



IOWA FINANCE
AUTHORITY

Mortgage Credit Certificate Program

AFFIDAVIT OF PURCHASER/NOTICE OF RECAPTURE

The home I am (we are) purchasing (the "Residence") is through a program made available by the Iowa Finance Authority ("IFA"). IFA is relying upon this affidavit in determining that this transaction satisfies applicable federal requirements.

1. "First-time" Homebuyer Requirement - Check the applicable statement:

a. I (we) have not had an ownership interest in real property which I (we) have occupied as a primary residence in the last three full years. Examples of an ownership interest include the following: (a) a fee simple interest (b) a joint tenancy, a tenancy in common, a tenancy by the entirety, or a community property interest (c) the interest of a tenant-shareholder in a cooperative (d) a life estate (e) a land contract or contract for deed (i.e. a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time) (f) an interest held in trust for the mortgagor (whether or not created by the mortgagor) that would constitute a present ownership interest if held directly by the mortgagor (g) a lease with an option to purchase for a nominal sum and (h) an interest in a mobile home that is permanently affixed to the land.

b. I am (we are) exempt from "first-time homebuyer requirement" due to discharge other than dishonorable from United States military service and have not previously received financing under the FirstHome Program or similar program for financing the acquisition of a residence with funds made available through tax-exempt financing. I (we) have attached to this Affidavit a numbered Certificate of Service or Discharge from Active Duty, DD Form 214, or equivalent.

c. The Residence we are purchasing is a home located in a federally Targeted Area.

2. The copies of federal tax returns delivered by me (us) to the lender are true, correct and complete copies of the returns they purport to be. I (we) have signed IRS form 4506 authorizing IFA and/or lender to verify pertinent tax information. Alternatively, if I was (we were) not required to file a federal income tax return for any or all of the previous tax years, I (we) have attached to this Affidavit an explanation detailing the reasons why such filing was not required. _____ (*Borrower/Co-Borrower Initials, if applicable*)

3. My (our) current gross annual family income is below the applicable program income limit in effect on the date of this affidavit attached hereto. Family income is the total income for any person both liable on the note and living in the Residence.

4. The acquisition cost for the Residence is not greater than the applicable purchase price limits in effect of the date of this affidavit attached hereto, which includes the cost of the land and any improvements purchased in connection therewith, any attached items such as floor covering, curtain rods and light fixtures, and any services and additions furnished by third parties required to complete the Residence. All non-attached fixtures and other items of moveable personal property, which have been included in the contract price of the Residence, have been deducted in computing the acquisition cost.

a. If the Residence has been built or is to be built on land owned by the purchaser less than two years prior to the date on which construction of the Residence begins, the acquisition cost includes the cost of the land.

5. The Residence I am (we are) purchasing is a single-family residence, located in the state of Iowa, which I (we) intend to use as my (our) primary residence within 60 days after loan closing, and not more than 15% of the Residence will be used in any trade or business. The land to be purchased as part of the Residence is included with and appurtenant to the improvements purchased as part of the Residence. The quantity of land is not in excess of that necessary to maintain the basic livability of the Residence, is not excessive when compared with lot sizes of other residences in the area, and will not provide, other than incidentally, a source of income.

6. I (We) understand that in accordance with §1.25-4T the credit provided does not apply to interest paid or accrued following the revocation of a mortgage credit certificate. A certificate is treated as revoked when the residence ceases to be the holder's principal residence. IFA may revoke a mortgage credit certificate if the certificate does not meet all the requirements of §1.25 3T (d), (e), (f), (g), (h), (i), (j), (k), and (n). The certificate is revoked by IFA's notifying the holder of the certificate and the Internal Revenue Service that

the certificate is revoked. I (we) certify that I (we) will promptly notify IFA in writing if the Residence ceases to be my (our) principal residence.

7. I (We) understand that the lender will determine my eligibility to receive my Loan and that IFA will not be involved in the credit underwriting process. I further understand that IFA does not and will not certify that the property is free of defects or make any representations as to its condition.

8. I (We) certify that a person related to me does not have, and is not expected to have, an interest as a creditor in the certified indebtedness amount. I (We) understand that a mortgage credit certificate issued in connection with a mortgage in which a person related to me has or expects to have an interest as a creditor in the certified indebtedness amount must be revoked by IFA.

9. I (We) understand that IFA is relying upon the information and certifications herein and in the other documentation and certifications provided by me (us) to the lender in connection with the mortgage loan for the Residence. I recognize and understand that a material misstatement negligently or falsely made in this affidavit may constitute a default under the mortgage note, and that in the event of such a default or any other default under the mortgage note, the mortgage lender or the servicer may exercise any remedy under the mortgage note and that such false statement may constitute fraud punishable in accordance with the laws of the United States and the State of Iowa. It is 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)

Notice of Potential Recapture

As the recipient of a mortgage credit certificate, you are receiving the benefit of a tax credit equal to a portion of the interest you have paid on your mortgage. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "recaptured."

The Internal Revenue Service (the "IRS") recaptures this benefit by increasing your federal income tax for the year in which you sell your home (the "Recapture Tax"). You must pay the Recapture Tax, however, only 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 IRS 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 from the Iowa Finance Authority (IFA) to assist in calculating the recapture tax.

