

IHDA PRIOR APPROVAL CHECKLIST

ANTICIPATED CLOSE DATE: _____

IHDA loan #: _____ 1st _____ 2nd

Lender Name & Contact Info: phone & Email: _____

ORIGINATOR Phone, Email _____

Borrower: _____ CoBor: _____ Household size: _____

Property Address: _____ County _____

Purchase Price \$ _____ Appraised Value \$ _____

Base Loan Amt \$ _____ + UFMIP/FF/Financed MI _____ = Total 1st Mtge \$ _____

Loan Amt for IHDA 2nd \$ _____ County Income Limit _____ 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 (MP12) - All programs.

_____ Each section must be fully completed.

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

- _____ 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/credit report(s) 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 in 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 – Purchase transactions, ALL programs

- _____ 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 1st Time Home Buyer Counseling Cert. signed by borrower(s). – Purchase transactions, ALL programs

_____ A Certificate of Completion for each borrower for First Time Home Buyer Training IS included in file
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 _____/_____/_____.
- _____ 2-3 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

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 income calculation, each file 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 18 or over. If it does not, recalculate totals and provide relevant documentation (such as signed statement certifying no other income from any source).

Copies of W2's for MOST RECENT YR w/VOE(s) – All programs

_____ ALL W2's from most recent/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 & all sellers' representatives; **all riders** provided. No unacceptable clauses – e.g. seller credit exceeds agency regulations; purchase agreement includes excess personal property, etc. Contract signed only by borrowers (no non-borrowers are permitted to sign contract).

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/SmartMove/SmartMove Trio (Original @ close)

_____ Signed and dated, reason shown – WHHP _____ MCC file included

Current ownership of Mobile home – Smart Move/SmartMove Trio

_____ 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 and VA loan transaction.

Submission reviewed by: _____ Lender _____ IHDA HLO

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
PRIOR APPROVAL VOUCHER (MP12)**

IHDA LOAN #(s): 1st _____ 2nd _____

INTEREST RATE: 1st _____% 2nd _____ 0%

Lender Name:		Date:
Lender Address:	City:	Zip Code:
LOAN OFFICER NAME:	Phone Number(s):	Fax:
E-Mail Address:	_____	
Lender Contact Name:	_____	

LOAN DATA

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

BORROWER DATA

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

PROPOSED DATA

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

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 above	\$ _____
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.

(7) 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

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

RECAPTURE NOTICE: NOTICE TO HOMEBUYERS -- MRB

To: Prospective homebuyers who may be planning to apply for a mortgage loan under the Illinois Housing Development Authority's First Time Homebuyer Program.

The Illinois Housing Development Authority's First Time Homebuyer Program is made possible by provisions of the Internal Revenue Code that allow the Authority to issue what are customarily referred to as "tax-free bonds." By issuing bonds, the Authority can provide financing for mortgage loans at a below-market interest rate.

The Internal Revenue Code includes a restriction relating to such mortgage loans. The federal government treats homebuyers who purchase a residence with mortgage loans financed with proceeds of tax-free bonds as having received a "subsidy" because of that below-market interest rate. The new restriction requires that, subject to certain exceptions, a homebuyer who has taken advantage of the below-market interest rate 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 of 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.

The Authority believes that very few, if any, individuals will ever become subject to this tax. To encourage you to finance your residence under the First Time Homebuyer Program, the Authority agrees to reimburse you if you can provide to the Authority documentation showing that you paid the recapture tax. This offer becomes effective for loans reserved after June 15, 2005.

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: _____



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

Pat Quinn, Governor

SMART MOVE

IHDA loan number(s): _____

Borrower(s) name(s): _____

Property address: _____

To Illinois Housing Development Authority:

I (We) hereby acknowledge and understand that the SmartMove Trio program includes a mandatory Mortgage Credit Certificate (MCC). The SmartMove program I (we) am (are) are participating in **does not** include an MCC.

OPT OUT ___ X ___

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 _____