

## **WELCOME HOME HEROES PROGRAM DOCUMENTS**

### **PRIOR TO CLOSING**

- COMPLETED PRIOR APPROVAL CHECKLIST
- COMPLETED PRIOR APPROVAL VOUCHER
- AFFIDAVIT OF BUYER (\*\*reaffirm at close\*\*)
- AFFIDAVIT OF SELLER (\*\*reaffirm at close\*\*)
- CERTIFICATION OF INCOME
- MCC OPT OUT (in the event there is no tax benefit to buyer)

### **CLOSE/POST CLOSE**

- COMPLETED POST CLOSE CHECKLIST
- FUNDING VOUCHER
- MORTGAGE RIDER TO 1ST MORTGAGE (also known as tax exempt rider)
- SERVICING LETTER
- 2ND NOTE
- 2ND MORTGAGE

### **MORTGAGE CREDIT CERTIFICATE:**

- MCC prior checklist
- Forms MCC25, 26, 28, 29, 30
- RECAPTURE NOTICE (MCC)
- MCC closed loan checklist (MCC post close checklist)
- Forms MCC32, 33

**\*\*Note:** All pages of original Affidavit of Buyer, Affidavit of Seller, and other IHDA documents must be included in post close package.

**IHDA PRIOR APPROVAL CHECKLIST**

**ANTICIPATED CLOSE DATE:** \_\_\_\_\_

**IHDA loan #:** \_\_\_\_\_ **1<sup>st</sup>** \_\_\_\_\_ **2<sup>nd</sup>** \_\_\_\_\_

**Lender:** \_\_\_\_\_ **ContactName:** \_\_\_\_\_ **E-Mail:** \_\_\_\_\_ @ \_\_\_\_\_

**Borrower:** \_\_\_\_\_ **CoBor:** \_\_\_\_\_ **Household size:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_ **County** \_\_\_\_\_

**Purchase Price \$** \_\_\_\_\_ **Appraised Value \$** \_\_\_\_\_

**Base Loan Amt \$** \_\_\_\_\_ **+ UFMIP/FF/Financed MI** \_\_\_\_\_ **= Total 1<sup>st</sup> Mtge \$** \_\_\_\_\_

**Loan Amt for IHDA 2nd \$** \_\_\_\_\_ **County income limit** \_\_\_\_\_ **County purchase price limit**

**Reservation Confirmation(s) – All programs**

\_\_\_\_\_ Copy of Confirmation(s) for each reservation is (are) included in file. Expiration date: \_\_\_\_\_

NOTE: LOAN MUST BE CLOSED WITHIN **60** DAYS OF RESERVATION.

**Prior Approval Voucher - All programs.**

\_\_\_\_\_ Each section must be fully completed.

**Copy of Affidavit of Buyer (ORIGINAL @ close)** Use form dated 12/2011 – **Smart Move, WHHP, BB**

- \_\_\_\_\_ County completed at top of form
- \_\_\_\_\_ #1 Property address completed
- \_\_\_\_\_ #6 All persons with a present ownership interest listed (spouse, co-borrower)
- \_\_\_\_\_ #7 Buyers are identified & occupancy address history covers at least 36 months until “Present” (month/year). Check address(es) against tax returns and clarify any discrepancy(ies).
- \_\_\_\_\_ #10 ALL sections completed or answered “None” and complete TOTAL
- \_\_\_\_\_ #12 Math computations are correct (acquisition cost = sale price)
- \_\_\_\_\_ #14 ALL household occupants listed with ages included (including borrower)
- \_\_\_\_\_ #15 If targeted area
- \_\_\_\_\_ #16 Acknowledgment of note signed by all buyers and non-purchasing spouse if applicable.
- \_\_\_\_\_ ALL signatures are notarized (Notary cert section completed (names completed, stamped, dated)
- \_\_\_\_\_ Bottom of every page initialed

**\* If non-borrowing spouse, please check the following AND note below re: income**

- \_\_\_\_\_ Spouse listed at #6
- \_\_\_\_\_ 3 year address history for spouse at # 7
- \_\_\_\_\_ Spouse completed #16, signature is notarized

**Copy of Smart Move Plus Affidavit of Buyer (ORIGINAL @ close)** (6/2012) - **Smart Move Plus**

- \_\_\_\_\_ Property address completed
- \_\_\_\_\_ ALL household occupants listed
- \_\_\_\_\_ Income certified
- \_\_\_\_\_ ALL signatures notarized

**Copy of Affidavit of Seller (ORIGINAL @ close)\***Use form dated 10/2009 – **Smart Move, Smart Move Plus, WHHP, BB**

- \_\_\_\_\_ County completed at top of form
- \_\_\_\_\_ #1 Property address completed AND consistent with affidavit of buyer #6
- \_\_\_\_\_ #6 Other contracts answered “None”
- \_\_\_\_\_ #8 Price stated agrees with purchase price
- \_\_\_\_\_ #9 Completed or answered “None”
- \_\_\_\_\_ #11 Form of ownership indicated
- \_\_\_\_\_ Affidavit dated and signed by all sellers in the proper area
- \_\_\_\_\_ Seller’s signature is notarized (notary certification section complete (name, dated same, county & state completed, etc.)
- \_\_\_\_\_ Bottom of every page initialed by seller(s)

\*IF HUD sale, Affidavit of Seller for HUD transactions is required.

**Copy of 1<sup>st</sup> Time Home Buyer Counseling Cert. signed by borrower(s).** – **Smart Move, WHHP, BB, Smart Move Plus purchase**

\_\_\_\_\_ A Certificate of Completion for each borrower for First Time Home Buyer Training IS included in file (show in MITAS) Counseling Agency & Cert #: \_\_\_\_\_ Date of training \_\_\_\_\_

**Application - Credit Report - Bank Statements – All programs**

- \_\_\_\_\_ Copy of preliminary signed 1003 application included in file w/copy of any applicable addendum (FHA/VA)
- \_\_\_\_\_ Copy of DU/LP findings/USDA commitment w/transmittal summary (1008/92900 LT/VA 6393) including underwriter notes.
- \_\_\_\_\_ No recent or large loan amounts on credit report, which could be home loans
- \_\_\_\_\_ Credit report: scores: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ and \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.
- \_\_\_\_\_ 3 consecutive month’s current bank statements for all bank accounts listed on 1003.
- \_\_\_\_\_ Copy of divorce decree/property settlement/court order for child support/credit LOX’s, other LOX’s, etc.
- \_\_\_\_\_ Copy of Pay-off statement if refinance.

**Income – All programs**

- \_\_\_\_\_ Original Certification of Income fully completed (buyer name(s), property address, occupants, # 3), signed, dated
- \_\_\_\_\_ **30 days** consecutive PAY-STUBS showing YTD earnings, paystubs must be dated within 60 days of IHDA’s receipt of file; include pay stub(s) for all household members aged 18 & over for all current employment OR signed LOX re: income.
- \_\_\_\_\_ Part time / child support / interest or dividend income / signed year to date profit and loss statement

**Prior approval checklist continued.....**

**Income Calculation:**

Buyer # 1 total YTD GROSS income \_\_\_\_\_ divided by \_\_\_\_\_ (# months passed) = \_\_\_\_\_ x 12 = \_\_\_\_\_

Buyer # 2 total YTD GROSS income \_\_\_\_\_ divided by \_\_\_\_\_ (# months passed) = \_\_\_\_\_ x 12 = \_\_\_\_\_

Spouse's or other HH occupant income YTD gross \_\_\_\_\_ divided by \_\_\_\_\_ = \_\_\_\_\_ x 12 = \_\_\_\_\_

Bonus / OT / commission YTD \_\_\_\_\_ + last year's total Bonus/OT/Commission \_\_\_\_\_ divided by \_\_\_\_\_ (total # months)

= \$ \_\_\_\_\_ *Example: YTD June 2012 OT \$1000 plus 2011 OT \$2000 divided by 18 months times 12= \$1999*

**TOTAL INCOME ALL SOURCES \$ \_\_\_\_\_ \* (figure should agree w/Cert of Income)**

\* These are initial formulas for calculating income, individual files may require different calculations

\_\_\_\_\_ If buyer receives child support, documentation of income is included in file

\_\_\_\_\_ If spouse is non-purchasing, non-borrowing/waiving homestead, income is included in totals, 3 year's tax returns and 30 day consecutive pay stubs showing year to date earnings are in file.

\_\_\_\_\_ Income total must include income from ALL sources, AND from all Household members over 18. If it does not, recalculate totals and provide relevant documentation (such as signed statement certifying no other income earned from any source).

**Copies of W2's for most recent year w/VOE(s) – All programs**

\_\_\_\_\_ ALL W2's from previous year for all employers included in file

\_\_\_\_\_ Prior VOE's for all jobs in which borrower is no longer employed

**Copies of SIGNED FEDERAL TAX RETURNS (or transcripts directly from IRS) for most recent 3 years WITH ALL SCHEDULES AS APPLICABLE:**

|                         | Buyer 1 | Signed | Buyer 2 | Signed |
|-------------------------|---------|--------|---------|--------|
| Previous year: 20 _____ | _____   | _____  | _____   | _____  |
| Previous year: 20 _____ | _____   | _____  | _____   | _____  |
| Previous year: 20 _____ | _____   | _____  | _____   | _____  |

\_\_\_\_\_ Tax returns show NO deduction for real estate taxes or for mortgage interest

\_\_\_\_\_ Addresses on tax returns agree with affidavit of buyer #7. **If not**, provide explanation.

\_\_\_\_\_ All household income has been considered.

**NOTE: If loan closes after April 15, tax return(s) for most recent filing year is (are) required.**

**Original Affidavit of Buyer RE: Tax Returns (Income Tax affidavit) – Smart Move, WHHP, BB**

\_\_\_\_\_ Signed ONLY IF buyer was not legally required to file tax returns for a particular year

**Copy of APPRAISAL – All programs**

Does the property appraise over purchase price limits? Yes / No (If yes, loan is disqualified if buyer and seller are related)

Are there any extenuating circumstances such as needed repairs? Yes / No (If so, list at "note" section )

\_\_\_\_\_ Included in file

\_\_\_\_\_ Property is 5 acres or less

**Copy of Purchase Agreement / Contract – Purchase transactions**

\_\_\_\_\_ Address on contract agrees with address on affidavits

\_\_\_\_\_ Contract dated & signed by all buyers and all sellers' representatives; all riders provided. No unacceptable clauses – e.g. seller credit exceeds agency regulations; points exceed program limit; purchase agreement includes excess personal property; etc.

**Recapture Notice – Smart Move (Original @ close)**

\_\_\_\_\_ Signed by borrower and spouse/all buyers (original signed form to be provided to IHDA).

**MCC Opt Out Letter – WHHP (Original @ close)**

\_\_\_\_\_ Signed and dated, reason shown – WHHP

**Current ownership of Mobile home – Smart Move**

\_\_\_\_\_ IF buyer currently lives in a mobile home, PHOTOS of the hitch and axles are located in file

\_\_\_\_\_ Property is a single wide mobile home (Primary residence of a double-wide mobile in last 3 years disqualifies buyer)

**DD214/COE/Evidence of military status – WHHP, VA loan transactions**

\_\_\_\_\_ Copy of Certificate of Eligibility, DD214 OR Service Record – evidence of veteran / active duty status

Note: May need "Alive and Well Statement" if on active duty overseas.

