

Home Start Homebuyer Tax Credit
New Hampshire Housing's
Mortgage Credit Certificate (MCC) Program
with a New Hampshire Housing Mortgage

MCC Reservation #: _____ Date: _____
Applicant: _____ Co-Applicant: _____
Applicant email: _____ Applicant Phone: _____
Lender: _____ Lender Contact: _____
Lender Email: _____ Lender Phone: _____

W/NHHFA First Mortgage Checklist

The following items are required for issuance of a Mortgage Credit Certificate (MCC):

- _____ Most recent 30-days' pay stubs for *all household members*
- _____ Tax Returns from *all household members*: signed and dated copies for most recent three years, complete with all schedules and W-2s, or transcripts from the IRS.
- _____ MCC Applicant(s) Affidavit and Recapture Notification
- _____ MCC Program Disclaimer
- _____ Certificate of Completion of the online Homebuyer Tax Credit training
- _____ Applicants Closing Affidavit
- _____ Sellers Affidavit
- _____ Lender's Closing Certificate
- _____ MCC Fees (net funded, or check to "New Hampshire Housing")

Qualifying with an MCC: If you are using this MCC to qualify, New Hampshire Housing must prior approve your MCC. Applications in need of prior approval must be submitted to New Hampshire Housing at least 14 days prior to closing. Please email your request to mcc@nhhfa.org

I certify to New Hampshire Housing that, based on information submitted by the applicant, the applicant meets the requirements for a Mortgage Credit Certificate.

Submitted by: _____ Email: _____ Phone: _____

NOTE:

- Per the Mortgage Credit Certificate (MCC) Guide found at www.nhhfa.org, MCC reservations automatically **expire four (4) months from the reservation date.**
- In order to issue an MCC, New Hampshire Housing must receive the **complete MCC application package within 14 days of the mortgage closing date.** If New Hampshire Housing does not receive a complete MCC application package within **14 days of the mortgage closing date,** your borrower may no longer be eligible for the MCC program.



HOMEBUYER TAX CREDIT BORROWER NOTIFICATION

Under the Home *Start* Homebuyer Tax Credit program, eligible borrowers can save up to **\$2,000 per year** in reduced federal tax liability. New Hampshire Housing Finance Authority administers the Home *Start* Homebuyer Tax Credit program. For more information, please visit www.GoNewHampshireHousing.com.

Borrower Qualification Requirements

To qualify for a Mortgage Credit Certificate, a borrower must meet the following requirements:

Eligible Homebuyer

- Be a first-time homebuyer or purchasing a home in a Targeted Area.
- Be using the property as their Principal Residence.
- Have an annual household income at or below the MCC Income Limits.

Eligible Property

- The home must be a single-unit property.
- The home's purchase price must be at or below the MCC Purchase Price Limits.

Eligible Mortgage

- The mortgage loan must be a fixed-rate mortgage or eligible adjustable rate mortgage.
- The maximum mortgage term must not exceed 30 years.

I/we hereby acknowledge:

- That I (we) would like to proceed with an application for a Mortgage Credit Certificate under the Home *Start* Homebuyer Tax Credit program. I (we) understand that:
- There are fees associated with this program;
 - In order to qualify for an MCC, either myself or my lender must reserve an MCC with New Hampshire Housing, before my mortgage loan closes;
 - New Hampshire Housing must receive my **complete** MCC application package within 14 days of my mortgage loan closing;
 - If New Hampshire Housing does not receive my **complete** MCC application package within 14 days of my mortgage loan closing date, I will no longer be eligible to receive the Homebuyer Tax Credit; and
 - I understand it is my responsibility to ensure that New Hampshire Housing receives my **complete** MCC application package within 14 days of my mortgage loan closing.
- That I (we) am (are) opting out of obtaining a Mortgage Credit Certificate under the Home *Start* Homebuyer Tax Credit program. I (we) understand application for a Mortgage Credit Certificate cannot be made after closing on an eligible property.

Borrower

Date

Borrower

Date

If borrower(s) does/do not qualify, please complete section below

Borrower(s) does/do not qualify for a Mortgage Credit Certificate under the Home *Start* Homebuyer Tax Credit program.

