

DELAWARE STATE HOUSING AUTHORITY

MORTGAGOR’S AFFIDAVIT

HOME AGAIN OR DE FIRST-TIME HOMEBUYER TAX CREDIT PROGRAMS

(TO BE COMPLETED AND EXECUTED BY BORROWER(S) AT LOAN APPLICATION AND CONFIRMED AT CLOSING)

Borrower(s) _____
Date of Application: _____
Address of Residence being Purchased: _____ _____
Number of Person(s) Residing in Residence being Purchased: _____
Lender: _____

PART I. MORTGAGOR’S AFFIDAVIT

Note: It is a federal offense punishable by a maximum of a \$5,000 fine, two (2) years imprisonment, or both, to knowingly make a false statement in connection with a loan application to a federally chartered or insured lending institution (Title 18, United States Code, Section 1014). In addition, false statements in this affidavit may subject the applicant to penalties of perjury under the laws of the State of Delaware. Further, any false statement will affect the eligibility of the mortgage loan under the Authority’s lending program, and if applicable, the mortgage credit certificate issued with respect to a mortgage loan, resulting in cancellation of mortgage loan approval or acceleration of a previously funded mortgage loan, and termination of the mortgage credit certificate tax credits. Please review this document carefully to be sure the information is true and correct before signing.

STATE OF DELAWARE)
) ss.:
COUNTY OF _____)

Each of the undersigned, under penalty of perjury, does hereby depose and say:

1. The Residence is located in the State of Delaware.
2. (I/We) intend to occupy the Residence as a principal residence¹ within sixty (60) days after loan closing. (I/We) do not intend to use the residence as a second, weekend, or vacation home, nor, except in the case of a two-to-four family Residence, do (I/we) intend to hold the Residence as an investment property.

¹The term “principal residence” does not include a vacation home or time-sharing residence which is not used as a permanent residence or a mobile home which is located on land which is leased for less than two years.

3. Neither (I/we) nor anyone else intends to use more than fifteen percent (15%) of the total area of the Residence or any other property to be financed by the mortgage loan for any or all of the following:
 - (a) a home office or other property used solely and on a regular basis in connection with a trade or business (either as an employee or a self-employed person) or for the purpose of meeting patients, clients or customers in the normal course of conduct of a business;
 - (b) a place where inventory, held for use in a retail or wholesale business the sole fixed location of which is the Residence, is regularly stored;
 - (c) a place for conducting on a regular basis a trade or business of providing day care services for children, for individuals who are age sixty-five or over, or for individuals who are physically or mentally incapable of caring for themselves; and
 - (d) except in the case of a two-to-four family Residence, rental to any person for a period in excess of fifteen (15) days in any calendar year.
4. All land being financed with the mortgage loan is required to maintain basic livability of the Residence and will not provide (me/us) a source of income. No land can be separated from the land being financed and offered for sale as a separate residence or building lot without obtaining a subdivision approval.
5. No portion of the moneys received by (me/us) from the mortgage loan is intended to be used to purchase any personal property other than fixtures which are considered a necessary part of the Residence under the laws of the State of Delaware.
6. DE Tax Credit Recipients Only: The Residence contains a single residential unit or multiple residential units suitable for occupancy by two, three or four families, in which case the (I/we) occupy one of the residential units. If the Residence is for two-to-four families, to the best of my knowledge, the Residence was first occupied as a residence at least five years prior to the date of this affidavit. The Residence is a complete residential unit and includes all fixtures necessary for the occupancy of the Residence. To the best of my knowledge, no law forbids the occupancy of the Residence.
7. (I/We) have not purchased the Residence for purposes of resale and will not allow the mortgage loan on the Residence to be assumed unless permitted by the mortgage insurer or guarantor and, if applicable, the Delaware State Housing Authority.
8. Except for the additional undersigned parties (if any), (I am/we are) the only person(s) acquiring an ownership interest in the Residence.
9. Other than a construction loan or similar temporary financing with a term not exceeding twenty-four (24) months, (I/we) have not had a mortgage (whether or not paid off) on the Residence at any time prior to the execution of the mortgage loan.