**Notes to file & entered into MITAS:**

\_\_\_\_\_

Submission reviewed by: \_\_\_\_\_ Lender \_\_\_\_\_ HLO

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
PRIOR APPROVAL VOUCHER**

IHDA LOAN #(s): 1<sup>st</sup> \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

INTEREST RATE: 1<sup>st</sup> \_\_\_\_\_ % 2<sup>nd</sup> \_\_\_\_\_ 0%

|                        |  |                      |                  |
|------------------------|--|----------------------|------------------|
| <b>Lender:</b>         |  | <b>Date:</b>         |                  |
| <b>Branch Address:</b> |  | <b>City:</b>         | <b>Zip Code:</b> |
| <b>Lender Contact:</b> |  | <b>Phone Number:</b> | <b>Fax:</b>      |
| <b>Email Address</b>   |  |                      |                  |

**LOAN DATA**

|  |                                    |
|--|------------------------------------|
| <b>Appraised Value:</b> _____  | <b>Acquisition Cost:</b> _____     |
| <b>First Mortgage:</b> _____   | <b>Second Mortgage:</b> _____      |
| <b>Base loan request:</b> \$ _____   | <b>UFMIP/FF/Financed MI:</b> _____ |
| <b>Total loan amount (1<sup>st</sup> mtg):</b> \$ _____<br>(with UFMIP/FF/Financed MI) | <b>Base Loan LTV:</b> _____ %      |
|  | <b>Total/Combined LTV:</b> _____ % |

**BORROWER DATA**

|  |   |            |                        |                        |                              |
|--|---|------------|------------------------|------------------------|------------------------------|
| <b>Buyer Name (Last, First, MI)</b>    | <b>S.S.#:</b>   | <b>Sex</b> | <b>Age</b>             | <b>National Origin</b> | <b>Monthly Income:</b><br>\$ |
| <b>Co-Buyer Name (Last, First, MI)</b> | <b>S.S.#:</b>   | <b>Sex</b> | <b>Age</b>             | <b>National Origin</b> | <b>Monthly Income:</b><br>\$ |
| <b>Total Combined ANNUAL Income</b>    | <b>Marital Status (Circle One) (For Borrowers Only)</b><br>Single Married |            | <b>Household Size:</b> |                        |                              |

**PROPOSED DATA**

|  |   |
|--|---|
| <b>Principal &amp; Interest Payment 1<sup>st</sup></b> _____           | <b>Total PITI payment</b> _____         |
| <b>Principal &amp; Interest Payment 2<sup>nd</sup></b> _____ -0- _____ | <b>Other monthly obligations</b> _____  |
| <b>Est. Escrow payments (taxes, ins, mip, etc)</b> _____               | <b>Total Monthly Debt Payment</b> _____ |
| <b>Total Debt to Income Ratio</b> _____ %                              |   |

# ILLINOIS HOUSING DEVELOPMENT AUTHORITY MORTGAGE PROGRAM

## AFFIDAVIT OF BUYER

IF ANY STATEMENT MADE BY YOU IN THIS AFFIDAVIT IS FALSE, THE MORTGAGE LOAN MADE TO YOU WILL NOT BE ELIGIBLE FOR THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY'S SINGLE FAMILY MORTGAGE PURCHASE PROGRAM AND IN SUCH EVENT THE OUTSTANDING PRINCIPAL BALANCE OF THE MORTGAGE LOAN MAY BE DECLARED IMMEDIATELY DUE AND PAYABLE.

IT MAY BE A FEDERAL OFFENSE PUNISHABLE BY A MAXIMUM OF A \$5,000 FINE, TWO YEARS IMPRISONMENT, OR BOTH, KNOWINGLY TO MAKE A FALSE STATEMENT IN THIS AFFIDAVIT (TITLE 18 UNITED STATES CODE, SECTION 1014). READ THIS AFFIDAVIT CAREFULLY TO BE SURE THE INFORMATION IN IT IS TRUE AND COMPLETE BEFORE SIGNING THIS FORM. ALL QUESTIONS MUST BE ANSWERED COMPLETELY. IF ANY QUESTION IS NOT APPLICABLE, ANSWER "N/A." THE INFORMATION PROVIDED IN THIS AFFIDAVIT IS SUBJECT TO VERIFICATION BY THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY, THE LENDER TO WHOM YOU SUBMITTED YOUR MORTGAGE LOAN APPLICATION (THE "LENDER") AND THEIR RESPECTIVE AGENTS.

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

As an essential part of my (our) application for a mortgage loan (the "Mortgage Loan") from the Illinois Housing Development Authority (the "Authority"), I (we) declare and state as follows:

### A. RESIDENCE REQUIREMENT

- (1) The residence to be financed with the proceeds of the Mortgage Loan (the "Residence") is located at the following address: (including number, direction, name, suffix, zip, city/town) \_\_\_\_\_, Illinois and consists of a real estate (or an interest in real estate) upon which there is, or (in the case of new construction) is to be, located a structure designed for use as a residence.
- (2) I (we) must occupy the Residence as my (our) principal residence not more than 60 days after the closing of the Mortgage Loan (the "Closing Date"). I (we) must use the Residence as my (our) principal residence until the Mortgage Loan has been repaid in full. I (we) will not use the Residence as a second home, investment property or recreational home.
- (3) I (we) will not use the Residence or any portion of the Residence (in excess of 15% of its total area) in any trade or business and I (we) do not expect that any portion of the costs or expenses of the Residence will qualify as a home business expense for federal income tax purposes. No portion of the Residence is specifically designed for any commercial use.
- (4) All of the land upon which the Residence is located, or (in the case of new construction) is to be located, is for the purposes of the Residence. I (we) do not expect such land to provide any income to me (us). If the land exceeds any minimum lot size for zoning purposes by an amount sufficient to subdivide the property without a zoning variance, I (we) will not subdivide or otherwise sell any of the land on which the Residence is located (except in conjunction with a future sale of the Residence) or (b) seek any variance from applicable zoning, minimum lot size or set-back requirements in order to subdivide the land.
- (5) If the Residence is a two, three or four family residence, (a) I (we) will occupy one unit of the Residence, and (b) the Residence will have been first occupied as a residence at least five years prior to the execution of the mortgage securing the Mortgage Loan. [Note: subparagraph (b) of this Paragraph does not apply if (i) the Residence is a new construction or (ii) the Residence is located in a "targeted area" identified by the Lender and your income meets the targeted area guidelines identified by the Lender.]
- (6) The names and present address of all persons who are expected to acquire a "present ownership interest"\* in the Residence are as follows:

Buyer #1: \_\_\_\_\_ Buyer #2 (or non-borrowing spouse/spouse waiving homestead)

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Present Address: \_\_\_\_\_ Present Address: \_\_\_\_\_

\* A "present ownership interest" includes all forms of ownership interests in the Residence, such as (a) a fee simple interest, (b) a joint tenancy, tenancy in common or tenancy by the entirety, (c) a life estate, (d) a land contract (*i.e.*, a contract under which the buyer has possession of the property and the benefits and burdens of ownership although the seller retains legal title) and (e) a beneficial interest in a land trust or similar arrangement under which an interest is held in trust and would constitute a present interest if held directly. A "present ownership interest" DOES NOT INCLUDE (a) any lease (whether or not it includes a purchase option), (b) the interest of a buyer under a standard residential purchase contract which has been signed but not yet closed, (c) an expectancy to inherit property, (d) a remainder interest and (e) an ownership interest in a residence that has not been occupied as a principal residence, *e.g.*, a vacation home or a rental property during the past 3 years. **IF YOU ARE UNSURE ABOUT WHETHER ANY OF THE PERSONS LISTED ABOVE HAS A "PRESENT OWNERSHIP INTEREST," PLEASE CONSULT YOUR ATTORNEY.**

## A. THREE-YEAR REQUIREMENT

(7) The persons listed in Paragraph 6 have lived at the addresses listed below during the three years preceding the date I (we) signed the Mortgage Loan application. None of those persons has had a present ownership interest (as defined in Paragraph 6) in her or his principal residence at any time during the three years preceding the Closing Date. [This sentence does not apply if the borrower is a qualified veteran or if the Residence is located in a "targeted area," identified in materials provided to the Lender by the Authority.]

**Buyer #1:** \_\_\_\_\_

| Dates Occupied        | Principal Residence Address |
|-----------------------|-----------------------------|
| From _____ to present | _____                       |
| From _____ to _____   | _____                       |
| From _____ to _____   | _____                       |

**Buyer #2:** \_\_\_\_\_

(or non-borrowing spouse/spouse waiving homestead rights)

| Dates Occupied        | Principal Residence Address |
|-----------------------|-----------------------------|
| From _____ to present | _____                       |
| From _____ to _____   | _____                       |
| From _____ to _____   | _____                       |

(8) True and correct signed copies of the federal income tax return as filed for all persons listed in Paragraph 6 for the three years preceding the Closing Date are attached to this Affidavit, except for (a) tax returns which have previously been provided to the Lender and (b) tax returns due after the date of this Affidavit but on or before the Closing Date, copies of which tax returns I (we) will provide to the Lender, not later than the date I (we) file such tax returns. If I (we) file extension request for a tax return due after the date of this Affidavit, I (we) will provide to the Lender, not later than the date I (we) file such extension request, a copy of such extension request.

## B. PURCHASE PRICE AND COMPLETED RESIDENCE REQUIREMENTS

(9) I (we) have, as part of my (our) Mortgage Loan application, provided to the Lender a true, complete and correct copy of the real estate sales contract (the "**Sales Contract**") for the Residence. I (we) have attached to this Affidavit true and correct copies of all final contracts, agreements and understandings, other than the Sales Contract, between me (us), anyone related to me (us) or anyone acting on my (our) behalf and the seller of the Residence (the "**Seller**"), anyone related to the Seller or anyone acting on behalf of the Seller (collectively the "**Contracts**").

(10) In addition to the Contracts described in Paragraph 9 and the Sales Contract, I (we) have contracted to (a) purchase and add the following fixtures\* to the Residence, (b) obtain the following services to construct or improve the Residence, (c) make the following additions to, or to complete the following portions of, the Residence or (d) purchase for use in connection with the Residence the following additional land:

\* "**fixtures**" means an article that was once personal property, but has been installed in or attached to land or a building in such a permanent manner so that such article is regarded as part of the real estate. Examples of articles that ARE fixtures are the kitchen sink, furnace, toilets, linoleum flooring, water pipes, screens and storm windows specifically fitted to the residence. Stoves, ranges, refrigerators, washers and dryers in a single family residence are NOT fixtures.

**Note: If not applicable, answer "NONE." Otherwise, attach true and correct copies of all additional contracts.**

| Description of Fixture, Service, Addition, Completion or Land | Cost per Contract |
|---|-------------------|
| _____   | _____             |
| _____   | _____             |
|   | TOTAL: _____      |

(11) As of the date of this Affidavit, the residence is of sufficient size for my family without additions (other than the additions listed and valued in Paragraph 10 of this Affidavit) and includes all necessary fixtures (as defined above).