Loan Originator

Date

**Home Start Homebuyer Tax Credit
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MCC Applicant(s) Affidavit and Recapture Notification

Applicant: _____ Co-Applicant: _____

Lender: _____

PART I – APPLICANT(S) AFFIDAVIT

The undersigned Applicant(s) as applicants for a MCC issued by New Hampshire Housing under the MCC Program, being duly sworn, do hereby represent and warrant as follows:

1. The Property for which I/we am/are requesting a MCC is located at _____NH.
2. I/We will occupy the property as my/our/our principal place of residence within sixty days after the closing of the home mortgage, or, in the case of a loan made to finance the construction of a residence, within sixty days after the completion of the construction, and thereafter to maintain the property as my/our/our principal residence until the home mortgage is paid and the note securing the same is discharged.
3. I/We will not use more than 5% of the residence in a trade or business which qualifies me/us to deduct any portion of the cost of the residence as home business expense on my/our/our Federal or State income tax returns(s).
4. All of the land being purchased with the residence reasonably maintains the basic livability of the residence and does not provide a source of income to me/us and I/we have no intention of subdividing such land or otherwise selling it apart from the residence.
5. I/We have not purchased the residence for purposes of resale and will not allow the mortgage on the residence to be assumed or sell the residence subject to the mortgage.
6. I/We will notify New Hampshire Housing immediately in writing if and when the home ceases to be my/our Principal Residence. I understand that any MCC issued in connection with the home will be revoked if the home ceases to be my/our principal residence.
7. I/We have not had a present ownership interest* in a principal residence, including a Manufactured Home permanently fixed real property, at any time during the three-year period immediately prior to the closing of the mortgage. (This requirement does not apply if the residence is in a "Targeted Area" as determined by New Hampshire Housing.)

*The 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 some time later. A "principal residence" does not include a vacation residence or time sharing residence which is not used as a permanent residence.

8. I/We have provided copies of my/our/our Federal Income tax returns, as signed and filed, on Form 1040 for any years during such three-year period that such returns were filed with the Internal Revenue Service.

If I/we was/were **not required to file such returns during one or more such preceding three years** in accordance with Section 6012 of the Internal Revenue Code, I/We are familiar with such Section 6012 and confirm that such returns were **not required to be filed for the following years:** _____ .

9. I/We will not use any part of the loan proceeds to acquire or replace an existing mortgage except for construction period financing or other temporary initial financing.
10. My/Our current income does not exceed New Hampshire Housings MCC Income Limit.
11. I/We have been advised that the value of the MCC varies according to my/our Federal tax liability and acknowledge that I/we have been advised to consult a tax accountant for advice. I/We understand that neither New Hampshire Housing nor the lender make any representations regarding the value of the credit to me. I/We understand that the MCC will reduce my/our Federal tax liability based on the amount of mortgage interest paid for the tax year.
12. I/We understand and agree that changed conditions in the acquisition cost, household income, and other program requirements may disqualify me at closing from receiving an MCC although at the time of application I was eligible to receive a certificate.
13. I/We understand that I/we may seek financing for the first mortgage loan from any lender of my/our choosing.
14. I/We understand and agree that the lender will decide upon my/our eligibility to receive the mortgage loan and set all loan terms and that New Hampshire Housing will not be involved in the credit process. I/We understand and agree that New Hampshire Housing will not inspect the property for defects nor will New Hampshire Housing underwrite the loan. I/We therefore agree to hold New Hampshire Housing harmless from any action or inaction on the part of the lender, seller, contractors or other involved parties.

PART II - ACQUISITION COST OF THE RESIDENCE

I/We certify that the cost of acquiring this property has been fully disclosed to the lender and is within the Acquisition Cost limits established by New Hampshire Housing for this residence. I/We certify there are no other side agreements pertaining to this transaction.

