



Request for Conditional Commitment

I, the undersigned, as part of my application for a mortgage loan and/or Mortgage Credit Certificate (MCC) from the North Carolina Housing Finance Agency (NCHFA), and as a material inducement for NCHFA to issue an MCC in connection with a mortgage loan from a lender for the purchase of a single-family residence and the land appurtenant (Residence), and to verify conformity with state and federal requirements, I attest to the following:

Borrower: _____ SSN: _____

Co-Borrower/Co-Occupant: _____ SSN: _____

1. The Residence being purchased is a single-family residence located in the State of North Carolina at:

Street Address _____ City _____

County _____ Zip _____

2. Check the statement that applies:

- (a) The Residence is new, never occupied.
- (b) The Residence is an existing, previously occupied residence.

3. **FIRST-TIME HOMEBUYER CERTIFICATION:** Check the statement that applies:

- (a) I individually, or together with another person, have not had an ownership interest in a principal residence within 36 months from the date shown below, on the signature line of page 3, or closing date, whichever is later. For this purpose, a principal residence includes stock held by a tenant stockholder in a housing corporation; a single-family residence; condominium; or any manufactured home (including a mobile home). For the MCC Program, prior ownership interest in a manufactured home, which is not permanently fixed to a foundation and was not taxed as real estate is acceptable. For this purpose, an ownership interest means any ownership, whether outright or partial, including property subject to a mortgage or other security interest. An ownership interest also means a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common or tenancy by the entirety, a tenant-shareholder interest in a cooperative, an ownership interest in trust, a life estate interest, and purchase by contract for deed (or similar transaction).
- (b) The preceding section (a) is not required because the Residence is located in a Targeted Area.
- (c) I am exempt from the three-year non-ownership requirement because this mortgage qualifies for the one-time exception to the "First-Time Homebuyer" requirement for Veterans who purchase a home using the proceeds from a Qualified Mortgage Revenue Bond. I certify that I am a veteran defined as a person who served in active duty of the United States Armed Forces or Reserves and who was discharged or released under conditions other than dishonorable. I certify that I applied for financing of this home before the 25th anniversary of the last date on which I left active service. I further certify that I have not previously used this one-time exception for a Mortgage Revenue Bond Tax Exempt financing or Mortgage Credit Certificate assisted loan.

4. **TAX RETURNS CERTIFICATION:** Check and complete the following section(s) that apply:

- (a) I am required to and do hereby submit true and complete copies of my signed federal income tax returns as filed for the prior three years or official IRS tax transcripts as may be acceptable to NCHFA and the Lender.
- (b) I am exempt from the three-year non-ownership requirement because the Residence is located in a Targeted Area. I am required to and do hereby submit a complete copy of last year's signed federal income tax returns as filed with the IRS.

Complete section 4(c) only if you were not required by law to file federal income tax returns for any year during the preceding three years.

- (c) I certify that I was not required by law to file a federal income tax return for the following year(s) _____ for the reason(s) stated below:

Check section (d) only if closing for the MCC-assisted loan (Mortgage Credit Certificate) will occur between January 1st and February 15th, and you have not filed your federal income tax return for the prior year.

- (d) I certify that the Mortgage closing is occurring between January 1 and February 15, and that I have not yet filed my federal income tax return for the prior year. I further certify that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim deductions for real estate taxes or interest on indebtedness with respect to my principal residence for that year.

Borrower: _____

5. **ACQUISITION COST CERTIFICATION:** The total acquisition cost of the land and the completed Residence includes:
- (a) The contract price of the Residence which is \$ _____. If new construction, the contract price should include the construction cost, excluding the value of any sweat equity, plus the value of the land. The appraised value of the land should be used if the land has been received by the Borrower as a gift. If the land has been owned by the Borrower for more than two years before construction, the cost of the land is not included. If the land has been owned less than two years, include the actual cost of the land.
 - (b) Other amounts paid by me to the seller and not in the contract price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not in the contract price) or paid by a person related to me or for the benefit of me, to the seller or a person related to or acting on behalf of the seller, which are \$ _____.
 - (c) A reasonable cost estimate of completing or repairing the Residence must be included in the acquisition cost, whether or not the construction is completed. A reasonable cost estimate of completing the Residence at closing, includes such construction items as, labor, materials, commissions, builder's fees, hook-up and tap-on fees, permits, architectural fees, site improvements, subcontracted items, construction loan interest, etc. The total cost to complete or repair the Residence is \$ _____.
 - (d) If Residence purchased is subject to ground rent, the capitalized value of the ground rent is \$ _____.
 - (e) I certify that the total cost of acquiring the Residence as a completed residential unit is \$ _____ (a+b+c+d) and that this total amount does not exceed the \$ _____ Acquisition Cost limit. The acquisition cost of the Residence does not exceed 110% (or 120% for a targeted area residence) limitation based on the applicable average area purchase price. No side deal or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence, unless the estimated cost of the completion and/or addition is included in the acquisition cost.
6. **COMPLIANCE INCOME CERTIFICATION:** The income to be taken into account in determining the total annual income is the income of the mortgagor (or mortgagors) and any other person who is expected to live in the residence being financed, including income received by any household member who is 18 years of age or older (except a fulltime dependent student) even if they will not be secondarily liable for the mortgage.

Annual gross base income

(1) \$ _____

List other types of income (see examples below):

(a) _____ (2a) \$ _____

(b) _____ (2b) \$ _____

(c) _____ (2c) \$ _____

Total annual income equals = add lines (1) + (2a) + (2b) + (2c) = (3) \$ _____ (Total)

Examples of other income are: alimony, annuities, auto allowance, bonuses, child support, commission, disability or death benefits, dividends, education benefits used for subsistence, fees, interest, income received from business activities or investments, income received from trusts, inheritances, insurance policies, net rental income, overtime, pensions, public assistance, recurring monetary contributions or gifts regularly received from persons not living in the unit, royalties, severance pay, shift differential, sick pay social security benefits, special pay and allowances of a member of the armed forces (excluding hazardous duty pay), tips, unemployment compensation, Veterans Administration (VA) compensation, and workers compensation.