(12) The "**Acquisition Cost**"\* of the Residence and the land on which the Residence is, or is to be, located is calculated as follows:

|                                     |          |
|-------------------------------------|----------|
| a) Amount of Contracts with Seller: | \$ _____ |
| b) Plus Total from Paragraph 10:    | \$ _____ |
| c) TOTAL ACQUISITION COST:          | \$ _____ |

\* "**Acquisition Cost**" means the cost of acquiring the Residence from the Seller as a completed residential unit. It includes (i) all amounts paid (in cash or in kind) by or on behalf of the Buyer to or for the benefit of the Seller and (ii) the reasonable cost (irrespective of the source of funding) of completing an incomplete residential unit. For example, "Acquisition Cost" includes all debts of the Seller, or anyone acting on the Seller's behalf to be paid or cancelled by the Buyer or anyone acting on the Buyer's behalf. "**Acquisition Cost**" DOES NOT INCLUDE (1) the cost of personal property if there is a separate contract with a separate purchase price for the personal property, (2) usual and reasonable settlement costs (*i.e.*, title and transfer costs, title insurance, survey fees and other similar costs), (3) usual and reasonable financing costs (*i.e.*, credit report fees, legal fees, appraisal expenses and "points" paid by the Buyer), (4) the value of services expected to be performed by you, your spouse, your parents or children in completing the Residence and (4) the cost of land owned by you for at least 2 years before construction of the Residence begins.

**D. NEW MORTGAGE**

(13) No part of the Mortgage Loan proceeds will be used to refinance or replace my existing mortgage or other owner financing, except that all or any part of the Mortgage Loan proceeds may be used to pay or replace either (a) a construction period loan which I(we) received or (b) a bridge loan or similar temporary initial financing which has a term of 24 months or less. I (we) understand that conditional land sale contracts or leases with an option to purchase are considered existing loans or mortgages for the purposes of this Paragraph.

**E. HOUSEHOLD SIZE**

(14) The individuals expected to live in the Residence as of the Closing Date are:

| <u>NAME</u> | <u>RELATIONSHIP TO BUYER</u>  | <u>AGE</u> |
|-------------|-------------------------------|------------|
| _____       | Buyer/Head of Household _____ | _____      |
| _____       | _____                         | _____      |
| _____       | _____                         | _____      |
| _____       | _____                         | _____      |

[Note: if the Residence is a two, three or four unit residence, the numbers reported should reflect only those individuals expected to live in the same unit with you.]

**F. DATA COLLECTION FOR “TARGETED AREA LOANS” ONLY**

(15) I (we) have had a present ownership interest (as defined in Paragraph 6) in a principal residence at any time during the 3-year period ending on the date the mortgage is executed. YES  NO

**G. ACKNOWLEDGEMENT OF NOTE**

(16) I (we) acknowledge that making any misrepresentation or misstatement in this affidavit will constitute an EVENT OF DEFAULT under the Mortgage Loan and entitle the holder of the Mortgage Loan to accelerate the debt and institute FORECLOSURE and other appropriate proceedings.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Buyer #1)

\_\_\_\_\_  
(Buyer #2 or non-borrowing spouse waiving homestead rights)

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_ Notary Public (SEAL)

\_\_\_\_\_  
Notary Signature

~ STOP ~

THE FOLLOWING SECTION IS TO BE SIGNED AT THE CLOSING

REAFFIRMATION AT CLOSING:

The Internal Revenue Service requires that you be provided with the following statement about recapture upon the closing of your mortgage loan. The recapture referred to is the same recapture described in the Notice to Homebuyers that you have already executed.

NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME

Because you are receiving a mortgage loan from the proceeds of tax-exempt bonds, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels. You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. Within the next 90 days, you will be given additional information that will be needed to calculate the recapture tax.

- (1) I (we) certify that we have received a copy of the above Notice of Potential Recapture Tax on Sale of Home on the date of closing of my (our) mortgage loan.
(2) From the date that I (we) originally signed this Affidavit of Buyer through today's date, no changes in the circumstances relating to my (our) purchase of the Residence and receipt of the Mortgage Loan have occurred, including but not limited to a change in marital status, and the information and representations set forth in this Affidavit of Buyer are still on today's date, true, correct, and complete.
(3) From the date that I (we) originally signed this Affidavit of Buyer through today's date, I (we) have not filed a federal tax return or an application for extension to file a federal tax return, except for the federal tax return, if any, or extension, if any, that is attached to this Affidavit or has been delivered to the Lender in accordance with Paragraph 8 above.

DATED this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Buyer #1)

(Buyer #2 or non-borrowing spouse waiving homestead rights)

STATE OF ILLINOIS )
COUNTY OF \_\_\_\_\_ ) SS.

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify

that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_ Notary Public (SEAL)

Notary Signature



# ILLINOIS HOUSING DEVELOPMENT AUTHORITY

## AFFIDAVIT OF SELLER

IT MAY BE A FEDERAL OFFENSE PUNISHABLE BY A MAXIMUM OF: A \$5,000 FINE, TWO YEARS IMPRISONMENT, OR BOTH, TO KNOWINGLY MAKE A FALSE STATEMENT IN THIS AFFIDAVIT (TITLE 18 UNITED STATES CODE, SECTION 1014). READ THIS AFFIDAVIT CAREFULLY TO BE SURE THE INFORMATION IN IT IS TRUE AND COMPLETE BEFORE SIGNING THIS FORM. ALL QUESTIONS MUST BE ANSWERED COMPLETELY. THE INFORMATION PROVIDED IN THIS AFFIDAVIT IS SUBJECT TO VERIFICATION BY THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND THE ORIGINATING LENDER OR ITS AGENTS.

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I (we) have entered into a real estate sales contract (the "Sales Contract") with the buyer or buyers named in that Sales Contract (the "Buyer") to sell to the Buyer the residence described in the Sales Contract (the "Residence"). In order to finance the purchase of the Residence, the Buyer has applied for a mortgage loan (the "Mortgage Loan") from the Illinois Housing Development Authority (the "Authority"). I (we) declare and state, as an essential part of the Buyer's Mortgage Loan application, as follows:

### A. RESIDENCE REQUIREMENTS

- (1) The Residence is located at the following address: \_\_\_\_\_ (zip) \_\_\_\_\_, Illinois.
- (2) The Sales Contract requires me (us) to surrender possession of the Residence to the Buyer not more than 60 days after the closing of the sale of the Residence to the Buyer (the "Closing Date").
- (3) The Residence consists of real estate (or an interest in real estate) upon which there is located or (in the case of new construction) will be built a structure designed for use as a residence.
- (4) Neither the Buyer, anyone related to the Buyer, nor any person who, to my (our) knowledge, is acting on behalf of the Buyer (directly or indirectly) has asked me (us), anyone related to me (us) or anyone acting on my (our) behalf (directly or indirectly), (a) to acquire any land not owned by me (us) at the time the Buyer first indicated an interest in purchasing the Residence for the purpose of selling it to the Buyer as part of the purchase of the Residence or (b) to increase the amount of land originally offered for sale by me (us) in connection with the Residence.
- (5) If the Residence is a two, three or four family residence, it was first occupied as a residence at least five years prior to the execution of the mortgage securing the Mortgage Loan. [Note: this paragraph does not apply if the Residence is new construction.]

### B. PURCHASE PRICE REQUIREMENTS

(6) Except for the Sales Contract and other contracts listed below (together, the "Contracts"), neither I (we), nor any person acting on my (our) behalf (directly or indirectly), nor any party related to me (us) has entered into any contract, arrangement or understanding with the Buyer, or anyone related to Buyer, or any person who, to my (our) knowledge, is acting on behalf of the Buyer (directly or indirectly), relating to (i) the purchase of the Residence and any related personal property or fixtures, (ii) the furnishing of any services (including, but not limited to painting, plastering, landscaping) in connection with the construction and improvement of Residence, (iii) the completion, addition, or re-equipping of the Residence or (iv) the sale of any other real or personal property in connection with the Residence.

Other Contracts (if none, write NONE) \_\_\_\_\_.

(7) Except for any fixtures\* listed and valued in the Contracts, no fixtures relating to the residence that were used by me (us) are being removed without replacement or substitution by me (us).

\*"fixtures" means an article that was once personal property, but has been installed in or attached to land or a building in such a permanent manner so that such article is regarded as part of the real estate. Examples of articles that ARE fixtures are the kitchen sink, furnace, toilets, linoleum flooring, water pipes, screens and storm windows specifically fitted to the residence. Stoves, ranges, refrigerators, washers and dryers in a single family residence are NOT fixtures.

(8) The total amount to be paid to me (us), anyone related to me (us) or to anyone acting on my (our) behalf (directly or indirectly) for the sale of the Residence, whether under the terms of the Contracts or otherwise is \$ \_\_\_\_\_

INITIAL \_\_\_ & \_\_\_

**(Complete Paragraph 9 only if Residence is new construction)**

(9) The Residence has never been occupied. The following standard "fixtures" (as that term is defined in Paragraph 7 above) normally included in residences that I (we) construct that are similar to the Residence have been omitted (if none, write "NONE"):

| <u>Deleted Fixture</u> | <u>Price Reduction</u> |
|------------------------|------------------------|
| _____                  | _____                  |
| _____                  | _____                  |

These fixtures were not included at the request of the homebuyers: Yes  No

The following areas of the Residence, normally finished on residences that I (we) construct, were left unfinished (if none, write "NONE"):

| <u>Unfinished Area</u> | <u>Price Reduction</u> |
|------------------------|------------------------|
| _____                  | _____                  |
| _____                  | _____                  |

These areas were left unfinished at the request of the homebuyers: Yes  No

**C. NEW MORTGAGE**

(10) Except to the extent the Mortgage Loan proceeds are used to pay or replace either (a) a construction period loan provided by me (us) or (b) a bridge loan or similar temporary initial financing with has a term of 24 months or less, no part of the Mortgage Loan proceeds will be used to refinance or replace the Buyer's existing mortgage or other owner financing provided by me (us). I (we) understand that conditional land sale contracts or lease with an option to purchase are considered existing loans or mortgages for the purposes of this Paragraph.

**D. TITLE**

(11) Title to the Residence is currently held by (check the applicable box):

- an individual(s)                       a land trust                       other : \_\_\_\_\_  
 a partnership                               a corporation

If title is held by a corporation or partnership I (we) warrant and represent that the corporation or partnership has authorized the sale of the Residence by all requisite corporate or partnership action, and that I (we) have been duly authorized to execute this affidavit by the corporation or partnership, in each case as appropriate.

If title is held by a land trust I (we) represent and warrant that I (we) have been authorized by all beneficiaries of the land trust to execute this affidavit.

