

Illinois Housing Development Authority Borrower Affidavit

INSTRUCTIONS:

Complete item #1. The remaining items must be reviewed, investigated and evaluated by the lender to whom you submitted your mortgage loan application (the "Lender") and its respective agents.

The Borrower Affidavit must be executed by the Borrower(s) (and non-borrowing spouse waiving homestead) and duly notarized.

BORROWER AFFIDAVIT

This Borrower Affidavit shall be considered part of the application for the loan, and is incorporated therein.

If any statement made by you in this affidavit is false, the mortgage loan made to you will not be eligible for the single family mortgage purchase program of the Illinois Housing Development Authority ("IHDA") 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 IHDA, the Lender, and their respective agents.

The undersigned, hereinafter collectively referred to as "the Borrower," affirms as follows:

The Borrower is purchasing the property located at:

Street Address:

City:

Zip Code:

County:

State:

Or which is legally described as follows (the "Property"):

1. The Borrower intends to occupy the Property as the Borrower's principal residence promptly after closing of the Mortgage loan but in no event more than sixty (60) days after such closing.

2. The Borrower has no present intent to lease, sell, assign or transfer any interest of the Borrower in the Property to another person or entity.

3. The Borrower has not entered into any agreements, understanding or other arrangement to lease, sell, assign or transfer the referenced Property.

4. If the Residence is a two, three or four-family residence, (a) the Borrower will occupy one unit of the Property, and (b) the Property 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 Property is a new construction or (ii) the Property is located in a "targeted area" identified by the Lender and the Borrower's income meets the targeted area guidelines identified by the Lender.]

5. The Borrower does not now and does not intend to use more than fifteen percent (15%) of the total area of the Property primarily in a trade or business in a manner which would permit the Borrower to take a deduction for any portion of the costs of the Property for expenses incurred in connection with such trade or business use of the Property on the Borrower's federal income tax return.* No portion of the Residence is specifically designed for any commercial use.

6. The Borrower does not now and does not intend to use the Property as an investment Property (except with respect to the rental of a unit in a two, three or four-unit residence) or as a recreational home.

7. **APPLICABLE TO FIRST TIME HOME BUYERS ONLY.** During the last three (3) years the Borrower did not have any present ownership interest in a principal residence including an interest in a factory-made house, such as a mobile home permanently affixed to land owned by the Borrower. The Borrower understands that "present ownership interest" includes the following types of interest: (i) a fee simple interest, (ii) a joint tenancy, a tenancy in common or tenancy by the entirety, (iii) the interest of a tenant-stockholder in a cooperative, (iv) a life estate, (v) a contract to purchase residential real estate, or (vi) an interest held in a trust established by Borrower or some other person. The Borrower further understands that a "present ownership interest" does not include (i) a remainder interest, (ii) an ordinary lease, with or without an option to purchase, (iii) a mere expectancy to inherit an interest in a principal residence, (iv) the interest that a purchaser of a residence acquires on the execution of a purchase contract and (v) an interest in other than a principal residence during the previous three years. [This provision does not apply if the Borrower is a qualified veteran or if the Property is located in a "targeted area" identified in materials provided to the Lender by IHDA.]

* For at-home day care, less than 15% of the residence is used regularly and exclusively for the business.

8. A true and correct copy of the complete agreement with the Property Seller for the purchase of the Property and copies of complete documentation of rehabilitation or repair work, if any, completed on the Property on behalf of the Borrower has been provided to the Lender and the Purchase Price and the total rehab costs stated therein are true, correct and complete as stated.

9. The Borrower has not assumed or incurred any indebtedness to anyone relating to the acquisition of the Property other than to the Property Seller and those entities, if any, responsible for the rehabilitation work as shown in the agreements referred to in paragraph 9 hereof.

10. With respect to the Acquisition Cost of the Property, the price stated in the agreement between the Borrower and the Property Seller of the Property is true and correct and represents the complete agreement between the purchaser or purchasers (or a related party for the benefit of the purchaser) and the Property Seller (or a related party to or for the benefit of the Property Seller) with respect to the Purchase Price including the price of all fixtures. Any indebtedness assumed or incurred by the mortgagor or anyone active on his or her behalf directly or indirectly (including any special assessments) has been disclosed, in writing, to the Lender.

11. The Property is a completed residential unit. If the Property is existing housing, no repair or rehabilitation to the Property is necessary (other than as may be documented pursuant to paragraph 9 above) to bring the Property into compliance with industry accepted underwriting standards. If the Property is new construction, no additional work is necessary to complete the Property so as to permit occupancy under local law or to finish the Property to the extent normally provided by the builder.