10. (I am/We are) familiar with the Program’s limits with respect to the purchase prices of Residences. The purchase price of the Residence is within the applicable limit. In determining the purchase price, (I/we) have included the total amount to be paid by (me/us), or by anyone related to (me/us) or acting on (my/our) behalf, to the seller of the Residence, or to anyone related to the seller or acting on the seller’s behalf, in connection with the purchase of the Residence and any other property being acquired at the same time as the Residence. This amount includes money to be paid and the full value of any goods or services to be provided. This amount does not include the cost of any land (I/we) owned for at least two (2) years prior to the date on which construction of the Residence began, nor usual and reasonable settlement or financing costs, such as title and transfer costs, title insurance, survey fees, credit reference fees, legal fees, appraisal expenses and “points” which are paid by the buyer.
11. The maximum Home Again purchase price limits for a new or existing Residence set forth in the table below.

For Home Again loans (or other loans) that include a DE Tax Credit, the following maximum home purchase price limits apply:

Residence Location	Purchase Price Limit	
	Non-Targeted	Targeted
New Castle County	\$571,946	\$699,045
Kent County	\$510,939	\$624,481
Sussex County	\$510,939	\$624,481

12. (I am/We are) familiar with the Program’s Annual Household Income limits applicable in connection with the purchase of a Residence. (I/we) understand that the Annual Household Income means the current annualized family income at the time of closing, as determined in accordance with applicable IRS rules. Current Annual Household Income means the gross monthly income, multiplied by 12, of the mortgagor or mortgagors living in the Residence, a spouse (who is not a mortgagor) who is expected to live in the Residence, and any other person who is expected to live in the Residence and be secondarily liable on the mortgage. Gross monthly income includes the sum of current monthly gross pay and any additional income from investments, pensions, VA compensation, part-time employment, bonuses, dividends, interest, current overtime pay, net rental income, royalties, etc. Other income must also be included such as alimony and child support, public assistance, sick pay, social security benefits, unemployment compensation, and income received from trusts, business activities or investments.
13. The Annual Household Income Limits for Home Again borrowers (without a DE Tax Credit) are as follows:

Property Location by County	Income Limit	Income Limit
	1-2 People	3+ People
New Castle	\$137,640	\$172,050
Kent and Sussex	\$127,560	\$159,450

DE Tax Credit Recipients Only: The Annual Household Income Limits are:

Property Location by County	1-2 Persons Households	3+ Persons Households
New Castle County –Non-Targeted Area	\$114,700	\$131,905
New Castle County –Targeted Area	\$137,640	\$160,580
Kent or Sussex Counties Non-Targeted Area	\$106,300	\$122,245
Kent or Sussex Counties Targeted Area	\$127,560	\$148,820

14. To the best of my/our knowledge, information and belief (but without any independent investigation on my/our part), title and transfer costs, title insurance and other insurance costs, application fees, survey fees, credit reference fees, legal fees, appraisal expenses, broker fees, “points” paid by (me/us) (but not “points” paid by the seller) and similar settlement or financing costs are of a usual and reasonable amount and are not in excess of the amount typically charged in the area of the Residence in connection with the acquisition of residences by home mortgage financing.
15. DE Tax Credit Recipients Only: (I/We) have not had a present ownership interest² in a principal residence, including a mobile home or factory-made housing permanently fixed to real property, at any time during the three-year period immediately prior to the closing on the mortgage loan.
- a. The following is a list of all the residences in which (I/we) have lived, either separately or together, **during the three-year period immediately prior to the application for a mortgage loan:**

Address of Residence	Period of Residence (MM/YY to MM/YY)	Name and Full Address of Owner
Street Address: City State Zip:	/ to /	
Street Address: City State Zip:	/ to /	
Street Address: City State Zip:	/ to /	

²The term “present ownership interest” includes not only outright ownership but also any of the following interests if held either directly by you or in trust for you: a joint tenancy, a tenancy in common, a tenancy by the entirety, a community property interest, the interest of a tenant-shareholder in a cooperative, a life estate, or a contract pursuant to which you have possession and the benefits and burdens of ownership although legal title is not transferred until sometime later.

The following is a list of all the real property which (I/we) have owned either jointly or severally during such three-year period:

Address of Property	Date Owned	Description of Property	Use of Property During Such 3-Year Period

b. DE Tax Credit Recipients Only: Qualified Veterans are **not** subject to First-Time Homebuyer Requirement. CHECK IF YOU ARE A QUALIFIED VETERAN: ___.

(I/We) am/are a “qualified veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a mortgage loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth in Section 103 of the Heroes Earnings Assistance and Relief Act of 2008, and attached hereto are true and correct copies of my DD 214 form evidencing discharge or release there-from under conditions other than dishonorable.