**IF SELLER IS AN INDIVIDUAL, A PARTNERSHIP OR A BENEFICIARY OF A LAND TRUST, ONLY COMPLETE SECTION 1. IF SELLER IS A CORPORATION, ONLY COMPLETE SECTION 2.**

INITIAL \_\_\_\_ & \_\_\_\_

**SECTION 1**

**NOTE: COMPLETE THIS PAGE IF SELLER IS AN INDIVIDUAL, A PARTNERSHIP OR BENEFICIARY OF A LAND TRUST.\* IF SELLER IS A CORPORATION, GO TO NEXT PAGE.**

\* If title is held in a land trust, by signing this Affidavit the undersigned certify that they have the power of direction for the land trust.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Seller)

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify that \_\_\_\_\_, personally known to me to be the same person(s) whose names(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_  
Notary Public (Seal)

\_\_\_\_\_  
Notary Signature

**~ STOP ~**

**THE FOLLOWING SECTION IS TO BE COMPLETED AND SIGNED AT THE CLOSING**

**REAFFIRMATION AT CLOSING:**  
(may be completed by an agent or representative of Seller)

From the date that this Affidavit of Seller was originally signed through today's date, no changes in the circumstances relating to the sale the Residence to the Buyer have occurred, and the information and representations set forth in this Affidavit of Seller were from the date originally signed through today's date, and are still on today's date, true, correct and complete.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Seller)\*

\_\_\_\_\_  
(Seller)\* If not Seller, designate capacity signed

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify that \_\_\_\_\_, personally known to me to be the same person(s) whose names(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_ Notary Public (seal)

**INITIAL \_\_\_ & \_\_\_**

**SECTION 2**

**NOTE: COMPLETE THIS PAGE ONLY IF SELLER IS A CORPORATION.** The signature need not be attested to unless such attestation is required by the By-Laws, Articles or Certificate of Incorporation.

Date: \_\_\_\_\_, 20\_\_\_\_

Seller's Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify that \_\_\_\_\_, personally known to me to be the same person(s) whose names(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_  
Notary Public (Seal)

\_\_\_\_\_  
Notary Signature

**~ STOP ~**

**THE FOLLOWING SECTION IS TO BE COMPLETED AND SIGNED AT THE CLOSING**

**REAFFIRMATION AT CLOSING:**  
(may be completed by an agent or representative of Seller)

From the date that this Affidavit of Seller was originally signed through today's date, no changes in the circumstances relating to the sale of the Residence to the Buyer have occurred, and the information and representations set forth in this Affidavit of Seller were from the date originally signed through today's date, and are still on today's date, true, correct and complete.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(Seller)\*

\_\_\_\_\_  
(Seller)\* \*If not Seller, designate capacity signed

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for said county and state, certify that \_\_\_\_\_, personally known to me to be the same person(s) whose names(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered such instrument as her/his (their) free and voluntary act, for the uses and purposes set forth in it.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_  
Notary Public (Seal)

\_\_\_\_\_  
Notary Signature

**INITIAL \_\_\_ & \_\_\_**

**Illinois Housing Development Authority  
Certification of Income**

This form is to be submitted to the Illinois Housing Development Authority ("Authority") -

Program Name: \_\_\_\_\_

Applicant(s)/Borrower(s): \_\_\_\_\_

Address of Property: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_

The undersigned certifies that:

1. This Certification of Income is being delivered in connection with the undersigned's application for funds in connection with the above referenced Program.

2. The following individuals will occupy the [unit][home]:

| <u>Occupant</u> | <u>Relationship</u>               | <u>Age</u> |
|-----------------|-----------------------------------|------------|
| a. _____        | <u>Head of Household/Borrower</u> | _____      |
| b. _____        | _____                             | _____      |
| c. _____        | _____                             | _____      |
| d. _____        | _____                             | _____      |
| e. _____        | _____                             | _____      |
| f. _____        | _____                             | _____      |

3. The total **annual** household income as of the date of application is as follows: \$ \_\_\_\_\_

I certify that the information above is true and complete to the best of my knowledge on the date hereof. If this Certification of Income is executed more than 90 days prior to the Closing Date of the purchase of the [unit] [home], I agree to update and recertify the accuracy of the information in this Certificate within 90 days prior to such Closing Date.

\_\_\_\_\_  
Applicant/Borrower \_\_\_\_\_ Date

\_\_\_\_\_  
Lender \_\_\_\_\_ Date

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The total annual household income set forth at Paragraph 3 above:

\_\_\_ has been verified by the Authority as correct

\_\_\_ has been calculated by the Authority to be \$ \_\_\_\_\_

\_\_\_\_\_  
Illinois Housing Development Authority - HLO



401 N. Michigan Avenue  
Suite 700  
Chicago IL 60611  
312.836.5200  
312.836.5222 TDD  
www.ihda.org

Pat Quinn, Governor

**WELCOME HOME HEROES PROGRAM**

IHDA loan number(s): \_\_\_\_\_

Borrower(s) name(s): \_\_\_\_\_

Property address: \_\_\_\_\_

To Illinois Housing Development Authority

I/We hereby acknowledge and understand that the Welcome Home Heroes Program can include an optional Mortgage Credit Certificate with a maximum participation fee of \$500.00.

OPT OUT \_\_\_\_\_

We are opting out of obtaining the Mortgage Credit Certificate for the following reason(s):

\_\_\_\_\_ Cost of participation is too high.

\_\_\_\_\_ I (We) do not understand the benefits of an MCC.

\_\_\_\_\_ I (We) will not benefit from an MCC.

\_\_\_\_\_ Other: \_\_\_\_\_

DATED \_\_\_\_\_

BORROWER SIGNATURE \_\_\_\_\_

CO-BORROWER/SPOUSE SIGNATURE \_\_\_\_\_

**IHDA POST CLOSE CHECKLIST**

Lender \_\_\_\_\_ Program \_\_\_\_\_

Contact person, email and phone # \_\_\_\_\_

IHDA Loan #(s) 1st \_\_\_\_\_ 2nd \_\_\_\_\_

Borrower(s) \_\_\_\_\_

Address \_\_\_\_\_, zip \_\_\_\_\_ in \_\_\_\_\_ County, IL

Closing Date \_\_\_\_\_ Interest Rate \_\_\_\_\_ % Mortgage Date \_\_\_\_\_

Base loan \$ \_\_\_\_\_ +UFMIP/FF \_\_\_\_\_ = Total loan \$ \_\_\_\_\_

\_\_\_\_\_ IHDA Funding Voucher (MP 14) FULLY COMPLETED (ALL PROGRAMS)

**ORIGINAL AFFIDAVIT OF BUYER (ALL PROGRAMS)**

- \_\_\_\_\_ All buyers have signed and dated the reaffirmation section (non-borrowing spouse must sign).
- \_\_\_\_\_ Signatures have been properly notarized at the reaffirmation section.
- \_\_\_\_\_ All signatures are dated **even or after** the Mortgage date.

**ORIGINAL AFFIDAVIT OF SELLER (ALL PROGRAMS)**

- \_\_\_\_\_ All sellers or an agent for the seller have signed and dated the reaffirmation section.
- \_\_\_\_\_ Signatures have been properly notarized at the reaffirmation section.
- \_\_\_\_\_ All signatures are dated **even or after** the Mortgage date.
- \_\_\_\_\_ Sellers are the same as indicated on the RESPA/HUD1 and Commitment (if applicable)

**TRUE & CERTIFIED Copy of 1<sup>st</sup> NOTE (ALL PROGRAMS)**

- \_\_\_\_\_ Date Executed \_\_\_\_\_
- \_\_\_\_\_ Executed by all borrowers
- \_\_\_\_\_ Rate and loan amount consistent with reservation, final 1003, AUS findings, 1008/FHA transmittal/VA worksheet

**TRUE & CERTIFIED Copy of 1<sup>st</sup> MORTGAGE (ALL PROGRAMS)**

- \_\_\_\_\_ Date Executed \_\_\_\_\_
- \_\_\_\_\_ Executed by all borrowers, non-borrowing spouse
- \_\_\_\_\_ Condo/PUD rider as applicable w/name of project shown
- \_\_\_\_\_ IHDA RIDER (MUST be attached to and recorded with 1<sup>st</sup> mortgage)
  - 1) \_\_\_\_\_ Borrower name shown on line 1
  - 2) \_\_\_\_\_ Lender name on lines 2 & 4
  - 3) \_\_\_\_\_ Mortgage date reference is correct
  - 4) \_\_\_\_\_ Loan amount is same as 1<sup>st</sup> mortgage

**TRUE & CERTIFIED COPY of 2<sup>nd</sup> LIEN NOTE – Note is correct for program (2 year/10 year) DPA PROGRAMS**

- \_\_\_\_\_ Dated same as 1<sup>st</sup> mortgage
- \_\_\_\_\_ Executed by all borrowers
- \_\_\_\_\_ In the name of Illinois Housing Development Authority
- \_\_\_\_\_ Amount no greater than allowed per program parameter

**TRUE & CERTIFIED COPY of 2<sup>nd</sup> LIEN MORTGAGE (DPA PROGRAMS)**

- \_\_\_\_\_ Dated same as 1<sup>st</sup> lien mortgage, notes
- \_\_\_\_\_ Borrower(s) name(s) and marital status shown
- \_\_\_\_\_ Written dollar amount is same as numeric amount and agrees with 2<sup>nd</sup> note
- \_\_\_\_\_ Executed by all borrowers, non-borrowing spouse

**RESPA (HUD-1) (ALL PROGRAMS)**

- \_\_\_\_\_ Verify sales price & loan amount; borrower invested 1% or \$1,000 (principal reduction limited to \$500)
- \_\_\_\_\_ HUD to show IHDA 2<sup>nd</sup> mortgage (not grant)

**TITLE COMMITMENT (ALL PROGRAMS)**

- \_\_\_\_\_ Proposed insured are borrowers
- \_\_\_\_\_ Title is in sellers name / Seller is same as per Affidavit of Seller & HUD-1
- \_\_\_\_\_ If refinance, borrower is same as current title holder

**COPY OF FINAL APPLICATION & OTHER DOCS (ALL PROGRAMS)**

- \_\_\_\_\_ Copy of final signed 1003 w/signed addendum as applicable
- \_\_\_\_\_ Copy of signed underwriter analysis worksheet (92900LT/1008/VA loan analysis); validate total expense ratio
- \_\_\_\_\_ FINAL automated underwrite as applicable (DU/LP/GUS) Case file # \_\_\_\_\_
- \_\_\_\_\_ FINAL total expense ratio 45 % or less TOTAL EXPENSE RATIO \_\_\_\_\_ %
- \_\_\_\_\_ IF credit report was updated, lender provided copy of update & score still meets guideline

**CLOSING CONDITIONS (ALL PROGRAMS)**

- \_\_\_\_\_ Documentation included in file to satisfy closing conditions and any additional documentation re: income, assets, credit, signed tax returns/IRS transcripts, name affidavit(s), original LOX's, etc. as may apply.

