VHFA Mortgage Credit Certificate Procedural Guide

Chapter 1 Program Overview

1.1 Program Structure (Rev. 01/20)

VHFA is authorized by the Internal Revenue Code to issue Mortgage Credit Certificates (MCC) to eligible borrowers receiving eligible mortgage loans. This Procedural Guide provides information and requirements for the issuance of an MCC paired with a mortgage loan not originated for delivery under a VHFA Program.

Lenders are fully responsible for the origination, closing and servicing of loans originated in conjunction with the MCC Program. VHFA does not set the rate, term or underwriting criteria for the associated loan.

NOTE: An MCC may also be paired with a VHFA first mortgage program. For information refer to the VHFA Program and Procedural Guide.

1.2 Participating Lender Requirements (Rev. 01/20)

To offer the MCC Program, lenders must:

1. Complete the VHFA approval process
2. Require applicable staff attend VHFA provided training
3. Enter into a Mortgage Credit Certificate Agreement, which may require renewal on an annual basis.

A lender's failure to execute a new agreement when presented, will result in interruption of the lender offering the MCC program or the lender's removal as an MCC participating lender.

1.3 Targeted Area Set-Aside (Rev. 12/13)

VHFA will set aside 20% of the Program allocation of MCC authority for eligible dwellings located in a Targeted Area. This amount will be set aside for one year from the date VHFA first accepts applications for MCCs under the Program.

Chapter 2 Compliance

The compliance and minimum documentation requirements are covered below. Lenders are responsible for determining that each borrower and non-borrowing spouse, if applicable, meet all compliance requirements. VHFA will review the eligibility documentation provided by the lender and make the final determination. Compliance requirements are subject to change.

2.1 First-Time Buyer Requirement (Rev. 09/19)

In the following Counties: **Addison, Bennington, Chittenden, Grand Isle and Windsor**, each borrower and non-borrowing spouse must not have held an ownership interest which includes spousal benefits in a principal residence at any time during the 36 months preceding the loan application date. This requirement is controlled by the Internal Revenue Service (IRS) and cannot be waived or amended by VHFA under any circumstances.

Exceptions to the first-time buyer requirement are:

- Borrowers purchasing in Census Tract 4 and 10 in Burlington.
- Veterans, which includes anyone (a) who has served in the military and has been released under conditions other than dishonorable or (b) who has re-enlisted but could have been discharged or released under conditions other than dishonorable. A current, active member of the military is not eligible for this exemption.

Examples of “Ownership Interest” include, but are not limited to these examples:

- Joint tenancy, tenancy in common or tenancy in entirety.
- An interest in a residence even when not liable for the debt.
- An interest in a residence currently occupied by an estranged spouse.
- An interest in a mobile home on owned land.
- An interest in a mobile home located in a park that is permanently affixed to the land.
- An interest held in trust that would constitute an ownership interest if held by the borrower or non-borrowing spouse.
- A life estate.
- Fee simple interest.
- The interest of a tenant-stockholder in a cooperative.
- A land contract, contract for deed, bond for deed, a conditional sale contract or the like (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred but legal title is not transferred until some later time), which may include some instruments called “leases” or “lease-purchase agreements.”

Examples of “Spousal Benefit” include, but are not limited to these examples:

- Non-title holder but occupied home as a primary residence with spouse who held title.
- Non-mortgage obligor but occupied home as primary residence with spouse who is/was a mortgage obligor.

Examples of interests which do not constitute “Ownership Interest” include, but are not limited to these examples:

- A remainder interest.
- A true lease, with or without an option to purchase.
- An expectancy to inherit an interest in a principal residence in the future.
- The interest that a purchaser of a principal residence acquired upon the execution of a Purchase and Sales contract.
- Being on the deed of a living parent's home, provided the parent(s) are residing in the property and neither the borrower nor non-borrowing spouse has lived in the property as his/her principal residence and/or claimed any mortgage interest deductions during the previous three years.
- An interest in a mobile home located in a mobile home park (not owned land) that is not permanently affixed to the land per VHFA's requirements. VHFA shall consider a mobile home affixed if the following is evidenced:
    - Axels, wheels, and hitch are removed from the mobile home.
    - The mobile home is affixed to a permanent foundation.

Sufficient documentation is required to determine that each borrower and non-borrowing spouse meet this requirement. The minimum documentation required is listed below:

Credit Report – The credit report for each borrower must be reviewed for evidence of current or past mortgage loans as well as any other information that may indicate current or previous property ownership.

