



Form - 016

Mortgage Affidavit and Borrower Certification

Authorization to Release Information

I understand I am obtaining a Mortgage Loan and/or Mortgage Credit Certificate (MCC) through a North Carolina Housing Finance Agency (NCHFA) program. As part of the mortgage process, I understand NCHFA or its authorized representatives may need to verify information contained in my loan application and any other documents required in connection with the mortgage loan, pursuant to NCHFA Program requirements, investor requirements, or as part of a Quality Control program. By signing below, I authorize the lender to release any and all information, records, and documentation that NCHFA may request. Such information may include non-public personal information including, but not limited to social security number, employment history and income; bank, money market, and similar account balances; and copies of income tax returns for the three years prior to mortgage closing.

I, the undersigned, as part of my application for a Mortgage Loan and/or Mortgage Credit Certificate (MCC) offered by NCHFA, and as a material inducement for NCHFA to issue an MCC or approve a loan from a participating 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:

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

Street Address _____ County _____
City _____ Zip Code _____

2. PROPERTY STATUS: Check the statement that applies (check one):

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

3. 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 ____ (enter total number living in property).

I certify that all occupants of property being purchased are listed here. All occupants who will be mortgagor(s) including any other person who is expected to both live in the residence being financed and become secondarily liable on the mortgage must furnish all required income documentation (VOE, paystub, tax returns and sign all our documents) and must meet all Program Guidelines (e.g., income not over county limit and cannot have owned a principal residence in the last three years). Secondarily liable on the debt shall include someone who acts as a surety or guarantor if they also intend to live in the residence being financed. For purposes of this program, a spouse must provide all required income documentation as well as any titleholder who resides in the subject property.

Borrower Name: _____ Gross Annual Income (base + OT + other) \$ _____
Spouse Name: _____ \$ _____
Co-Borrower Name: _____ \$ _____
Titleholder Name: _____ \$ _____
(print additional forms if more space needed)

Non-Borrowing Occupants (must be listed below):

Table with 3 columns: Occupant Name (non-borrower), Age, Relationship to borrower(s)

4. 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 rental home and not more than 15% of the area of the Residence will be used in a trade or business. 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 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 without permission of NCHFA.
- (c) **As a Non-Borrower Occupant**, I agree to execute all documents required by the North Carolina Housing Finance Agency (NCHFA). I certify that I will not have ownership of the property or intend to have ownership of the property.
- (d) I will notify NCHFA immediately, in writing, if the Residence ceases to be my principal residence or in the event that I vacate the Property, and to keep NCHFA informed of my current mailing address.

5. **COMPLIANCE INCOME CERTIFICATION:** I have enclosed as part of my application evidence of ALL family income for the mortgagor(s) including any other person who is expected to BOTH live in the residence being financed and become secondarily liable on the mortgage. The income used in determining the total annual family income will be the income of the mortgagor(s) (including titleholders) **and any other person who is both expected to live in the residence** being financed, and who will become secondarily liable for the mortgage. For purposes of this program, a spouse must provide all required income documentation.

- a. I understand **I AM NOT** eligible for a mortgage loan and/or MCC if my annual family income **exceeds** the Income Limits authorized by NCHFA under rules and regulations set by federal and state entities. Income limits are subject to change. **Please complete all questions below.**
 - A. I attest, **as a Borrower** that I do or do not receive child support.
 - I Do (If I do, the amount received per month is \$ _____)
 - I Do Not
 - B. I attest, **as Spouse** that I do or do not receive child support.
 - I Do (If I do, the amount received per month is \$ _____)
 - I Do Not
 - C. I attest, **as a Titleholder or Co-Borrower** that I do or do not receive child support.
 - I Do (If I do, the amount received per month is \$ _____)
 - I Do Not

Documentation Attestation: I have enclosed as part of my application evidence of all income. (e.g., Alimony, Child Support, Award Letters, Part-time Jobs, Pay Stubs, Self-Employment, etc.). **Check one.**