**IF approved before 4/15 and closed after 4/15, current year's tax return is required**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
FUNDING SUBMISSION VOUCHER**

IHDA LOAN #'s: 1<sup>ST</sup> \_\_\_\_\_ 2<sup>ND</sup> \_\_\_\_\_

INTEREST RATE: 1<sup>st</sup> \_\_\_\_\_ % 2<sup>nd</sup> 0%

Lender \_\_\_\_\_

Lender Address: \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_

Submitted by: \_\_\_\_\_ Phone: \_\_\_\_\_

Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

Borrower: \_\_\_\_\_

Co-Borrower: \_\_\_\_\_

Acquisition Cost/Sales Price: \$ \_\_\_\_\_ Appraised Value: \$ \_\_\_\_\_

Base Loan Amt: \$ \_\_\_\_\_ + UFMI/FF/Fin MI: \$ \_\_\_\_\_ = Total Loan Amt: \$ \_\_\_\_\_

LTV: \_\_\_\_\_ % (base div by lesser of sales price or value *cannot* exceed agency limit 96.5/97/95/100%)

2<sup>nd</sup> Mortgage Amt: \$ \_\_\_\_\_ TLTV (1<sup>st</sup> + 2<sup>nd</sup>): \_\_\_\_\_ %

First Payment Due Date: -01- Closing Date: \_\_\_\_\_

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**FINAL ESCROW BREAKDOWN**

1<sup>st</sup> Monthly P and I Payment: \$ \_\_\_\_\_ 2<sup>nd</sup> Monthly P& I Payment: \$ \_\_\_\_\_

Property Taxes: \$ \_\_\_\_\_ Hazard Insurance: \$ \_\_\_\_\_

Monthly MIP: \$ \_\_\_\_\_ Total Monthly Payment: \$ \_\_\_\_\_

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The following documents arranged in the order listed are included in this loan file submitted for purchase

- IHDA Funding Voucher
- IHDA Post Closing Checklist
- Original Affidavit of Buyer re-affirmed at closing (or Original Affidavit of Buyer for Smart Move Plus)
- Original Affidavit of Seller re-affirmed at closing
- Certified Copy of original 1<sup>st</sup> Note
- Certified Copy of 1<sup>st</sup> mortgage with ALL riders, including IHDA mortgage rider
- Certified Copy of Second Mortgage if applicable (IHDA mortgage rider not required)
- Certified Copy of Second Note (If applicable)
- Copies of RESPA (HUD Forms 1A and 1B) & Truth-in-Lending disclosure forms as required by law.
- Copy of signed transmittal summary / worksheet
- Documentation required per compliance approval letter



# IHDA MORTGAGE RIDER

## NOTICE TO MORTGAGOR

**THE PROVISIONS OF THIS RIDER SUBSTANTIALLY MODIFY THE TERMS OF THE LOAN. DO NOT SIGN THE NOTE OR THE SECURITY INSTRUMENT UNLESS YOU READ AND UNDERSTAND THESE PROVISIONS.**

**RIDER TO MORTGAGE BY AND BETWEEN \_\_\_\_\_ (THE "MORTGAGOR") AND \_\_\_\_\_ (THE "LENDER")**

The Mortgagor is executing simultaneously herewith that certain mortgage, dated \_\_\_\_\_, \_\_\_\_\_ (the "Security Instrument") to secure a loan (the "Loan") made by \_\_\_\_\_ (The "Lender") in the amount of \$\_\_\_\_\_ to the Mortgagor, evidenced by a note (the "Note") of even date herewith. It is expected that the Loan will be purchased or securitized by the Illinois Housing Development Authority (the "Authority"). It is a condition of the making of the Loan that the Mortgagor execute this Rider.

In consideration of the respective covenants of the parties contained in the Security Instrument, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, Mortgagor and Lender further mutually agree as follows:

1. The rights and obligations of the parties to the Security Instrument and the Note are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Security Instrument and the Note, the provisions of this Rider shall control.
2. Notwithstanding the provisions of Paragraph 5 of the Security Instrument, the Mortgagor agrees that the Lender or the Authority, as applicable, may, at any time and without prior notice, accelerate all payments due under the Security Instrument and Note, and exercise any other remedy allowed by law for breach of the Security Instrument or Note, if (a) the Mortgagor sells, rents or fails to occupy the property described in the Security Instrument as his or her permanent and primary residence; or (b) the statements made by the Mortgagor in the Affidavit of Buyer (Illinois Housing Development Authority Form MP-6A) are not true, complete and correct, or the Mortgagor fails to abide by the agreements contained in the Affidavit of Buyer; or (c) the Lender or the Authority finds any statement contained in that Affidavit to be untrue. The Mortgagor understands that the agreements and statements of fact contained in the Affidavit of Buyer are necessary conditions for the granting of the Loan.
3. The provisions of, this Rider shall apply and be effective only at such times as the Authority securitizes your loan or is the holder of the Security Instrument and the Note, or is in the process of securitizing or purchasing the Security Instrument and the Note. If the Authority does not securitize or purchase the Security Instrument and the Note, or if the Authority sells or otherwise transfers the Security Instrument and the Note to another individual or entity, the provisions of this Rider shall no longer apply or be effective, and this Rider shall be detached from the Security Instrument.

**MORTGAGOR**

\_\_\_\_\_  
\_\_\_\_\_



**Mortgage Rider  
REVISED 10/10**

Pat Quinn, Governor



401 N. Michigan Ave.  
Chicago, IL 60611

312-836-5200 Main  
312-836-5222 TDD

[www.ihda.org](http://www.ihda.org)

Dear Borrower:

Congratulations on the purchase of your new home! The Illinois Housing Development Authority (the "Authority") is committed to the financing of single family housing and as a new customer we want to take this opportunity to welcome you to the Authority. We recognize the need to work closely with our borrowers and hope you will find the information provided herein helpful to you.

Your second loan was financed to assist you with your down payment needs and the Note made by you in connection with the second loan is secured by a Second Mortgage. Please review your Note carefully and understand the payment terms you are obligated to.

A second letter will soon follow that will provide you with further direction regarding the servicing of your second loan. If you have any questions or any changes that may impact notices you will receive during the term of your second loan, please contact us at:

Illinois Housing Development Authority  
401 N. Michigan Avenue, Suite 700  
Chicago, Illinois 60611  
Attention: Asset Servicing Department

We may also be contacted directly at 1/877-456-2620 or via email at [assetservicing@ihda.org](mailto:assetservicing@ihda.org). Thank you in advance for your cooperation and we look forward to servicing your future needs.

Sincerely,

Tina Hillock  
Asset Servicing Manager

Acknowledged this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower

**NOTE**

Loan # \_\_\_\_\_

\_\_\_\_\_  
Closing Date

\_\_\_\_\_  
Closing City, State

\_\_\_\_\_  
Property Address

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$10,000.00 (this amount will be called "principal"), to the order of the Lender. This Lender is **Illinois Housing Development Authority**. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder".

**2. PAYMENTS**

The principal shall be amortized over a two (2) year period beginning on the first day of the second calendar month after the Closing Date (this time period will be called the "amortization period").

The principal shall bear no interest and no principal payments are required to be paid to the Note Holder, except as set forth in the following paragraph.

This Note shall be forgiven upon the amortization period set forth above; provided, however, that if during the amortization period (i) the Property (as defined in the Second Mortgage given by me to Lender to secure this Note and as identified by the Property Address above) is sold or otherwise transferred, or (ii) I refinance the first mortgage loan obtained by me from Lender in connection with this loan, or (iii) I cease to occupy the Property as my principal residence, I will repay to the Note Holder the principal, reduced by 1/24<sup>th</sup> of the original principal amount identified above for each full month prior to the occurrence of one of the events described in (i), (ii) or (iii) above in this paragraph.

If repayment of principal becomes due, I will pay such principal amount due (as calculated above) by making such payment in the amount and to the party as designated in writing by the Note Holder.

**3. BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charge For Overdue Payments**

If the Note Holder has not received the full amount of principal repayment that becomes due by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of the installment. I will pay this late charge only once on any late payment.

**(B) Notice From Note Holder**

If I do not pay the full amount of principal repayment that becomes due, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. The date must be at least 15 days after the date on which the notice is mailed to me or, if it is not mailed, 15 days after the date on which it is delivered to me.

**(C) Default**

If I do not pay the overdue amount by the date stated in the notice described in (B) above, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(D) Payment of Note Holder's Cost and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back for all of its cost and expenses to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**4. THIS NOTE SECURED BY A SECOND MORTGAGE**

In addition to the protection given to the Note Holder under this Note, a Second Mortgage dated \_\_\_\_\_ protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. In addition to the provisions of this Note regarding payment conditions, that

Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

**5. BORROWER'S PAYMENTS BEFORE THEY ARE DUE**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. A prepayment of all of the unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment". I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. I may make a full prepayment at any time. If I choose to make a partial prepayment, the Note Holder may require me to make the prepayment on the same day that one of my monthly payments is due.

**6. BORROWER'S WAIVERS**

I waive my rights to require the Note Holder to do certain things. Those things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); (C) to obtain an official certification of nonpayment (known as "protest").

**7. GIVING OF NOTICES**

Any notice that must be given to me under this Note will be given by delivering it or by mailing it by certified mail addressed to me at the Property Address above. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address. Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3 above. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note.

---

Borrower's Name

---

Co-Borrower's Name

This document was prepared by:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

When recorded, please return to:  
**Illinois Housing Development Authority**  
**401 N. Michigan Avenue Suite 700**  
**Chicago, IL 60611**  
**Attn: Home Ownership Programs**

\_\_\_\_\_ (Space Above This Line For Recording Data) \_\_\_\_\_

Loan # \_\_\_\_\_

**SECOND MORTGAGE**

THIS SECOND MORTGAGE ("Security Instrument") is given on \_\_\_\_\_.

The mortgagor is \_\_\_\_\_, \_\_\_\_\_ ("Borrower").

This Security Instrument is given to Illinois Housing Development Authority, which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose address is 401 N. Michigan Ave, Chicago, IL 60611 ("Lender"). Borrower owes Lender the principal sum of \_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"). This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in \_\_\_\_\_ County, Illinois:

**SEE ATTACHMENT**

which has the address of \_\_\_\_\_ Illinois \_\_\_\_\_ ("Property Address");  
(Street) (City) (Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Initials: \_\_\_\_\_

BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of the debt evidenced by the Note and any prepayment and late charges due under the Note and any sums advanced under paragraph 7.

**2. Intentionally Deleted.**

**3. Application of Payments.** All monies paid by Borrower to Lender shall be applied in the following order of priority: (a) first, toward repayment of all amounts advanced by Lender to protect and preserve the Property pursuant to paragraph 7 (if any); (b) next, toward payment of all late charges (if any); (c) next, toward the payment of default interest (if any); (d) next, toward payment of all amounts due and owing with respect to attorney fees and costs (if any); (e) next, toward payment of interest, other than default interest, that has accrued on the outstanding principal balance and that is due and payable (if any); and (f) last, toward payment of the outstanding principal balance.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower or Lender, on Borrowers behalf, shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 day a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Occupancy; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's Principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for the term of this Security Instrument. Borrower shall keep the Property in good repair and shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the

Initials: \_\_\_\_\_

loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is in on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument.

**8. Intentionally Deleted.**

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**10. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change amount of such payments.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several.