16. (I/We) understand that DSHA will review a credit report of the Borrower(s) to determine if the Borrower(s) paid any mortgage loan interest over the prior three years.
17. DE Tax Credit Recipients Only: The undersigned understands and acknowledges that DSHA makes no representation or warranty to the undersigned or any other person with respect to the actual benefit a DE Tax Credit will provide to a specific homebuyer. Each homebuyer’s tax situation is different, and the amount of the credit available to the homebuyer is based on that situation, so homebuyers should not rely on any materials (including examples of hypothetical taxpayer situations) from DSHA as being applicable to them. Homebuyers should review carefully the applicable DE Tax Credit (which is a “mortgage credit certificate” or “MCC” under Section 25 of the Internal Revenue Code and the related regulations) tax rules, and if necessary consult their own tax advisors, to determine the particular DE Tax Credit benefits applicable to their circumstances. The undersigned has read and acknowledges the Recapture Notification set forth as Part II to this Affidavit.
18. (I/We) understand that this document will be relied upon for purposes of determining that the mortgage loan does not cause a violation of any of the requirements of DSHA’s Homeownership Loan Program and, if applicable, its DE Tax Credit program (including the requirements of the Internal Revenue Code relating to DE Tax Credits as “mortgage credit certificates” (MCC) tax credits). (I/We) warrant that all of the information in this affidavit is true, correct, and complete and based upon information (I/we) consider to be reliable, (I/we) authorize its use for such determination, and hereby waive the protection of any acts for the protection of my privacy to the extent that those acts would prohibit the use of the document for such determination.
19. (I/We) will assist DSHA and the applicable lender in obtaining any information or documents required to verify the statements made in this document and (I/we) hereby consent to any inspection of the Residence required for such verification.

CERTIFICATION

(I/We) understand that if (I/we) have made any material misstatements in the foregoing representations or omitted to state any of the information requested, the following may occur:

1. (I/We) may be fined up to \$5,000 and/or imprisoned not more than two years, or both, pursuant to Section 1014 of Title 18 of the United States Code.
2. The outstanding principal balance of the loan may be immediately due and payable together with accrued interest and foreclosing costs (if foreclosure is necessary because payment in full is not made immediately).

(I/We) declare under penalty of perjury that the foregoing warranties and representations are true and correct.

_____ Applicant: _____
Date

_____ Applicant: _____
Date

REAFFIRMATION AT LOAN CLOSING

(I/We) as purchaser(s) of the Residence referenced above hereby restate all of the foregoing representations and warranties previously made by (me/us) and confirm that they are true and correct.

_____ Borrower: _____
Date

_____ Borrower: _____
Date

Sworn to before me this

_____ day of _____, 20_____

Notary Public

PART II - RECAPTURE NOTIFICATION (FOR DE TAX CREDIT RECIPIENTS ONLY)

You have applied to Delaware State Housing Authority ("DSHA") for a loan to be financed with tax-exempt bond funds. You are hereby notified that current federal tax law may require a payment to the federal government of any "mortgage subsidy recapture" amount upon the sale, transfer or other disposition of your home. You will be required to pay a recapture tax equal to a portion of the loan amount if you sell or otherwise transfer your home to someone else within the first 9 years of your Mortgage Loan. The recapture tax may not exceed, in any event, 50% of the gain realized on sale, transfer or other disposition.

You may not have to pay part or all of the recapture amount if your income at the time of sale, transfer or other disposition, is less than a prescribed amount, or if the sale, transfer or other disposition arises as a result of your death. There is no way to predict your exact tax liability since it is based on when you sell or transfer your home, your gain from the disposition, and income and family size at the time of disposition. Moreover, because the U.S. Congress may at any time enact legislation amending the current federal tax law, the requirement (if any) affecting your Mortgage Loan at the time of closing may be different from that described above. You will be given final notice concerning this recapture tax either at the closing of your Mortgage Loan or within a short time thereafter. Consult your tax advisor or local IRS office for further information.