12. The Borrower is using the proceeds of the Mortgage loan for the purpose of acquiring the Property and, if applicable, to complete rehabilitation and repair of the property and not for the repayment or refinancing of existing mortgages or debts other than (a) construction period loans, or (b) a bridge loan or similar temporary initial financing which had a term of twenty-four (24) months or less. The Borrower understands that conditional land sale contracts or leases with an option to purchase are considered existing loans or mortgages for purposes of this Paragraph.

13. No part of the proceeds of the Mortgage loan is being applied to purchase appliances, furniture or other personal property not permanently affixed to the Property. If the purchase agreement with the Property Seller described in paragraph 9 is inconsistent with this representation, those provisions in the purchase agreement do not reflect the intention of the Borrower and the Property Seller, as evidenced by paragraph 4 of the Property Seller Affidavit, in which the Property Seller makes an equivalent affirmation, and are hereby deleted from the purchase agreement. Notwithstanding the foregoing, and with respect to certain appliances, proceeds of the Mortgage loan may be applied to the following appliances if such appliances are an existing fixture on the Property at the time the Property is acquired by the Borrower: refrigerator; oven, including microwave oven, or other cooking surface; dishwasher; washing machine; dryer; heater or heating system; air conditioner or air conditioning system.

14. The Borrower has provided the Lender with true and correct signed copies of his or her federal income tax returns for the last three (3) years as filed with the Internal Revenue Service or as certified in accordance with the procedures set forth in Section 6103, Internal Revenue Code of 1986, as amended; or in lieu thereof, was not required to file a federal income tax return for one or more of the preceding three (3) years. The Borrower will provide to the Lender tax returns due after the date of this Affidavit but on or before the Closing Date not later than the date the Borrower files such tax returns. If the Borrower files an extension request for a tax return due after the date of this Affidavit, the Borrower will provide to the Lender, not later than the date it files such extension request, a copy of such extension request.

15. The Borrower agrees to notify IHDA immediately in the event that he or she vacates the Property, and to keep IHDA informed of his or her current mailing address.

16. The Borrower will not unreasonably withhold his or her consent to any inspection of the Property (the exterior and interior thereof) conducted by the Lender or its agents and/or IHDA or its agent, for the purpose of verifying the truth of any of the statements contained in this Borrower Affidavit, provided the inspection is conducted at a reasonable time and in a reasonable manner.

17. If the Property residence is prefab or manufactured housing or any other factory-made building, it is permanently affixed to land owned by the Borrower by way of foundation and is taxed as real property.

18. All of the land upon which the Property residence is located, or (in the case of new construction) is to be located, is for the purposes of the residence and is not specifically designed for commercial use or to generate income. If the land exceeds any minimum lot size for zoning purposes by an amount sufficient to subdivide the property without a zoning variance, the Borrower will not (a) subdivide or otherwise sell any of the land on which the Property residence is located (except in conjunction with a future sale of the Property) or (b) seek any variance from applicable zoning, minimum lot size or set-back requirements in order to subdivide the land.

19. The Borrower made no material misstatements in connection with the application for the Mortgage loan evidenced by the Note and Mortgage.

20. The Borrower has duly executed FNMA Form 1003/FHLMC Form 65, Residential Loan Application, and HUD Form 92900 (HUD-FHA Application for Insurance under the National Housing Act) or VA Form 26-1802A (VA Application for Home Loan Guaranty), as applicable, within the four (4) month period ending on the date of the closing of the Mortgage loan, states that all information on the applicable form was true and correct as of the date of execution, and states that on said form all sources of Borrower income have been disclosed and recited, including salary, commissions, bonuses, earnings from part-time employment, interest, dividends, tips, gains on sales of securities, annuities, pensions, royalties, Veterans Administration compensation, net rental income from all sources, alimony, child support, public assistance, sick pay, Social Security benefits, income received from business activities or investments, estate or trust income, unemployment compensation and miscellaneous income.

BORROWER SIGNATURE PAGE

Borrower's Signature

(Print Borrower Name)

Co-Borrower's (OR non-borrowing spouse waiving
homestead) Signature

(Print Co-Borrower (or non-borrowing spouse waiving
homestead) Name

NOTARY MUST EXECUTE PAGE FOLLOWING

NOTARY SIGNATURE PAGE

State of	(Name of State)
County of	(Name of County)

This instrument was acknowledged before me this day _____ of _____, _____
(Day) (Month) (Year)

(Print Borrower Name)

(Print Co-Borrower Name)
or non-borrowing spouse waiving homestead

Notary Stamp

Notary Public Signature