**13. Intentionally Deleted.**

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

Initials: \_\_\_\_\_

**17. Transfer of the Property or a Beneficial Interest In Borrower/Refinance of First Mortgage Loan.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) or the first mortgage loan obtained by Borrower from Lender in connection with the Property is refinanced by Borrower, in either event, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sum which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Interest) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substance defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**NON-UNIFORM CONVENANTS.** Borrower and Lender further covenant and agree as follows:

**21. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the note may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

**22. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation charges.

**23. Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

Initials: \_\_\_\_\_



**24. Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

|       |                            |
|-------|----------------------------|
| _____ | _____ (Seal)<br>--Borrower |
| _____ | _____ (Seal)<br>--Borrower |
| _____ | _____ (Seal)<br>--Borrower |
| _____ | _____ (Seal)<br>--Borrower |

(Space Below This Line For Acknowledgment)

STATE OF ILLINOIS  
COUNTY OF \_\_\_\_\_

ss:

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that \_\_\_\_\_ personally known to me to be the same person(s) whose name(s) are/is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

**MCC Checklist**

**IHDA MCC#:** \_\_\_\_\_

**Lender:** \_\_\_\_\_

**Contact Info:** \_\_\_\_\_

**Targeted:** \_\_\_\_\_ **Non-Targeted:** \_\_\_\_\_ **Veteran** \_\_\_\_\_ **Interest Rate** \_\_\_\_\_ %

**Purchase Price:** \_\_\_\_\_ **Loan Amount:** \$ \_\_\_\_\_

**Borrower:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **County:** \_\_\_\_\_

**Income Limit:** \_\_\_\_\_ **Income Reported:** \_\_\_\_\_

**Purchase Price Limit:** \_\_\_\_\_ **Purchase Price Reported:** \_\_\_\_\_

**A) Data Summary Sheet (MCC-30)**

- \_\_\_ Lender Data Section fully completed
- \_\_\_ Buyer Data Section fully completed
- \_\_\_ Property Data Section fully completed
- \_\_\_ Loan Data Section fully completed

**B) Informational Acknowledgement (MCC-25)**

- \_\_\_ Item#2 completed with MCC percentage rate
- \_\_\_ Buyer(s) sign and date the bottom of document

**C) Buyer Application Affidavit (MCC-26)**

**Page 1**

- \_\_\_ Item #3 completed with buyer(s) name(s) and social security number(s).
- \_\_\_ Item #4 completed with the property address.
- \_\_\_ Item #6 marked existing or new (whichever applies to property).
- \_\_\_ Item #12 completed (only if property is located in targeted area).

**Page2**

- \_\_\_ Item #13 completed with sales price.
- \_\_\_ Buyer(s) date and sign document
- \_\_\_ Buyer(s) signature is notarized.
- \_\_\_ If buyer's spouse waived homestead rights, then he/she completed this form and their signature is notarized.

**D) Verification of Income\***

- \_\_\_ 30 days' most recent paystubs in file reflecting YTD earnings if applicable

**Income Calculation**

Buyer #1 YTD gross income \_\_\_\_\_ divided by number of months passed times 12 = \_\_\_\_\_

Buyer #2 YTD gross income \_\_\_\_\_ divided by # of months passed times 12 = \_\_\_\_\_

Bonus/OT/Commissions: YTD \_\_\_\_\_ plus last year's total \_\_\_\_\_ divided by # of months times 12 = \_\_\_\_\_

**Example:** YTD June 2012 OT \$1000 plus 2012 OT \$2000 divided by 18 months times 12= \$1999

**GRAND TOTAL: \$** \_\_\_\_\_

- \_\_\_ Non-borrowing spouse's income is included in totals and documentation is in file
- \_\_\_ If buyer receives child support, documentation of support is included in file
- \_\_\_ Does the above total include income from ALL sources? If not recalculate totals and provide relevant documentation

**\* These are initial formulas for calculating income, individual files may require different calculations**

**E) 3 Year Federal Income Tax Returns (Skip for Targeted Area Loans)**

| Year   | Buyer 1 Signed | Buyer 2 Signed |
|--------|----------------|----------------|
| 20____ | _____          | _____          |
| 20____ | _____          | _____          |
| 20____ | _____          | _____          |

- \_\_\_ Returns do not show a deduction for real estate taxes or mortgage points
- \_\_\_ Persons income does not exceed program limit.
- \_\_\_ W2's for most recent tax year included in file

**F) Income Tax Affidavit (MCC-27)** (completed only if buyer(s) did not legally file for any proceeding 3 years)

- Year(s) are indicated that were not legally filed.
- 2nd paragraph is marked only if buyer(s) have not filed for returns.
- Buyer(s) signed and signatures dated.
- Each buyer(s) signature is notarized.

**G) Sellers Affidavit (MCC-28)**

- Buyer(s) names are indicated at top of document.
- Item #2 is completed with property address.
- Item #4 is completed existing or new (whichever applies to property)
- Item #5 is completed with sales price.
- Seller(s) sign and date document.
- Seller(s) signature is notarized.

**H) Lender Initial Certification (MCC-29)**

- Lender's name is completed at top of the document.
- Item #1 is completed with Buyer(s) name and social security number.
- Item #2 is completed with property address.
- Item #3 is completed with Certified Indebtedness Amount (Loan Amount).
- Item #4 is completed non-targeted or targeted (whichever applies to property).
- Item #5 is marked existing or new construction (whichever applies to property).
- Item #6 is completed with sales price of property.
- Item #7 is completed with reported buyer(s) annual household income.
- Lender signed and dated document.

**I) Recapture**

- Signed by buyer(s).

**J) Military Status(Applicable for Veteran's MCC program)**

- DD-214 in file
- Active Duty Orders in file if borrower(s) is (are) on active duty

AdditionalComments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
INFORMATIONAL ACKNOWLEDGMENT**

I have applied for a Mortgage Credit Certificate ("MCC") from the Illinois Housing Development Authority (the "Authority"). I acknowledge and understand the following:

1. An MCC can only be used by me in connection with the financing of the purchase of a residence by a first mortgage loan. The residence must become my principal residence within sixty (60) days after closing. No more than fifteen percent (15%) of the area of the residence can be used in a trade or business. The residence cannot be used as a vacation home, recreation home, or investment property. The residence must not consist of more than one dwelling unit.
2. The MCC, if issued, will entitle me to an annual Federal income tax credit equal to 20% of the interest paid or accrued on the first mortgage loan with which I finance the acquisition of the residence (but not more than \$2,000.00).
3. The decision to finance the acquisition of a residence is completely within the discretion of the lender to whom I apply (the "Lender"). The Authority plays no role in the decision to finance the acquisition or the amount to be financed.
4. I am free to seek financing from any lender I choose, so long as the Lender has signed a Lender Participation Agreement with the Authority.
5. Issuance of an MCC is dependent upon the Lender submitting to the Authority all documentation required by the Lender Participation Agreement executed between the Authority and the Lender.
6. Issuance of an MCC is dependent upon my annual family income not exceeding the applicable limit set forth for the Program at the time of loan closing.
7. No MCC will be issued unless the acquisition cost for the single family residence (including land and building, and in the case of incomplete construction, the cost of completion) does not exceed the applicable limit set forth for the Program at the time of loan closing.
8. No MCC will be issued unless I have had no present ownership interest in a principal residence during the last three years. This requirement will be waived if the residence for which an MCC application is being made is located in a targeted area or I am a qualified veteran.
9. In connection with the above, I will have to submit true, complete signed copies of my Federal income tax returns for the previous three (3) years or other acceptable documentation, unless the residence for which an MCC application is being made is located in a targeted area.
10. No MCC will be issued in connection with financing that is to be used for the acquisition or replacement of my existing mortgage, my land contract or my lease with an option to purchase, except for construction loans, bridge loans, options to purchase or other temporary loans of twenty-four months or less.
11. No MCC will be issued if any financing for the residence is to be obtained from a qualified mortgage bond or a qualified veterans' mortgage bond. Further, no MCC will be issued if any person who is a related person to me (as defined in the Internal Revenue Code and applicable regulations) has an interest as a creditor in the financing.

- 12. I acknowledge that if an MCC is issued to me, it will be revoked upon repayment of the mortgage loan (except for the refinancing of the mortgage loan permitted under Section 25 of the Internal Revenue Code of 1986), or upon my failure to occupy the residence as my primary residence.
- 13. The MCC is not transferable without the prior written approval of the Authority and unless the Authority executes a new MCC to the MCC transferee. I will have to pay to the Lender all customary and reasonable fees for processing of the financing that the Lender charges to those applying for financing not issued in connection with an MCC, in addition to a non- refundable MCC application fee of \$150.00 plus \$350.00 more at closing.

I agree to execute a Buyer Application Affidavit, a Closing Affidavit, obtain a Seller's Affidavit from the seller(s) of the residence and execute the Notice to Homebuyers pertaining to potential recapture.

I acknowledge that a material misstatement negligently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$1,000.00 and a material misstatement fraudulently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$10,000.00, revocation of the MCC, and any other criminal penalty imposed by law. In addition, any material misstatement or any 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, immediate cancellation of the MCC issued. 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 the Authority or any other person or entity.

I certify that I have read and understand the above and that I have been provided with a copy of this Acknowledgment. Notwithstanding the above restrictions, I wish to proceed with the application process.

Date: \_\_\_\_\_, 20 \_\_\_\_\_

Signature of Applicant(s): \_\_\_\_\_

Signature of Applicant(s): \_\_\_\_\_

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
BUYER APPLICATION AFFIDAVIT**

The undersigned, being first duly sworn, declares and states:

- (1) (I) understand that this Buyer Application Affidavit is an essential part of an application for a Mortgage Credit Certificate ("MCC") from the Illinois Housing Development Authority (the "Authority") under the Authority's Mortgage Credit Certificate Program (the "Program").
- (2) (I) am applying for an MCC in connection with the purchase of a single family residence (the "Residence"). Permanent financing for the purchase of the Residence (the "Mortgage Loan") is being provided by a lender participating in the Program that (I) have chosen.
- (3) The names and social security numbers of all persons who are expected to acquire an ownership interest in the Residence are as follows:

Name(s) \_\_\_\_\_ Soc. Sec. No. \_\_\_\_\_  
\_\_\_\_\_

- (4) The Residence is located at:

\_\_\_\_\_  
(Street Address) (City) (Zip Code) (County) IL

- (5) The Residence consists of real estate (or an interest in real estate) upon which there is, or is to be, located a single family residence consisting of not more than one dwelling unit.

- (6) The Residence is or will be as of the Mortgage Loan closing date (Check One)

\_\_\_\_\_ (A) Existing construction, previously occupied  
\_\_\_\_\_ (B) New construction, never occupied

- (7) I intend to occupy the Residence as my principal residence within not more than 60 days after the closing of the Mortgage Loan. I do not intend to use the Residence as a second home, investment property or recreational home. I will promptly notify the Lender and the Authority if and when I cease to occupy the Residence as my principal residence.

- (8) I do not intend to use the Residence or any portion of the Residence (in excess of 15% of its total area) in any trade or business and I do not expect that any portion of the costs or expenses of the Residence will qualify as a home business expense for Federal income tax purposes. No portion of the Residence is specifically designed for or presently devoted to any commercial use.