Federal Tax Returns – Each borrowers and non-borrowing spouse must provide for the previous three tax years:

- Copies of executed, as-filed tax returns with all schedules; or
- Transcripts obtained from the IRS

If federal income tax returns were not filed for any of the preceding three years, VHFA will require a written explanation from the borrower and/or non-borrowing spouse, as applicable, along with documentation verifying federal tax returns were not required to be filed.

2.2 Income Limits (Federal Act Income) (Rev. 01/20)

The combined total gross income of each borrower and non-borrowing spouse cannot exceed the income limits in effect at time of loan reservation. For current program income limits go to www.vhfa.org.

Lenders must complete the VHFA Federal Act Income and Acquisition Cost Worksheet, available from the VHFA Loan Origination Center at https://ilrs.vhfa.org/, to calculate Federal Act Income used for VHFA income eligibility. The lender must obtain and provide with the form, sufficient documentation to verify the total income from all sources, even for a non-borrowing spouse who will not take title, occupy the property, be obligated on the loan, or is currently separated or estranged but not legally divorced from a borrower.

Any changes to the income of the borrower(s) or non-borrowing spouse prior to closing, must be submitted to VHFA.

2.3 Purchase Price Limits (Acquisition Cost) (Rev. 01/20)

The total acquisition cost of a property cannot exceed the purchase price limit specified for the program in effect at the time of loan reservation. For current MCC program purchase price limits go to www.vhfa.org.

Lenders must complete the Federal Act Income and Acquisition Cost Worksheet, available from the VHFA Loan Origination Center at https://ilrs.vhfa.org/, to calculate acquisition cost. The lender must obtain and provide with the form, sufficient documentation to verify the acquisition cost.

Any changes to the purchase price must be provided to VHFA prior to closing.

2.4 Occupancy and Principal Residence Requirement (Rev. 01/20)

Each borrower must occupy the property as their principal residence on a full-time, year-round basis, within 60 days after the loan closing date. Depending on the circumstances, additional time may be acceptable for military personnel on active duty. Properties to be used as part-time residences, investment properties, recreation homes or if more than 15% of the property will be used for a trade or business are not eligible.

2.5 Loan Purpose and New Mortgage Requirement (Rev. 09/19)

An MCC can only be combined with new purchase transactions. Mortgage loan proceeds cannot be used to replace an existing debt, except for certain short-term financing. The following must apply for short-term financing to be eligible for replacement with a first mortgage combined with an MCC:

- The loan paired with the MCC constitutes a mortgage on the subject property (unsecured debt is not eligible); and,
- The loan to be replaced is the original first mortgage the borrower(s) and non-borrowing spouse gave on the property and is for an original term of 24 months or less. If the original mortgage loan had a longer term and was refinanced to reduce the term, that subsequent mortgage loan is ineligible for replacement and an MCC will not be issued in conjunction with the ineligible loan.

VHFA requires a copy of the Vermont Property Transfer Tax Return showing when the property was transferred to the borrower and a copy of the recorded deed.

2.6 Other Real Estate Owned (Rev. 09/19)

At the time of the loan closing date, no borrower or non-borrowing spouse can hold an ownership interest in any real estate other than the residence securing the first mortgage loan, except for the following:

- Vacant land.
- Any property unsuitable for year-round occupancy and that has never been occupied as a primary residence.
- Commercial/industrial property that has no residential rental unit(s).

- A single-wide mobile home in a mobile home park that is not permanently affixed to land (inspection of the unit and the foundation, including photographs, by a qualified property inspector is required).
- Being on the deed of a living parent's home, provided the parent(s) are residing in the property and neither the borrower nor non-borrowing spouse has lived in the property as his/her principal residence and/or claimed any tax benefit for the property.

2.7 Maximum Acreage (Rev. 12/13)

Properties with up to fifteen (15) acres will be considered provided the amount of land to be conveyed with the property is only the amount necessary to reasonably maintain the basic livability of the residence and cannot provide, other than incidentally, a source of income to the borrower. Properties with more than fifteen (15) acres are not eligible (deed restrictions on subdividing are not acceptable.) A mortgage loan for separately deeded lots is not eligible for an MCC.

2.8 Non-borrowing Spouse, Non-Occupant Borrowers & Eligible MCC Holders (Rev. 09/19)

Non-borrowing Spouse: A spouse must meet all compliance requirements and be approved by VHFA even when the spouse will not be liable for the mortgage loan debt or take title to the property. At a minimum, a non-borrowing spouse must provide income documentation and sign certain VHFA forms where indicated.