If you used an Iowa Finance Authority Mortgage product (Homes for Iowans) and are required to pay any Recapture Tax upon the sale or disposition of your Residence; and you submit a reimbursement request by July 15th following the year in which you sold your home, IFA will reimburse you for the actual amount of any recapture tax you pay. Instructions for reimbursement request are located on IFA's website (www.IowaFinanceAuthority.gov). If you did not use an Iowa Finance Authority Mortgage product you are solely responsible to pay any recapture tax upon the sale or disposition of your Residence.

Notice to Buyers as to Assumption of Mortgage

As the recipient of a mortgage credit certificate, you are receiving the benefit of a tax credit equal to a portion of the interest you have paid on your mortgage. If you sell your home to a party eligible under IFA's guidelines for this Program and allow the buyer to make your payments for you (assume your loan), you may request that IFA transfer the benefit of the mortgage credit certificate to the purchaser of your home. If the buyer qualifies and IFA issues a new mortgage credit certificate, the benefit may be passed on to the new homeowner.

In general those requirements for transfer of the mortgage credit certificate benefits upon assumption of the loan are:

- i. the purchaser intends to occupy the residence as a principal residence within 60 days after the assumption;
- ii. the purchaser had no present ownership interest in a principal residence at any time during the three- year period prior to the date on which the mortgage is assumed, unless the home is in a Targeted Area or the purchaser is an exempt Veteran (defined in the Affidavit of Purchaser, MCC 01 document);
- iii. the purchase price of the residence paid by the purchaser does not exceed the applicable limits set by the IFA; and
- iv. the purchaser has an income which does not exceed the then current applicable limits set by the IFA.

The Purchaser declares, swears and affirms under penalty of perjury that the representations or warranties in this Affidavit are true and correct.

Property Address: House, Street, Unit, City, State, Zip

Signature

Date

Printed Name

Signature

Date

Printed Name

STATE OF IOWA)

)SS.

COUNTY OF _____)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 20_____.

NOTARY PUBLIC in and for said State _____
Signature

My Notary Number _____
Printed Name (or stamp/seal)

My Commission Expires _____

Printed Name (or stamp/seal)

HOMES FOR IOWANS PROGRAM LIMITS

Purchase Price Limit (Homes for Iowans = No Targeted Areas)	\$346,000
Income Limit (Statewide, All Household Sizes)	\$133,980

FIRSTHOME AND MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM PURCHASE PRICE LIMITS

Purchase Price Limit (Statewide except <i>Targeted Areas</i>)	\$283,000
Purchase Price Limit Targeted Areas	\$346,000

FIRSTHOME PROGRAM/MCC INCOME LIMITS With the exception of Targeted Areas

COUNTY	HOUSEHOLD SIZE 1-2	HOUSEHOLD SIZE 3+	COUNTY	HOUSEHOLD SIZE 1-2	HOUSEHOLD SIZE 3+
Benton	\$82,700	\$95,105	Linn	\$89,300	\$102,695
Bremer	\$86,000	\$98,900	Madison	\$87,500	\$100,625
Cedar	\$77,000	\$88,550	Mills	\$86,000	\$98,900
Dallas	\$87,500	\$100,625	Polk	\$87,500	\$100,625
Dickinson	\$79,000	\$90,850	Pottawattamie	\$86,000	\$98,900
Dubuque	\$81,400	\$93,610	Sioux	\$77,000	\$88,550
Guthrie	\$87,500	\$100,625	Story	\$87,700	\$100,855
Harrison	\$86,000	\$98,900	Warren	\$87,500	\$100,625
Johnson	\$95,700	\$110,055			
ALL OTHER COUNTIES	\$76,900	\$88,435			

FIRSTHOME/MCC PROGRAM TARGETED AREA INCOME LIMITS

CITY & COUNTY	CENSUS TRACT	HOUSEHOLD SIZE 1-2	HOUSEHOLD SIZE 3+
Black Hawk (Waterloo)	1, 2, 3, 17.01	\$92,280	\$107,660
Decatur (Leon)	9603	\$92,280	\$107,660
Des Moines (Burlington)	4	\$92,280	\$107,660
Dubuque (Dubuque)	1, 5	\$97,680	\$113,960
Jackson (Maquoketa)	9506	\$92,280	\$107,660
Johnson (Iowa City)	21	\$114,840	\$133,980
Lee (Keokuk)	4908, 4910	\$92,280	\$107,660
Linn (Cedar Rapids)	19, 22, 27	\$107,160	\$125,020
Marshall (Marshalltown)	9505	\$92,280	\$107,660
Polk (Des Moines)	12, 26, 39.01, 48, 52	\$105,000	\$122,500
Pottawattamie (Council Bluffs)	309	\$103,200	\$120,400
Scott (Davenport)	106, 107, 108, 109, 114	\$92,280	\$107,660
Story (Ames)	5	\$105,240	\$122,780
Wapello (Ottumwa)	9605	\$92,280	\$107,660
Webster (Fort Dodge)	7	\$92,280	\$107,660
Woodbury (Sioux City)	12, 13	\$92,280	\$107,660

Targeted Areas are census tract areas in which 70 percent of the families who live there earn an income that is 80 percent or less than the statewide median income. Borrowers in Targeted Areas benefit from higher income and purchase price limits than Non-Targeted Areas in the same county and need not be first-time home buyers to use the FirstHome or Mortgage Credit Certificate program.