- (9) The land upon which the Residence is located, or is to be located, is not larger than is required reasonably to maintain the basic livability of the Residence. I do not expect such land to provide any income to me. If the land exceeds any minimum lot size for zoning purposes by an amount sufficient to subdivide the property without a zoning variance, I have no intention of (i) subdividing or otherwise selling any of the land on which the Residence is located except in conjunction with a future sale of the Residence or (ii) of seeking any variance from applicable zoning, minimum lot size or set-back requirements for such purpose.

[PARAGRAPHS 10 AND 11 DO NOT APPLY IF THE RESIDENCE IS LOCATED IN A "TARGETED AREA", IDENTIFIED BY YOUR LENDER or IF YOU ARE A QUALIFIED VETERAN.]

- (10) I represent that I will not have held a present ownership interest in my principal residence at any time during the three year period immediately preceding the Mortgage Loan closing date.

- (11) I have attached true and correct signed copies of my Federal income tax returns for the three years preceding the date of this affidavit, or other documentation acceptable to the Authority. If the due date for my next tax return occurs between the date of this affidavit and the date of the execution of the mortgage securing the Mortgage Loan, I agree to provide a copy of the return filed on or prior to the due date.

[PARAGRAPH 12 APPLIES ONLY IF THE RESIDENCE IS LOCATED IN A "TARGETED AREA" IDENTIFIED BY YOUR LENDER (or if you are a qualified veteran) THIS PARAGRAPH IS FOR INFORMATION ONLY.]

- (12) I did \_\_\_\_\_ or did not \_\_\_\_\_ have a present ownership interest in a principal residence at any time during the three year period immediately preceding the Mortgage Loan closing date.

NOTE: WHEN COMPLETING PARAGRAPH (13) BELOW, THE FOLLOWING TERMS ARE DEFINED AS FOLLOWS:

"Contract Sales Price": the amount to be paid, in cash or in kind, by me (or anyone acting on my behalf, or any party related to me, directly or indirectly) to the seller of the Residence (or anyone acting on behalf of the seller, or any party related to the seller, directly or indirectly).

"Personal Property": property which is not permanently attached to the real estate.

"Exempt Personal Property": an item of Personal Property that had no value when the Contract Sales Price was agreed upon, and which is included with the Residence for the seller's convenience.

"Land Cost": if purchased separately, the amount paid for the land upon which the Residence is, or is to be located, but only if the land has been, or will have been owned by me for less than two years prior to the date of commencement of construction of the Residence.

"Incomplete or Unfinished": A Residence which lacks fixtures or architectural appointments normally included in the design of any house of the general type and style of the Residence, or needed to provide adequate living space for the family members who intend to occupy the Residence.

"Sweat Equity": the value of services performed by me, my spouse, my parents or children in completing the Residence.

(13) The acquisition cost of the Residence is calculated as follows:

- (a) The Contract Sales Price: \$ \_\_\_\_\_
- (b) Less the value of Personal Property, excluding Exempt Personal Property included in line (a) above:  
- \$ ( \_\_\_\_\_ )
- (c) Plus the Land Cost, if applicable: +\$ \_\_\_\_\_
- (d) Plus, if the Residence is Incomplete or Unfinished, the cost of completing the Residence excluding Sweat Equity: +\$ \_\_\_\_\_
- (e) Total Acquisition Cost: \$ \_\_\_\_\_

(14) No part of the Mortgage Loan proceeds will be used to refinance or replace my existing mortgage or other owner financing, except that all or any part of the Mortgage Loan proceeds may be used to pay or replace either (a) a construction period loan which I received or (b) a bridge loan or similar temporary initial financing, either of which has a term of 24 months or less. I understand that conditional land sale contracts or leases with an option to purchase are considered existing loans or mortgages for the purposes of this section.

(15) My household income (the total amount of the annual gross income) of each person listed in Paragraph 3, and any other person who is expected to live in the Residence and be secondarily liable on the Mortgage Loan, from whatever source derived and before taxes or withholdings does not exceed the limits set forth for the Program.

(16) No portion of the financing of the acquisition of the Residence is or will be provided from the proceeds of a qualified mortgage bond or a qualified veteran's mortgage bond. No person related to me (as defined pursuant to Section 25 and Section 144 (a) (3) of the Internal Revenue Code of 1986) has or is expected to have, an interest as a creditor in the Mortgage Loan being acquired for the Residence.

(17) I understand and agree that if a MCC is issued to me, it may not be transferred except with the prior written approval of the Authority in accordance with the Program's requirements. Further, upon repayment of the Mortgage Loan (but not including refinancing of the Mortgage Loan permitted under Section 25 of the Internal Revenue Code of 1986), or my failure to occupy the Residence as my primary residence, the MCC will be revoked.

(18) I was free to select any Lender of my choice, so long as that Lender had executed a Lender Participation Agreement with the Authority.

(19) I acknowledge that a material misstatement negligently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$1,000.00; and a material misstatement fraudulently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$10,000.00, revocation of the MCC, and any other criminal penalty imposed by law. In addition, any material misstatement or any 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, immediate cancellation of the MCC so issued. I further acknowledge that if any information or certification I provide contains a material misstatement which is due to fraud, than any MCC issued will automatically become null and void without any need for further action on the part of the Authority or any other person or entity.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
\_\_\_\_\_  
(Buyer) \_\_\_\_\_ (Buyer)

STATE OF \_\_\_\_\_ ) (Buyer)

)SS

COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a

Notary Public in and for said county and state, do hereby certify that \_\_\_\_\_, personally known to me to be the same person (s) whose name(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered the said instrument as her/his (their) free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_

Notary Seal

\_\_\_\_\_  
Notary Signature

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
SELLER'S AFFIDAVIT**

The undersigned, as an essential participant in the application for a Mortgage Credit Certificate ("MCC"), being submitted by (the "Buyer"), which MCC may be issued by the Illinois Housing Development Authority pursuant to the Mortgage Credit Certificate Program, in connection with the Buyer's purchase from the undersigned of a single family residence (the "Residence"), being first duly sworn, hereby states the following:

(1) I certify that I am the seller of the Residence.

(2) The Residence located at:

\_\_\_\_\_

(Street Address) (City) (Zip Code) (County)

(3) The Residence is a single family residence consisting of one dwelling unit. To the best of my knowledge, not more than 15% of the total area of the Residence is designed for use in a trade or business, and no part of the Residence is being so used.

(4) The Residence is or will be as of the mortgage loan closing date (Check One)  
(A) Existing construction, previously occupied. \_\_\_\_\_  
(B) New construction, never occupied. \_\_\_\_\_

(5) The total amount to be paid to me or to anyone related to me, or acting on my behalf (e.g., a real estate agent) for the purchase of the Residence by the Buyer is \$\_\_\_\_\_.

(6) I have not entered into, and do not intend to enter into any contract or agreement, either expressly or implied, with the Buyer to perform additional construction on the Residence or to transfer any additional property for additional cost other than personal property contained in the Residence that is noted by item and amount in the sheet(s) attached to this Affidavit as an exhibit and incorporated herein by this reference.

(7) To the best of my knowledge, information or belief, no part of the mortgage loan proceeds will be used to refinance or replace the Buyer's existing mortgage or other owner financing, except that all or any part of the mortgage loan proceeds may be used to pay or replace either (a) a construction period loan or (b) a bridge loan or similar temporary initial financing, either of which has a term of 24 months or less. I understand that conditional land sale contracts or leases with an option to purchase are considered existing loans or mortgages for the purposes of this paragraph.

(8) I acknowledge and understand that this Affidavit will be relied upon for purposes of determining the Buyer's eligibility for an MCC.

I further acknowledge that a material misstatement negligently made in this Affidavit or in any other statement made by me in connection with the Buyer's application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$1,000.00; and a material misstatement fraudulently made in this Affidavit or in any other statement made by me in connection with the Buyer's application for an MCC will constitute a violation of Federal law punishable by a fine up to \$10,000.00 and revocation of the MCC and any other criminal penalty imposed by law.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Seller)

STATE OF IL )  
)SS  
COUNTY OF \_\_\_\_\_)

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that

\_\_\_\_\_, personally known to me to be the same person(s) whose name(s) was (were) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she/he (they) signed and delivered the said instrument as her/his (their) free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_\_

My commission expires: \_\_\_\_\_  
Notary Public (Seal)

\_\_\_\_\_  
Notary Signature



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
LENDER INITIAL CERTIFICATION

\_\_\_\_\_ (the "Lender") hereby certifies as follows:

1. \_\_\_\_\_ Name(s), Soc. Sec. No. \_\_\_\_\_  
(the "Applicant")
2. The MCC application was made in connection with an application for a mortgage loan on the residence located at: \_\_\_\_\_ (Street Address) (City) (Zip Code) (County)
3. After completion of all underwriting, investigation and verification, the Lender has approved a mortgage loan in the amount of \$ \_\_\_\_\_, (the Certified Indebtedness Amount).
4. (Check (a) or (b), whichever applies)  
\_\_\_\_\_ (a) The residence is located in a non-targeted area and the Applicant has had no present ownership interest in a principal residence at any time during the three years prior to the date of the Buyer Application Affidavit. (Form MCC 26).  
\_\_\_\_\_ (b) The residence is located in a targeted area or buyer is a qualified veteran and the three year non-ownership rule set forth in (a) above is not applicable.
5. The residence is or will be as of the mortgage loan closing date:  
\_\_\_\_\_ (a) Existing construction, previously occupied  
\_\_\_\_\_ (b) New construction, never occupied
6. The acquisition cost for the residence is \$ \_\_\_\_\_.
7. The applicant's household income is \$ \_\_\_\_\_.
8. The financing which the Applicant will receive will not be used for the acquisition or replacement of the Applicant's existing mortgage, land contract or lease with an option to purchase, except for a construction loan, bridge loan, lease with an option to purchase, or other temporary financing of twenty-four months or less.
9. The Applicant will not receive any financing for the residence from a qualified mortgage bond or qualified veterans' mortgage bond.
10. No related person has an interest or is expected to have an interest as a creditor in the Certified Indebtedness Amount.
11. The Lender has charged the Applicant only those reasonable fees for processing of the financing as would be charged to a potential borrower applying for financing not provided in connection with an MCC.
12. The Data Summary Sheet (Form MCC-30) completed by the Lender is true and correct to the best of the Lender's knowledge as of this date.
13. Based upon the Lender's reasonable investigation, neither the Lender, the Applicant, nor the seller of the residence, has made any negligent or fraudulent material misstatements in connection with the Applicant's application for a Mortgage Credit Certificate.