Other Non-Occupant Borrowers: VHFA will not issue an MCC with the names of any non-occupant borrowers or co-signers.

Eligible MCC Holders: An MCC will only be issued in the name(s) of the borrower(s) of the first mortgage. A non-borrowing spouse is not an eligible MCC holder.

2.9 Prohibited Loans (Rev. 12/13)

An MCC will not be issued in conjunction with a mortgage loan funded, directly or indirectly from the proceeds of a Mortgage Revenue Bond or a Qualified Veterans' Mortgage Bond.

2.10 No Interest Paid to Related Parties (Rev. 12/13)

No interest on the Certified Indebtedness Amount (the loan amount) can be paid to a related person. When the associated mortgage loan is closed, a related person cannot have nor be expected to have, an interest as a creditor in the mortgage loan.

2.11 Federal Recapture Tax (Rev. 09/19)

The MCC program provides federal tax benefits for the borrower. As a result, under certain circumstances, the federal government may recapture a portion of the benefit.

Recapture occurs if all three (3) of the following conditions are met:

1. Subject property is sold or disposed of in less than nine (9) years from the original purchase date, and
2. A gain is made on the sale/disposition, and
3. The total annual adjusted gross household income exceeds the income threshold for the year the subject property is sold or disposed:
    a. The original Mortgagor Disclosure of Recapture Tax should be reviewed for the income thresholds.
    b. Current tax year income thresholds can be viewed at https://ilrs.vhfa.org/.

How is recapture tax determined?
The factors that must be considered in calculating the tax (years of ownership, net profit from sale, and future family size and income) are unknown at the time of loan origination, therefore making it impossible to determine a homeowner's recapture tax at the time of loan origination. If the homeowner meets all three (3) conditions listed above the tax will be the least of:

a) 6.25% of the original principal balance, or
b) 50% of the profit on the sale, or
c) IRS recapture tax computation detailed in the Recapture of Federal Mortgage Subsidy Form 8828 instructions.

Further detail on these calculations can be found within the instructions for Form 8828 Recapture of Federal Mortgage Subsidy on www.irs.gov.

Lender Responsibility
During loan origination and prior to the pre-closing compliance submission to VHFA, the lender must provide the borrower the MCC Compliance Affidavit, this form is available from the VHFA Loan Origination Center and includes disclosure of the federal recapture tax.

During loan origination and no later than loan closing, the lender must provide the borrower with the Mortgagor Disclosure of Federal Recapture Tax, which is available from the VHFA Loan Origination Center and contains disclosure and income thresholds for federal recapture tax.

VHFA Responsibility
VHFA does not provide advice or assistance for tax planning, preparation or filing; and VHFA is not responsible for calculating or collecting the tax. The Internal Revenue Service collects any recapture tax owed and due.

Borrower Responsibility
The recapture tax an MCC Holder(s) might owe is determined when taxes are filed for the tax year that the subject property is sold or disposed. The MCC Holder(s) is responsible for filing Form 8828 Recapture of Federal Mortgage Subsidy for the tax year the home is sold or disposed. More information can be found on www.irs.gov and in IRS Publication 523.

Reimbursement of recapture tax
A homeowner required to pay recapture tax may be eligible for reimbursement from VHFA. A reimbursement request can be submitted to VHFA after the tax is paid and no later than December 31

of the calendar year immediately following the tax year that the recapture tax was due and paid. A reimbursement request can be accessed on www.vhfa.org or by contacting VHFA.

2.12 Pre-Purchase Education and Counseling and VHFA ASSIST (Rev 01/20)

Pre-Purchase Education and Counseling: VHFA **does not** require education and counseling for issuance of an MCC paired with a lender first mortgage program.

VHFA ASSIST: The ASSIST program for down payment and closing costs is **not** available with an MCC when paired with a lender first mortgage program.

Chapter 3 Mortgage Credit Certificate

VHFA is authorized by Internal Revenue Service (IRS) Code to issue Mortgage Credit Certificates (MCC) to eligible applicants. An MCC may be issued in conjunction with a lender funded mortgage loan as detailed in this guide, or with a VHFA funded mortgage loan as explained in the VHFA Program and Procedural Guide.

In addition to the information provided in this Chapter, please refer to *Chapter 7*, for information on lender required IRS reporting, record retention and revocation.