Acquisition Cost Worksheet

1. Amount to be paid, in cash or in kind, by the Applicant(s) to or for the benefit of the seller(s) for the land and/or dwelling, including amounts needed to discharge any "Permissible Temporary Financing" but excluding "usual and reasonable settlement and financing costs and the amount paid to seller for fixtures and not part of the cost of land and dwelling." (See Notes (1), (2) and (3) below).....\$ _____
2. Amount paid for residence if purchased separately and not included in (Part II-1) above or if land subject to ground rent. (See Note (1) below).....\$ _____
3. If the dwelling is "incomplete or unfinished," additional costs of completing the dwelling not included in (Part II-1) above. (See Note (5) below).....\$ _____
4. Total Acquisition Cost.....\$ _____

Notes:

- (1) The Acquisition Cost excludes the cost of any personal property sold with the residence which is separately identified in the contract, value at its fair market value and not financed by the Mortgage Loan.
- (2) "Permissible Temporary Financing" means a construction period loan or a bridge loan or similar temporary financing with a term of 24 months or less which is given to acquire a residence subject to obtaining permanent financing.
- (3) "Usual and Reasonable Settlement and Financing Costs" includes titling and transfer costs, title insurance, survey fees and other similar costs, credit reference fees, legal fees, appraisal expenses, points which are paid by the Applicant(s), or other cost of financing the residence.
- (4) The Acquisition Cost of a residence does not include the cost of land which has been owned by the Borrower(s) for at least two years before the date on which the construction of the residence begins. If the residence is purchased subject to ground rent (leasehold estate) the capitalized value of ground rent must be included in Line Part II-2 above.
- (5) The Acquisition Cost of a residence does not include the imputed value of services performed by the Applicant(s) or members of his/her family (or their families, which includes only the Applicant(s) brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in completing the residence.

PART III - INCOME ELIGIBILITY

The information requested below must be provided in order to determine your eligibility under the MCC Program income limits. The limits are used solely to determine your eligibility under the MCC Program's income limit provision and may not be the same as used for Mortgage Loan underwriting purposes.

Calculation of Gross Annual Household Income:

Number of Persons in Household: _____

1. Applicant's Monthly Gross Income (See Notes (1) and (2) below).....\$ _____
2. Co-Applicant's Monthly Gross Income (if any)..... \$ _____
3. Other Household Member's Monthly Gross Income (See Note (3) below)\$ _____
4. Subtotal of 1, 2 and 3 above.....\$ _____
5. Multiply Part 4 above by 12..... \$ _____
6. Total Borrower's Gross Annual Household Income \$ _____

For purposes of compliance under the MCC Program income limits, all income from the Applicant's spouse and any person(s) signing (i) the Mortgage or Note and/or (ii) expected to live in the residence must be included (attach a separate schedule to report any income for person(s) described in clauses (i) and (ii) of this sentence).

Notes:

(1) Applicant and Co-Applicant do not include persons who co-sign a Mortgage Loan, provided such persons are not acquiring an ownership interest in the property securing the Mortgage Loan. However, the income of a cosigner who will live in the residence to be financed by the Mortgage Loan must be included in Part III-1 above.

(2) Gross monthly income is the sum of monthly gross pay and any additional income from any source, both taxable income and non-taxable income, including but not limited to earnings, overtime, part-time employment, bonuses, dividends, interest annuities, pensions, VA compensation, gross income from rental property, commissions, deferred income, welfare payments, social security benefits, disability payments, alimony, support payments, public assistance, sick pay, unemployment compensation, and income received from trusts, business activities and investments.

(3) The wage income of any household member who is not an Applicant, is declared as a dependent of the Applicant(s) on(his/her/their) most recent Federal income tax return, and is under 18 years of age is not to be included in the determination of Gross Annual Household Income.

We acknowledge my/our total gross household income from each person living in the residence is within the MCC Program limits New Hampshire Housing.

PART IV - RECAPTURE NOTIFICATION

You have applied to New Hampshire Housing for an MCC subject to special Federal tax rules. You are hereby notified that current Federal tax law may require a payment to the Federal government of a "recapture" amount upon the sale, transfer or other disposition of your residence. You may be required to pay a Recapture Tax equal to a portion of the loan amount if you sell or otherwise transfer your residence to someone else within the first nine 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 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 residence, your gain from the disposition, 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. Consult your tax adviser or local IRS office for further information.

PART V - CERTIFICATION

I/We have read the Recapture Notification as set forth in Part IV hereof, and understand that I/We may be required to pay a Recapture Tax to the IRS as a result of receiving my/our Mortgage Credit Certificate from the proceeds of a tax-exempt bond.