**RECAPTURE TAX TABLE
NEW CASTLE COUNTY**

**(COLUMN 2)
Adjusted Qualifying Income**

**NUMBER OF FAMILY MEMBERS
LIVING IN YOUR HOME
AT THE TIME OF SALE**

<u>DATE THAT YOU SELL YOUR HOME</u>	(COLUMN 1) HOLDING PERIOD PERCENTAGE	(NON-TARGETED AREA)		(TARGETED AREA)	
		<u>2 OR LESS</u>	<u>3 OR MORE</u>	<u>2 OR LESS</u>	<u>3 OR MORE</u>
Before the first anniversary of closing (See note below)	20%	\$ 114,700	\$ 131,905	\$ 137,640	\$ 160,580
On or after the first anniversary of closing, but before the second anniversary of closing.	40%	\$ 120,435	\$ 138,500	\$ 144,522	\$ 168,609
On or after the second anniversary of closing, but before the third anniversary of closing.	60%	\$ 126,457	\$ 145,425	\$ 151,748	\$ 177,039
On or after the third anniversary of closing, but before the fourth anniversary of closing.	80%	\$ 132,780	\$ 152,697	\$ 159,336	\$ 185,891
On or after the fourth anniversary of closing, but before the fifth anniversary of closing.	100%	\$ 139,419	\$ 160,331	\$ 167,302	\$ 195,186

Note: Closing means the closing date for your loan.

<u>DATE THAT YOU SELL YOUR HOME</u>	(COLUMN 1) HOLDING PERIOD PERCENTAGE	(NON-TARGETED AREA)		(TARGETED AREA)	
		<u>2 OR LESS</u>	<u>3 OR MORE</u>	<u>2 OR LESS</u>	<u>3 OR MORE</u>
On or after the fifth anniversary of closing, but before the sixth anniversary of closing.	80%	\$ 146,389	\$ 168,348	\$ 175,667	\$ 204,945
On or after the sixth anniversary of closing, but before the seventh anniversary of closing.	60%	\$ 153,709	\$ 176,765	\$ 184,451	\$ 215,193
On or after the seventh anniversary of closing, but before the eighth anniversary of closing.	40%	\$ 161,394	\$ 185,604	\$ 193,673	\$ 225,952
On or after the eighth anniversary of closing, but before the ninth anniversary of closing.	20%	\$ 169,464	\$ 194,884	\$ 203,357	\$ 237,250

**RECAPTURE TAX TABLE
KENT & SUSSEX COUNTIES**

**(COLUMN 2)
Adjusted Qualifying Income
NUMBER OF FAMILY MEMBERS
LIVING IN YOUR HOME
AT THE TIME OF SALE**

<u>DATE THAT YOU SELL YOUR HOME</u>	(COLUMN 1) HOLDING PERIOD PERCENTAGE	(NON-TARGETED AREA)		(TARGETED AREA)	
		<u>2 OR LESS</u>	<u>3 OR MORE</u>	<u>2 OR LESS</u>	<u>3 OR MORE</u>
Before the first anniversary of closing (See note below)	20%	\$ 106,300	\$ 122,245	\$ 127,560	\$ 148,820
On or after the first anniversary of closing, but before the second anniversary of closing.	40%	\$ 111,615	\$ 128,357	\$ 133,938	\$ 156,261
On or after the second anniversary of closing, but before the third anniversary of closing.	60%	\$ 117,196	\$ 134,775	\$ 140,635	\$ 164,074
On or after the third anniversary of closing, but before the fourth anniversary of closing.	80%	\$ 123,056	\$ 141,514	\$ 147,667	\$ 172,278
On or after the fourth anniversary of closing, but before the fifth anniversary of closing.	100%	\$ 129,208	\$ 148,590	\$ 155,050	\$ 180,892

Note: Closing means the closing date for your loan.

<u>DATE THAT YOU SELL YOUR HOME</u>	(COLUMN 1) HOLDING PERIOD PERCENTAGE	(NON-TARGETED AREA)		(TARGETED AREA)	
		<u>2 OR LESS</u>	<u>3 OR MORE</u>	<u>2 OR LESS</u>	<u>3 OR MORE</u>
On or after the fifth anniversary of closing, but before the sixth anniversary of closing.	80%	\$ 135,669	\$ 156,019	\$ 162,802	\$ 189,936
On or after the sixth anniversary of closing, but before the seventh anniversary of closing.	60%	\$ 142,452	\$ 163,820	\$ 170,943	\$ 199,433
On or after the seventh anniversary of closing, but before the eighth anniversary of closing.	40%	\$ 149,575	\$ 172,011	\$ 179,490	\$ 209,405
On or after the eighth anniversary of closing, but before the ninth anniversary of closing.	20%	\$ 157,054	\$ 180,612	\$ 188,464	\$ 219,875