3.1 Mortgage Credit Certificate Rate and Tax Limits (Rev. 01/20)

The following impacts the tax credit the applicant is eligible to receive (subject to change):

- MCC Rate: The current rate for MCCs issued by VHFA is up to 50% of the mortgage interest.
- Tax Liability: The tax credit may not exceed the holder's total tax liability for the tax year.
- Maximum Credit: The maximum tax credit the holder is entitled to may not exceed 50%, or the IRS threshold of $2,000 (whichever is lower) of the interest paid annually. The remaining paid interest may be taken as a standard deduction.

NOTE: VHFA has issued MCCs at various rates. The Mortgage Credit Certificate the borrower receives is the controlling document for the credit percentage.

3.2 How a Mortgage Credit Certificate Works (Rev. 01/20)

An MCC is a federal income tax credit that is determined based on a percentage of annual mortgage interest paid. An MCC is a direct dollar for dollar reduction in the total federal income taxes an MCC Holder owes. The basic formula for calculating an MCC is as follows:

Mortgage Interest Paid for year on Certified Indebtedness
<u>X 50%</u>
= Amount of Credit (cannot exceed $2,000)

Example A: If the original principal balance is $150,000 at a rate of 4.75% with a 30-year amortization, the borrower would pay approximately $7,075 in interest for the first year. An MCC allows the borrower to take up to 50% of the $7,075 as a mortgage tax credit **not to exceed** $2,000. In this case, 50% of the annual interest paid is $3,537.50. The borrower can only take the maximum credit of $2,000 if allowable based on the tax liability.

Example B: If the original principal balance is $80,000 at a rate of 4.75% with a 30-year amortization, the borrower would pay approximately $3,773.35 in interest for the first year. An MCC allows the borrower to take up to 50% of the $3,773.35 as a mortgage tax credit not to exceed $2,000. In this case, 50% of the annual interest paid is $1,886.68 and the borrower may be able to take a maximum credit of $1,886.68 if allowable based on the tax liability.

The preceding examples are for reference only. It is the responsibility of the MCC Holder to understand how an MCC is used and all tax restrictions and requirements. VHFA will not provide guidance or advice for tax planning, preparation or filing.

3.3 Carry Forward and Dividing the Credit (Rev. 01/19)

Should the amount of the credit created by the MCC (i.e. lesser of MCC rate percentage of the annual mortgage interest or $2,000) exceed the holder's total tax liability, the portion of the unused credit can be carried forward for up to three (3) years.

If the property has multiple owners, and each mortgagor is acknowledged as a Holder on the MCC, the credit may be divided if it does not exceed the total credit created by the MCC.

3.4 Using an MCC in Qualifying (Rev. 09/19)

Fannie Mae, Freddie Mac and government guarantee programs may permit the reduction in federal income tax burden to be considered as additional disposable income. It is the lender's responsibility to follow all guidelines from Fannie Mae, Freddie Mac, RD, VA, and FHA, as well as mortgage insurers, about how an MCC may impact a potential holder's income for qualification purposes.

If income is adjusted for the MCC, the FNMA Underwriting Transmittal 1008/FHLMC Underwriting Transmittal 1077 and AUS findings from the applicable agency must reflect that information.

3.5 Permissible Lender Fees and VHFA Issuance Fee (Rev. 01/20)

- **Permissible Lender Fees**: Lenders may collect up to $500 for a processing fee. Any fee paid to the lender must be disclosed in compliance with Regulation Z and Federal TILA requirements. Lenders can only charge an applicant for an MCC those reasonable fees for processing the financing as they would charge a potential borrower applying for financing that was not combined with an MCC.
- **VHFA Fee:** VHFA assesses a one-time issuance fee in the amount of $500. The lender is responsible for ensuring the VHFA fee is collected at closing and delivered to VHFA post-closing. Personal checks are not acceptable.

Chapter 4 Lender Product Eligibility

4.1 Mortgage Eligibility (Rev. 11/15)

VHFA does not review or underwrite the first mortgage loan with which the MCC is being combined. All underwriting and proper closing of the first mortgage is the responsibility of the lender. VHFA's determination of eligibility is solely limited to the eligibility requirements for an MCC.

4.2 Qualifying with an MCC (Rev. 09/19)

See *Chapter 3*.

4.3 Eligible MCC Holders (Rev. 09/19)

Only approved borrowers that have been determined eligible by VHFA, can be a holder of an MCC. The MCC will not be issued if non-eligible borrowers are included on the loan.