I/We acknowledge and understand that this Affidavit will be relied upon for the purpose of determining the Buyers' eligibility for a Mortgage Credit Certificate (MCC). I/We understand that any fraudulent statements will result in: 1) the revocation of the Mortgage Credit Certificate, and 2) a \$10,000 penalty under 26 USC 6709.

_____ Applicant

_____ Date

_____ Co-Applicant

_____ Date

TO BE COMPLETED AND EXECUTED BY ALL APPLICANTS

Home Start Homebuyer Tax Credit
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MCC Program Disclaimer and Affirmation of Responsibility

In connection with the MCC Program, New Hampshire Housing makes no promise, no representation and no warranty to any party, including any homebuyer or any lender. Specifically, New Hampshire Housing makes no promise, no representation and no warranty about the actual benefit an MCC might provide to a specific homebuyer. Each homebuyer's situation is different, and homebuyers should not rely on any material from or communication with New Hampshire Housing or with a lender. Homebuyers should first become fully informed about the MCC Program, and then, with their own tax advisor, the homebuyer should decide if an MCC provides any benefit.

I affirm that:

- I have read and understand the above statement;
- I understand that in order to qualify for an MCC, either myself or my lender must reserve an MCC with New Hampshire Housing, before my mortgage loan closes;
- I understand that New Hampshire Housing must receive my **complete** MCC application package within 14 days of my mortgage loan closing;
- I understand that if New Hampshire Housing does not receive my **complete** MCC application package within 14 days of my mortgage loan closing date, I will no longer be eligible to receive the Homebuyer Tax Credit; and
- I understand it is my responsibility to ensure that New Hampshire Housing receives my **complete** MCC application package within 14 days of my mortgage loan closing.

Applicant

Date

Co-Applicant

Date

Home Start Homebuyer Tax Credit
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Applicant(s) Closing Affidavit

I/We, the undersigned, as part of my/our application for an MCC from New Hampshire Housing, the issuer of such certificates under the Mortgage Credit Certificate Program, and as a material inducement to New Hampshire Housing to issue an MCC to the undersigned in connection with the financing (the Mortgage Loan), through a lender of the undersigned's choosing for the purchase of a single family residence being duly sworn state the following:

I/We executed an Applicants Affidavit and Recapture Notification as part of my application for a Mortgage Credit Certificate.

(Check and complete Section (a) or (b), whichever applies.)

(a) _____ I/We have reviewed the aforementioned MCC Applicants Affidavit and Recapture Notification and declare there has been no change in the statements therein and said statements remain true and accurate as of the date hereof.

(b) _____ I/We have reviewed the aforementioned MCC Applicants Affidavit and Recapture Notification and declare that the following changes have occurred from the statements therein:

I/We acknowledge and understand that this Affidavit will be relied upon for purposes of determining my eligibility for an MCC. I/We further acknowledge that this MCC has been issued with reliance upon certifications contained in the MCC Applicants Affidavit and Recapture Notification, Sellers Affidavit and Lender's Participation Agreement stating that the requirements necessary for issuance of a qualified Mortgage Credit Certificate have been met. I/We acknowledge that I/we have read the Notice to Applicants of Potential Recapture Tax and understand that I/we may be required to pay a Recapture Tax to the United States Treasury as a result of receiving my/our Mortgage Loan from the proceeds of a tax-exempt bond. I/We may be required to pay a Recapture Tax equal to a portion of the loan amount if I/we sell or otherwise transfer the residence to someone else within the first nine years of the 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 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 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 residence, your gain from the disposition, and your 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. Consult your tax adviser or local IRS office for further information.

I/We acknowledge and understand that this Affidavit will be relied upon for the purpose of determining the Applicants eligibility for a Mortgage Credit Certificate (MCC). I/We understand that any fraudulent statements will result in: 1) the revocation of the Mortgage Credit Certificate, and 2) a \$10,000 penalty under 26USC.6709.