\_\_\_\_\_, 20\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Lender name)

\_\_\_\_\_  
(Signature and title of signor)

**MORTGAGE CREDIT CERTIFICATE PROGRAM**

**DATA SUMMARY SHEET**

**IHDA LOAN NUMBER:** \_\_\_\_\_

|                        |               |              |                  |
|------------------------|---------------|--------------|------------------|
| <b>Lender:</b>         |               | <b>Date:</b> |                  |
| <b>Branch Address:</b> |               | <b>City:</b> | <b>Zip Code:</b> |
| <b>Lender Rep:</b>     | <b>Phone:</b> | <b>Fax:</b>  | <b>Email:</b>    |

**BUYER DATA**

|  |            |            |                       |                          |                       |                       |                         |
|--|------------|------------|-----------------------|--------------------------|-----------------------|-----------------------|-------------------------|
| <b>Buyer Name (Last, First, MI)</b>  |            |            |                       |                          |                       | <b>S.S.#:</b>         |                         |
| <b>Co-Buyer Name (Last, First, MI)</b>   |            |            |                       |                          |                       | <b>S.S.#:</b>         |                         |
| <b>Co-Buyer Name (Last, First, MI)</b>   |            |            |                       |                          |                       | <b>S.S.#:</b>         |                         |
| <b>Buyer</b>   | <b>Sex</b> | <b>Age</b> | <b>Marital Status</b> | <b>Race/Nat'l Origin</b> | <b>Hispanic Ethn.</b> | <b>Household Size</b> | <b>Household Income</b> |
| <b>For GI Home Credit Program: Is Borrower or Co-Borrower?</b><br><b>A Veteran _____ or On Active Duty _____</b> |            |            |                       |                          |                       |                       |                         |

**PROPERTY DATA**

|  |  |                                     |                       |  |                    |
|--|--|-------------------------------------|-----------------------|--|--------------------|
| <b>Street Address:</b>   |  | <b>City:</b>                        |                       | <b>Zip Code:</b>   | <b>County:</b>     |
| <b>Construction:</b><br>New <input type="checkbox"/> or Existing <input type="checkbox"/>                  |  | <b>Acquisition Cost:</b>            | <b>Dwelling Type:</b> | <b># of Bedrooms:</b>  | <b>Year Built:</b> |
| <b>Location:</b><br>Non-Targeted Area: <input type="checkbox"/> or Targeted Area: <input type="checkbox"/> |  | <b>Census Tract</b><br>If Targeted: |                       | <b>First-Time Homebuyer:</b><br>Yes <input type="checkbox"/> No <input type="checkbox"/> |                    |

**LOAN DATA**

|                      |  |
|----------------------|--|
| <b>Loan Amount:</b>  | <b>Type of Loan: (Check One)</b><br>VA <input type="checkbox"/> FHA <input type="checkbox"/> Conv. <input type="checkbox"/>                            |
| <b>Term of Loan:</b> | <b>Interest rate: (Check One)</b><br>_____ . _____ % Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Other <input type="checkbox"/> |

## **NOTICE TO HOMEBUYERS: RECAPTURE NOTICE**

To: Prospective homebuyers who may be planning to apply for a mortgage credit certificate under the Illinois Housing Development Authority's Mortgage Credit Certificate Program.

The Illinois Housing Development Authority's Mortgage Credit Certificate Program is made possible by provisions of the Internal Revenue Code that allow the Authority to issue mortgage credit certificates.

The Internal Revenue Code includes a restriction relating to such mortgage credit certificates. The Federal government treats homebuyers who receive a mortgage credit certificate in connection with the purchase of a residence as having received a "subsidy". The new restriction requires that, subject to certain exceptions, a homebuyer who has taken advantage of a mortgage credit certificate must repay part or all of the subsidy to the Federal government if the homebuyer sells the residence within nine (9) years of purchase. The repayment is commonly referred to as "recapture."

Generally, the maximum amount of the recapture increases during the first five (5) years of ownership and decreases for the next four (4) years. During the nine (9) years in which recapture may apply, several factors will determine the actual amount, if any, of recapture. The actual recapture amount will be based on the homebuyer's original mortgage amount, family size, income at the time of sale and the gain realized upon sale of the residence. Recapture will never exceed one half of the gain on sale. In addition, if the homebuyer's income does not rise significantly over the first nine (9) years the loan (more than five percent (5%) per year), there is no recapture.

The Authority will provide you with additional information concerning these provisions shortly after you buy your residence. A brief explanation of how the Authority believes the maximum recapture amount will be calculated is provided below. THIS EXPLANATION AND THE ACCOMPANYING CALCULATIONS REPRESENT THE AUTHORITY'S CURRENT UNDERSTANDING OF THE RECAPTURE PROVISION OF THE INTERNAL REVENUE CODE. THE EXPLANATION IS NOT A COMPLETE STATEMENT OF THE RECAPTURE PROVISION, AND THE AUTHORITY CANNOT BE CERTAIN THAT IT WILL BE CONSISTENT WITH ANY REGULATIONS THE TREASURY DEPARTMENT MAY PROMULGATE UNDER THE RELEVANT SECTIONS OF THE INTERNAL REVENUE CODE.

IF YOU DO NOT UNDERSTAND THIS NOTICE, OR IF YOU HAVE ADDITIONAL QUESTIONS ABOUT RECAPTURE, YOU SHOULD CONSULT YOUR ATTORNEY, YOUR TAX ADVISER OR THE TAXPAYER ASSISTANCE DEPARTMENT OF THE INTERNAL REVENUE SERVICE (1-800-829-1040).

### **Calculation of the Recapture Amount**

The amount of the "subsidy" the homebuyer is presumed to receive is set by the Internal Revenue Code as a percentage of the mortgage amount that varies according to the number of years after the date of purchase the residence is sold. The following table gives the applicable percentages:

| <u>Year After Purchase</u> | <u>Percentage</u> |
|----------------------------|-------------------|
| First                      | 1.25%             |
| Second                     | 2.50%             |
| Third                      | 3.75%             |
| Fourth                     | 5.00%             |
| Fifth                      | 6.25%             |
| Sixth                      | 5.00%             |
| Seventh                    | 3.75%             |
| Eighth                     | 2.50%             |
| Ninth                      | 1.25%             |

The following simple examples, based on a mortgage loan of \$48,000, will show how to calculate the maximum recapture amount for particular years.

Example A: Residence bought Feb. 1, 1995, sold March 1, 1996, in the second year after the date of purchase.

Recapture amount = \$48,000 x 2.50% = \$1,200.

Example B: Residence bought Feb. 1, 1995, sold April 1, 1998, in the fourth year after the date of purchase.

Recapture amount = \$48,000 x 5.00% = \$2,400.

Example C: Residence bought Feb. 1, 1995, sold April 1, 1999, in the fifth year after the date of purchase.

Recapture amount = \$48,000 x 6.25% = \$3,000.

Example D: Residence bought Feb. 1, 1995, sold Jan. 1, 2002, in the seventh year after the date of purchase.

Recapture amount = \$48,000 x 3.75% = \$1,800.

Example E: Residence bought Feb. 1, 1995, sold March 1, 2004, in the tenth year after the date of purchase.

Recapture amount = 0; no recapture after nine years.

I (We) have read this Notice to Homebuyers, and I (We) have received a signed copy of this Notice for my (our) records.

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

**MCC CLOSING CHECKLIST**

IHDA MCC # \_\_\_\_\_ Lender: \_\_\_\_\_

Lender contact & contact info: \_\_\_\_\_

Buyer(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_

Loan Amount: \$ \_\_\_\_\_ Closing Date: \_\_\_\_\_

.....

\_\_\_\_\_ This file contains documentation to satisfy closing conditions

**A) Closing Affidavit (MCC 32)**

\_\_\_\_\_ (a) or (b) is correctly marked as applicable.

\_\_\_\_\_ Buyer(s) have signed and dated document same as or after close.

\_\_\_\_\_ Buyer(s) signature(s) is (are) properly notarized.

\_\_\_\_\_ If spouse is waiving homestead rights/not a party to transaction, spouse has signed and signature has been properly notarized.

**B) Lender Closing Certificate (MCC 33)**

\_\_\_\_\_ Lender's name is completed at top of document.

\_\_\_\_\_ Item #1 is completed with buyer(s) name(s) and social security number(s).

\_\_\_\_\_ Item #2 is completed with the loan amount.

\_\_\_\_\_ Closing date is disclosed at Item #3.

\_\_\_\_\_ (a) or (b) at Item #5 is completed correctly as applicable (whichever is true).

\_\_\_\_\_ (a) or (b) at Item #6 is completed correctly as applicable (whichever is true).

\_\_\_\_\_ Lender has signed and dated document.

**C) MCC Fee**

\_\_\_\_\_ Copy of signed HUD-1 is included in file (all pages); MCC fee is reflected on HUD-1; rate noted agrees with rate in MITAS and if not, be sure lender certificate properly indicates change.

\_\_\_\_\_ Original check is included and made payable to Illinois Housing Development Authority.

Additional comments / notes:

\_\_\_\_\_  
\_\_\_\_\_



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
LENDER CLOSING CERTIFICATE**

\_\_\_\_\_ (the "Lender")  
hereby certifies as follows:

1. The Lender has reviewed and examined the MCC application for:  
Name(s) \_\_\_\_\_ Soc. Sec. No. \_\_\_\_\_  
\_\_\_\_\_ Soc. Sec. No. \_\_\_\_\_

(the "Applicant").

2. The Lender has provided the Applicant a mortgage loan in the amount of \$ \_\_\_\_\_  
(the "Certified Indebtedness Amount").

3. The mortgage loan closing date was \_\_\_\_\_

4. The Lender has received and examined true, complete, signed copies of the Applicant's Federal income tax returns for the three year period prior to the date of closing, or such other verification as the Authority has approved. (Not applicable if the residence is located in a targeted area or borrower is a qualified veteran).

5. Statement (a) or (b) as checked is true:

\_\_\_\_\_ (a) The Applicant has had no present ownership interest in a principal residence at any time during the three (3) years prior to the date of closing and the residence is not located in a targeted area.

\_\_\_\_\_ (b) The three (3) year non-ownership rule set forth in (a) above is not applicable because the residence is located in a target area or borrower is a qualified veteran.

6. Statement (a) or (b) as checked is true:

\_\_\_\_\_ (a) Based upon reasonable investigation, the Lender is aware of no change in the acquisition cost of the residence, the Applicant's household income, or any other material circumstances upon which it relied in executing the Lender Initial Certification. All statements and certifications contained in that Lender Initial Certification remain valid and true.

\_\_\_\_\_ (b) The following changes have occurred in the circumstances upon which the Lender relied in executing the Lender Initial Certification:

\_\_\_\_\_  
\_\_\_\_\_

The Lender hereby certifies that the above changes circumstances do not affect the Applicant's eligibility for an MCC.

7. Based upon the Lender's reasonable investigation, neither the Lender, nor the Applicant, nor the seller of the residence has made any negligent or fraudulent material misstatements in connection with the Applicant's application for an MCC.

8. The Lender hereby agrees that it will immediately forward to the Authority all information which it may receive during the life of the mortgage loan which tends to indicate that the Applicant may have made a misrepresentation in applying for an MCC, or that may affect the Applicant's continued eligibility for an MCC.

\_\_\_\_\_, 20\_\_\_\_ (Date)

\_\_\_\_\_ (Lender Name)

By: \_\_\_\_\_ (Signor Name)

Its: \_\_\_\_\_ (Signor Title)