4.4 Eligible Loan Types and Terms (Rev. 03/17)

VHFA requires sufficient information from the lender that the loan product being used meets the minimum MCC Compliance guidelines. Lenders may offer any financing instrument legally being used for a first mortgage using their own available terms and requirements, except for the prohibited funding sources see *Chapter 2*. There are no program-imposed restrictions on loan term or amortization methods.

4.5 Property Transfer Tax (Rev. 12/13)

Borrowers that receive an MCC combined with mortgage financing **not** from a VHFA loan program must pay the full Vermont Property Transfer Tax. The exemption that applies to borrowers accessing a VHFA loan program is not available with a stand-alone MCC.

4.6 Eligible Property Types (Rev. 12/13)

The following property types are eligible under the MCC Program:

- New and existing 1 unit detached
- New and existing condominium units
- Existing 2 unit detached occupied as a residence for five years prior to the date of the mortgage.
- New and existing manufactured housing permanently affixed to owned land (no leased land). The manufactured housing must be placed on a permanent foundation with the wheels, axle and hitch removed. The property must be financed as real estate. It is the lender's responsibility to determine manufactured housing is eligible. While VHFA retains the right to request additional documentation for manufactured housing, the determination that the unit is permanently affixed is the lender's responsibility.

If it is determined by the IRS the property is not eligible, the MCC is subject to revocation.

4.7 Property Improvements (Rev. 12/13)

If there are improvements made to the property, the final acquisition cost paid by the borrower must be confirmed prior to the issuance of an MCC by providing, at a minimum, the following:

- Copy of a Completion Certificate from the appraiser or sufficient documentation for the property inspector clearly defining the improvements that were completed.
- Documentation to verify the source of funds for the cost of all improvements.
- Revised Federal Act Income and Acquisition Cost Worksheet reflecting all costs to the borrower.

If repairs are not completed prior to the loan closing, the MCC will not be issued until the final acquisition cost can be verified. A delay in providing information may impact the effective date of the MCC and the borrower's ability to benefit from the MCC in the year the associated mortgage loan closed.

Chapter 5 Process and Document Submission

5.1 Reservation Process and Terms (Rev. 09/19)

To reserve an MCC for a borrower the lender must submit a completed VHFA MCC Reservation from https://ilrs.vhfa.org/.
Upon successful submission of a reservation in the VHFA Loan Origination Center, a Reservation Confirmation, MCC Compliance Checklist, MCC Compliance Affidavit, Federal Act Income and Acquisition Cost Worksheet and Mortgagor Disclosure of Recapture Tax will be available from the VHFA loan Origination Center. See *Chapter 7* for a list of VHFA forms.

The Reservation Confirmation and Compliance Checklist is issued based on lender provided information and does not guarantee future issuance of an MCC. The Reservation and MCC Compliance Checklist includes the documents required to be submitted to VHFA and the applicable deadlines.

To withdraw an MCC Reservation notify VHFA in writing at homeownershipdept@vhfa.org.

5.2 Compliance Submission (Rev. 09/19)

Documentation required to determine compliance for the borrower(s), non-borrowing spouse and the property, must be submitted to VHFA. The MCC Compliance Checklist is available from the Loan Origination Center (https://ilrs.vhfa.org/) and is the coversheet and checklist, in the stacking order, for the compliance submission.

To be acceptable, documents cannot be more than 90 days old from the date of receipt. If any documents are signed by a person who has a limited Power of Attorney (POA) or is a court authorized signer for the borrower(s), a copy of the recorded POA authorization must be submitted and all documents must be signed appropriately. VHFA reserves the right to require additional documentation.

If any VHFA form is deemed incomplete or inaccurate a new form must be fully executed before an MCC Conditional Commitment will be issued. Corrected or modified copies of any VHFA form will not be accepted.

If all submitted documents are satisfactory, VHFA will issue an MCC Conditional Commitment. That VHFA's review and acceptance of submitted documents does not guarantee future issuance of an MCC.

5.3 Conditional Commitment (Rev. 09/19)

The MCC Compliance Checklist includes the list of post-closing documents, in the stacking order, the lender is required to deliver to VHFA for issuance of the MCC. Immediately after loan closing, the documents required per the applicable MCC Conditional Commitment must be delivered to VHFA. The MCC Conditional Commitment is available from the VHFA Loan Origination Center (https://ilrs.vhfa.org/).

If any documents are signed by a person who has a limited Power of Attorney (POA) or is a court authorized signer for the borrower(s), a copy of the recorded POA authorization must be submitted and all documents must be signed appropriately.