Applicant: _____ Date: _____ Co-Applicant: _____ Date: _____

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Seller Affidavit

I/We _____ as Seller(s) of a home to _____ as Buyers, do hereby represent and warrant as follows:

1. The home is located at _____ in _____ New Hampshire.
(Street) (City/Town)
2. The home consists of one dwelling unit only.
3. Acquisition Cost:
 - a) I certify that the total amount to be paid to me, or anyone acting on my behalf, in connection with the purchase of subject residence is \$_____, excluding all usual and reasonable settlement or financing costs.
 - b.) Neither the Buyers nor anyone on their behalf has made any payment other than the amount shown in 3. (a) to (me/us) or to any other person on (my/our) behalf, nor have they cancelled any debt owed by (me/us) or by any person related to (me/us).
 - c.) I/We have not entered into any agreement with the Buyers of the home, pursuant to which any portion of the home has been left unfinished or any fixtures or other architectural appointments have been omitted or removed from the home in order to reduce the acquisition cost.
4. To the best of my knowledge, the Buyers will not use any part of the loan proceeds to acquire or replace an existing mortgage.

I/We acknowledge and understand that this Affidavit will be relied upon for the purpose of determining the Buyers' eligibility for a Mortgage Credit Certificate (MCC). I/We understand that any fraudulent statements will result in: 1) the revocation of the Mortgage Credit Certificate, and 2) a \$10,000 penalty under 26USC.6709.

I/We declare under penalties of perjury that the foregoing representations are true and correct.

Date

Seller's Signature

Date

Seller's Signature

I have explained the contents of this Affidavit to each of the Sellers whose signature appears above, and I have no reason to believe that those individuals made any misstatements in or omissions from the warranties and representations required to be made herein.

Date

Lender or Closing Agent

**Home Start Homebuyer Tax Credit
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Lender Closing Certificate

_____ (“Name of Lender”) states the following: The Lender has received a MCC Applicants Affidavit and Recapture Notification submitted by:

Applicant: _____ Co Applicant: _____

The MCC Applicants Affidavit and Recapture Notification (MCCB002) was submitted in connection with an application for financing (“the Mortgage Loan”) of the purchase of a qualified single family property located at:

_____, NH, _____

The Lender has also received and reviewed the Seller Affidavit (MCCS001) submitted by the seller of the property shown above and finds no reason to question the truth or completeness of this Affidavit.

Check Statement (a) or (b) regarding Federal Income Tax Returns

- (a.) _____ The Lender has obtained a true, complete, signed copy of the most recent Federal Income Tax Return of the Mortgagors.
- (b.) _____ There is no requirement to obtain the Mortgagor’s Federal Income Tax Return because the Residence is located in a Targeted Area.

The Lender is not aware of any facts or circumstances that would cause it to question the truth or completeness of any portion of such MCC Applicants Affidavit and Recapture Notification (MCCB002). In the course of processing the documents concerning the Mortgagor’s application prior to executing the mortgage, nothing has come to the Lender’s attention that would lead it to believe that any information supplied by the Mortgagor’s or any other party to this transaction is false or misleading.

After completion of all underwriting, investigation and verification, the Lender has approved the Mortgage Loan in the amount of \$ _____ which is the Certified Indebtedness Amount. The property is a qualified single family residence located in the State of New Hampshire, and the Applicants have signed the MCC Applicants Affidavit and Recapture Notification (MCCB002) in which he/she states that he/she intend to occupy the home as a primary residence within sixty (60) days from the date of the Mortgage Loan closing.

AFTER REASONABLE INVESTIGATION THE LENDER HEREBY CERTIFIES THAT:

The financing which the Applicants have received has not been used to acquire or replace an existing mortgage or land contract on the residence, unless the previously existing mortgage was a construction loan, bridge loan or other temporary financing none of which had an initial term in excess of twenty-four (24) months.

The Applicants did not receive any portion of the financing of this Mortgage Loan from a tax exempt mortgage revenue bond loan.

To the best knowledge of the Lender, based upon reasonable investigation and verifications, neither the Lender, the Applicants, nor the Seller of the residence have made any negligent or fraudulent, material misstatements in connection with the Mortgagor's application for a Mortgage Credit Certificate (MCC).

By: _____
(Signature of Lender Representative)

Title: _____

Date: _____