after closing. Sources of income that must be disclosed, include but are not limited to gross base pay, overtime, part-time or second income, bonuses, dividends, interest income, disability, social security, unemployment, pension, rental income, alimony, child support, self-employment or public assistance and all income of a non-borrowing spouse.
- C. The combined total gross income of all borrowers and any non-borrowing spouse and the purchase of the property (acquisition cost) does not exceed the program maximums established by VHFA shown below:

AREA	Maximum Income 1-2 Persons	Maximum Income 3+ Persons	Maximum Purchase Price 1-Unit	Maximum Purchase Price 2-Unit
Addison, Bennington, Windsor	84,000	95,000	300,000	350,000
Caledonia, Chittenden, Essex, Grand Isle, Lamoille, Orange, Orleans, Rutland, Windham	90,000	98,000	300,000	350,000
Franklin, Washington	95,000	110,000	300,000	350,000
Burlington Tract 4&10	95,000	110,000	300,000	350,000

6. FIRT-TIME BUYER REQUIREMENT

If the property I am purchasing is in one of the following counties: **Addison, Bennington, Chittenden, Grand Isle or Windsor**, and I am NOT using ASSIST, I certify that I have not held an ownership interest in, or received spousal benefit from, a principal residence for the most recent three (3) year period. I acknowledge that documentation to support this certification may be required. There are two exceptions to this requirement:

- The property being purchased is located in census tract 4 or 10 in Burlington, VT (Chittenden County), or
- The borrower served in active duty and has been honorably discharged from armed services within the last 25 years and meets the definition of veteran and has provided such evidence to the lender.

I acknowledge that documentation to support this certification may be required.

7. VHFA ASSIST-DOWN PAYMENT AND CLOSING COST LOAN

If I intend to receive a VHFA ASSIST mortgage loan for down payment and closing costs, I certify that:

- A. **First-Time Buyer Requirement:** I am a first-time home buyer and I have **never held** an ownership interest or received a spousal benefit from a principal residence at any location at any time.
- B. **Asset Restriction:** Borrower and non-borrowing spouse combined liquid assets will not exceed \$30,000 at any time from the date of the loan application through loan closing. Liquid assets include but are not limited to: funds in a checking or savings account (including proceeds deposited from a loan or liquidation of a retirement account), a certificate of deposit, gift funds received or to be received prior to closing, the earnest money deposit, and any other non-retirement liquid assets such as stocks or bonds.

8. FEDERAL RECAPTURE TAX

I understand that I may be subject to a Federal Recapture Tax. There is no way to predict if I will owe any Recapture Tax since it is based on how long I own the home, my income and family size at the time I sell or dispose of the property and the amount of profit on the sale, if any. I am required to pay a Federal Recapture Tax at the time I sell or dispose of the property only if all of the following are met:

- A.** The property is sold within (9) years from the loan closing date of the mortgage loan, **AND**
- B.** My income exceeds limits that are set for the year in which I sell the property and family size. These are not the same limits used for mortgage loan approval. VHFA will not verify your income on an annual basis, it is my income for the year in which I sell or dispose of the property that determines if I am liable for Federal Recapture Tax, **AND**
- C.** At the time the property is sold or disposed, if I make a profit, I may be subject to the Federal Recapture Tax based on the lesser of 6.25% of the original mortgage loan amount or 50% of the profit received from the sale of my home.

If I am required to pay recapture tax, I may be eligible for reimbursement from VHFA.

9. LOAN ASSUMPTIONS

I understand that I cannot sell my home to a person ineligible under VHFA's guidelines for this program unless I pay my loan in full. If I sell my home to a party ineligible under VHFA's guidelines for this program and allow the buyer to make my payments for me (assume my loan), the servicer (which includes any successor or assignee of the lender which makes me the loan) may refuse to allow the sale and demand immediate full repayment of the loan. This could result in foreclosure or repossession of the property. In addition, if I rent the property or committed fraud or intentionally misrepresented myself when I applied for the loan, the lender may foreclose my mortgage and repossess the property.

10. CONSENT TO DISCLOSURE

I consent to the disclosure of my/our nonpublic personal information to Vermont Housing Finance Agency, its underwriters and servicers who may be unaffiliated third parties for purposes of doing all things related to the mortgage loan for which I have applied, including, but not limited to, regulatory compliance, origination, purchasing and servicing.

11. MISCELLANEOUS REPRESENTATIONS AND WARRANTIES

- I certify that no portion of the financing of the acquisition of the property is or will be provided from the proceeds of a qualified mortgage bond or a qualified veteran's mortgage bond. No portion of the mortgage for the property has been provided by a person related to me (as defined pursuant to Section 1.25 3T(n)), or has or is expected to have, an interest as a creditor in the mortgage loan being acquired for the property.
- I understand and agree that if an MCC is issued to me, it cannot be transferred or assumed.
- I acknowledge and understand that this Affidavit will be relied upon for purposes of determining my eligibility for MCC.
- I acknowledge and understand that this Affidavit will be relied upon for purposes of determining my eligibility for MCC. In addition, any material misstatement or false statement which affects my eligibility for an MCC will result in denial of my application for an MCC, or, if an MCC has been issued prior to discovery of the false statement, cause immediate cancellation of the MCC issued and the resulting thereof.
- I further acknowledge that if any information or certification I provide contains a material misstatement which is due to fraud, then any MCC issued will automatically become null and void without any need for further action on the part of VHFA.

12. REPRESENTATIONS TRUE AND CORRECT

I declare UNDER PENALTY OF PERJURY that the foregoing representations are true and correct and understand that if I made any material misstatements or omissions in the foregoing representations, it will be considered a default under the Mortgage and, possibly a criminal offense.

Borrower

Non-Borrowing Spouse

Co-Borrower

Non-Borrowing Spouse

Lender verification:

The Lender declares that the foregoing certifications were reviewed by each borrower and any non-borrowing spouse and each borrower and any non-borrowing spouse acknowledged that review as evidenced by the signature above.

(Signature)

(Date)

(Printed Name)

(Title)

(Lending Institution)