The Conditional Commitment also includes the Final Issue Date VHFA will issue the MCC. If the MCC has not been issued by the Final Issue Date, the MCC Conditional Commitment may be cancelled by VHFA.

To withdraw an MCC Reservation, notify VHFA in writing at homeownershipdept@vhfa.org.

5.4 MCC Issuance (Rev. 01/20)

When all documents are determined to be acceptable and all conditions have been satisfied, VHFA will generate an MCC and Consumer Information Form and mail directly to the MCC Holder. The lender can access the MCC and Consumer Information Form from the Loan Origination Center to obtain a copy for their records.

Chapter 6 VHFA Forms

6.1 VHFA Forms and Accessibility (Rev 01/20)

Execution of VHFA Forms is required by the borrower, co-borrower, non-borrowing spouse and lender at different points in the process. Forms are available from two (2) places in the Loan Origination Center (https://ilrs.vhfa.org/):

1. At the loan level, VHFA will generate forms that include the borrower/holder(s) names and the subject property address as provided by the lender. Forms are available at each loan status as detailed below. Form are accessed from the Loan Origination Center/Loan Detail/Print Documents queue.
2. VHFA forms are always available from the Loan Origination Center/Guides Forms and Resources/Forms library. The forms are available as PDF-fillable and word versions.

Document	When Available (generated)
Reservation Confirmation (MLW4005)	Reservation
MCC Compliance Affidavit (MCC2014-A)	Reservation
MCC Compliance Checklist (MLW8007)	Reservation
Federal Act Income and Acquisition Cost Worksheet (S-601)	Reservation
Mortgagor Disclosure of Recapture Tax (5311)	Reservation
MCC Conditional Commitment (MLW8010)	Conditional Commitment
Reaffirmation of Affidavit (S-645mbs)	Conditional Commitment
Mortgage Credit Certificate Notice to Holder (MCC-2014B)	Conditional Commitment
Lenders Final Cost Certification (S-644)	Conditional Commitment (for repairs only)
MCC and Consumer Information Form (MLW8325)	VHFA Post-Closing Approved

Chapter 7 Post MCC Issuance Requirements

7.1 Federal Reporting Requirements (Rev. 12/13)

Lenders are responsible for meeting the IRS requirements for filing an annual report, using IRS Form 8329, to summarize the lender's annual MCC activity. Each report must be filed at the applicable Internal Revenue Service Center on or before January 31st of the year following the calendar year to which the report relates.

VHFA will provide the lender with a summary report following the end of each calendar year with information that may be required to complete the form, including:

- VHFA Loan Number
- MCC Holder Name
- MCC Holder Social Security Number
- Property Address
- Amount of Certified Indebtedness related to the MCC
- Date MCC was issued
- Credit Certificate Rate
- Amount of MCC Issued

While VHFA will provide this information to lenders as a courtesy, it is each lender's sole responsibility to maintain appropriate and accurate records in order to report the correct information and meet all IRS requirements for filing form 8329 directly with the IRS.

For more information regarding lender reporting requirements, including all the information IRS Form 8329 requires lenders to track, and penalties for failure to file, see IRS Temp. Reg. {1.25-8T}.

7.2 Record Retention Requirements (Rev. 12/13)

The lender must follow all IRS guidelines regarding retention of information and documents associated with MCCs. At minimum, the lenders must retain the following for Six (6) years:

- Name, address, TIN of the Issuer.
- Closing Date of the mortgage loan associated with the MCC, Certified Indebtedness Amount, and Certificate Credit Rate.
- Name, address, TIN (Social Security Number or Tax Identification Number) of the MCC holder.

7.3 Revocation of Mortgage Credit Certificate (Rev. 12/13)

Should the lender become aware of information that varies from any of the information represented to the lender, VHFA, or the IRS due to neglect or fraudulent acts, it is the responsibility of the lender to inform VHFA immediately. The holder's MCC may be subject to revocation and other penalties from the IRS.

7.4 MCC Assumptions, Transfers and Reissuing (Rev. 12/13)

The original holder(s) of an MCC are the only persons eligible to receive the benefit of the MCC credit. The following applies to all MCCs:

- MCCs may not be assumed by or transferred to any person assuming the first mortgage associated with the MCC.
- After the MCC is issued, additional persons may not be added as holders. Only the original mortgagor(s) will be included on an MCC.
- MCCs will not be reissued if the holder refinances the first mortgage that was the basis of the MCC.