7. **OCCUPANTS:** The number of occupants in my household, including me and all other persons who intend to occupy the Residence as a principal residence, is _____. I understand that I AM NOT eligible for a Mortgage and/or MCC if my annual income, as shown above, exceeds the \$ _____ income limit(s).
8. **LENDER CHOICE CERTIFICATION:** I understand that I may seek financing from any lender of my choosing provided that the lender and NCHFA have executed the Lender Participation Agreement required by NCHFA and that I am in no way prohibited from seeking financing from any particular lender.
9. **TARGETED AREA CERTIFICATION:** I acknowledge that, if requested, a list of Targeted Areas has been made available to me prior to the execution of the Request for Conditional Commitment.
10. **ELIGIBILITY CHANGES CERTIFICATION:** I understand and agree that changed conditions in acquisition costs, income and program development requirements may disqualify me at closing from receiving the Mortgage Credit Certificate (MCC) although I was eligible at the time of application.
11. **OCCUPANCY CERTIFICATION:** The Residence will be occupied and used as my principal residence within 60 days after the date of loan closing; the Residence will not be used as an investment property, vacation home, or recreational home and not more than 15% of the area of the Residence will be used in a trade or business. I will notify NCHFA in writing if the Residence ceases to be my principal residence. I understand and agree that:
- (a) I have been duly notified that if the Residence ceases to be my principal residence that the Mortgage Credit Certificate (MCC) will be automatically revoked and I will no longer be entitled to claim the credit.
 - (b) The land appurtenant to the Residence does not provide, other than incidentally, a source of income to the Borrower. No land can be separated from the land being financed and offered for sale as a separate residence or building lot without obtaining a zoning variance or permission of NCHFA.

Borrower: _____

12. **NEW CONSTRUCTION CERTIFICATION:** I certify that if the Mortgage application is for the purchase of a newly constructed residence, that the Residence has not and will not be occupied prior to loan commitment. If the Residence is a newly constructed, never occupied residence, I certify that the proceeds of the mortgage will not be used to replace an existing mortgage or contract for deed (or similar transaction) unless the existing mortgage or contract for deed (or similar transaction) is for a construction loan of 24 months or less, bridge loan, or similar temporary loan financing of 24 months or less. If the Residence is a previously occupied, existing residence, I certify that the proceeds of the Mortgage will not be used to replace my existing mortgage or my existing contract for deed (or similar transaction).
13. **HOLD HARMLESS CERTIFICATION:** I understand that the Lender and NCHFA will determine my eligibility to receive an MCC. NCHFA will not inspect the property for defects. I agree to hold NCHFA harmless from any action or inaction on the part of the Lender, the Seller, the contractors or other involved parties.
14. **MCC ASSUMABILITY CERTIFICATION:** I understand that if a MCC-assisted mortgage loan is to be assumed by a new borrower, the MCC may be issued to the new borrower under certain guidelines. The new borrower's acquisition cost and income limits must not exceed the NCHFA limits in effect at the time of the loan assumption. The new borrower must occupy the unit as a principal residence within 60 days of the assumption, and must be a first-time homebuyer, unless the home is in a Targeted Area. The new MCC will be issued in the same credit amount as for the original MCC. Additionally, the new MCC must comply with any changes in federal, state, or NCHFA policies that have amended the MCC requirements. There will be a non-refundable MCC processing fee.
15. **MCC ONLY – TRANSFERABILITY CERTIFICATION:** I understand and agree that if an MCC is issued to me, it is not transferable to another person or property. I also understand that an MCC issued to me may be re-issued only once as a result of a refinance of my existing mortgage, but only if the mortgage being refinanced is from a fixed rate mortgage into another fixed rate mortgage. The reissued MCC will expire on the final payment date of the original mortgage loan. The request for a re-issued MCC must be completed no later than two years after the date of the refinance, and must be made in writing to the Agency with copy of HUD-1 or Closing Disclosure.
16. **MCC ONLY – TAX ADVICE CERTIFICATION:** **I have been advised by the Lender to consult a tax accountant or to calculate federal tax consequences as a result of participation in the MCC program and not to rely solely on any statements made by the Lender or NCHFA.** I have been advised that use of the MCC will reduce my mortgage interest deduction for federal tax purposes and that the MCC does not offer any state income tax credit. I understand that the maximum annual value of the credit is \$2,000 or the applicable tax credit amount, whichever is less. I acknowledge that depending on my individual tax situation, the MCC may not always provide a benefit to me in any given year.
17. **MATERIAL MISSTATEMENT CERTIFICATION:** I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for a MCC or NCHFA assisted mortgage. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my MCC or NCHFA assisted mortgage, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code.

Other Remedies - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a MCC or funding of a NCHFA assisted Mortgage will result in denial of my application for a MCC or NCHFA assisted Mortgage. If a MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by NCHFA. If a NCHFA assisted Mortgage has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and to institute foreclosure.

_____/_____/_____
Date

Signature of Borrower

Signature of Co-Borrower/Co-Occupant

Signature of Co-Borrower/Co-Occupant

Lender Certification:

The Lender, after reasonable investigation of the borrower and occupant documentation, certifies that the information set forth above was obtained directly from the Borrower(s) by an employee or agent of the Lender and is accurate and true to the best of the Lender's knowledge, information, and belief.

_____/_____/_____
Date

Lender Name

Signature of Lender

Title of Lender