- D. This is to attest I, **as Borrower** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**
 - Does not apply
 - Never Married
 - Other Reason _____
- E. This is to attest I, **as Spouse** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**
 - Does not apply
 - Never Married
 - Other Reason _____
- F. This is to attest I, **as a Titleholder or Co-Borrower** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**
 - Does not apply
 - Never Married
 - Other Reason _____

6. FIRST-TIME HOMEBUYER CERTIFICATION: Check the statement that applies (check one):

- (a) I individually, or together with another person who will be liable on the mortgage, have not had an ownership interest in a principal residence within 36 months from the date shown below, or closing date, whichever is later. For this purpose, a principal residence includes a single-family residence; condominium stock held by a tenant stockholder in a housing corporation; or any manufactured home (including a mobile home). 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. The term ownership interest 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 (as defined and listed on the NCHFA website).
- (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 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. List person claiming exempt status _____.

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

- (a) I am required to provide and hereby authorize the lender and/or NCHFA to request official IRS tax transcripts or true and complete copies of my signed federal income tax returns for the prior three tax years 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 provide and hereby authorize the lender and/or NCHFA to request official IRS tax transcripts or complete copy of last year's signed federal income tax returns filed with the IRS.

Complete section 7(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:
(Borrower, year) _____
(Co-Borrower/Spouse, year) _____
(Additional Mortgagor(s), year) _____

Check section (d) only if closing for the MCC-assisted loan (Mortgage Credit Certificate) or applicable Mortgage Loan 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 if Mortgage closing is occurring between January 1 and February 15 and 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 a principal residence for that year.

8. PURCHASE PRICE CERTIFICATION: I certify that the total cost of acquiring the Residence as a completed residential unit is equal to or less than **\$345,000**.

The total acquisition cost of the land and the completed Residence includes:

- (a) 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.
- (b) 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 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.

- (c) If new construction, the total cost of acquiring the Residence should include the construction cost 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.
- (d) Check here, if Residence purchased is subject to ground rent or a leasehold.
- (e) No side deal or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence.
9. LENDER CHOICE CERTIFICATION: I understand that I may seek financing from any lender of my choosing provided that lender and NCHFA have executed the required Lender Participation Agreement and that I am in no way prohibited from seeking financing from any particular lender.
10. 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.
11. ELIGIBILITY CHANGES CERTIFICATION: I understand and agree that changed conditions in acquisition costs, income and/or program requirements may disqualify me at closing from receiving the Mortgage Loan and/Mortgage Credit Certificate (MCC) although I was eligible at the time of application.
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 a mortgage loan and/or 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 re-issued 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 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. RECAPTURE TAX: As a Mortgagor, I may receive benefits from the Mortgage Loan or MCC such as a tax credit that may reduce my federal income tax liability. As a result, pursuant to Section 143(m) of the IRS Code, I may become subject to a special "recapture tax" for federal income tax purchases.
18. MATERIAL MISSTATEMENT CERTIFICATION: I acknowledge and certify this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for a MCC and/or Mortgage Loan. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my MCC or Mortgage Loan, 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 and/or Mortgage Loan will result in denial of my application for a MCC and/or Mortgage Loan. If an 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 Mortgage Loan provided under an NCHFA program 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, among other remedies, to institute foreclosure.

SIGNATURES REQUIRED *(print additional forms if more space needed)*

Date: _____ / _____ / _____

Signature of Borrower

Signature of Spouse (if married)

Signature of Borrower

Signature of Borrower

Signature of Titleholder (not a borrower)

Signature of Titleholder (not a borrower)

Signature of Adult Occupant, Non-Owner

Signature of Adult Occupant, Non-Owner

Lender Certification:

The Lender, after verifying all 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

Print Name of Lender Representative

Signature of Lender Representative

Title of Lender Representative