

Illinois Housing Development Authority

Mortgage Credit Certificate Program Informational Acknowledgement

I have applied for a Mortgage Credit Certificate ("MCC") from the Illinois Housing Development Authority (the "Authority"). I acknowledge and understand the following:

1. An MCC can only be used by me in connection with the financing of the purchase of a residence by a first mortgage loan. The residence must become my principal residence within sixty (60) days after closing. No more than fifteen percent (15%) of the area of the residence can be used in a trade or business. The residence cannot be used as a vacation home, recreation home, or investment property. The residence must not consist of more than one dwelling unit.
2. The MCC, if issued, will entitle me to an annual Federal income tax credit equal to 20% of the interest paid or accrued on the first mortgage loan with which I finance the acquisition of the residence (but not more than \$2,000.00).
3. The decision to finance the acquisition of a residence is completely within the discretion of the lender to whom I apply (the "Lender"). The Authority plays no role in the decision to finance the acquisition or the amount to be financed.
4. I am free to seek financing from any lender I choose, so long as the Lender has signed a Lender Participation Agreement with the Authority.
5. Issuance of an MCC is dependent upon the Lender submitting to the Authority all documentation required by the Lender Participation Agreement executed between the Authority and the Lender.
6. Issuance of an MCC is dependent upon my annual family income not exceeding the applicable limit set forth for the Program at the time of loan closing.
7. No MCC will be issued unless the acquisition cost for the single family residence (including land and building, and in the case of incomplete construction, the cost of completion) does not exceed the applicable limit set forth for the Program at the time of loan closing.
8. No MCC will be issued unless I have had no present ownership interest in a principal residence during the last three years. This requirement will be waived if the residence for which an MCC application is being made is located in a targeted area or I am a qualified veteran.
9. In connection with the above, I will have to submit true, complete signed copies of my Federal income tax returns for the previous three (3) years or other acceptable documentation, unless the residence for which an MCC application is being made is located in a targeted area.
10. No MCC will be issued in connection with financing that is to be used for the acquisition or replacement of my existing mortgage, my land contract or my lease with an option to purchase, except for construction loans, bridge loans, options to purchase or other temporary loans of twenty- four months or less.
11. No MCC will be issued if any financing for the residence is to be obtained from a qualified mortgage bond or a qualified veterans' mortgage bond. Further, no MCC will be issued if any person who is a related person to me (as defined in the Internal Revenue Code and applicable regulations) has an interest as a creditor in the financing.
12. I acknowledge that if an MCC is issued to me, it will be revoked upon repayment of the mortgage loan (except for the refinancing of the mortgage loan permitted under Section 25 of the Internal Revenue Code of 1986), or upon my failure to occupy the residence as my primary residence.

13. The MCC is not transferable without the prior written approval of the Authority and unless the Authority executes a new MCC to the MCC transferee.
14. I agree to execute a Buyer Application Affidavit, a Closing Affidavit, obtain a Seller's Affidavit from the seller(s) of the residence and execute the Notice to Homebuyers pertaining to potential recapture.
15. I acknowledge that a material misstatement negligently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$1,000.00 and a material misstatement fraudulently made in any statement made by me in connection with an application for an MCC will constitute a violation of Federal law punishable by a fine of up to \$10,000.00, revocation of the MCC, and any other criminal penalty imposed by law. In addition, any material misstatement or any false statement which affects my eligibility for an MCC will result in denial of my application for an MCC, or if an MCC has been issued prior to discovery of the false statement, immediate cancellation of the MCC issued. I further acknowledge that if any information or certification I provide contains a material misstatement which is due to fraud, then any MCC issued will automatically become null and void without any need for further action on the part of the Authority or any other person or entity.

I certify that I have read and understand the above and that I have been provided with a copy of this Acknowledgment. Notwithstanding the above restrictions, I wish to proceed with the application process.

Signature of Applicant(s):

Printed Name of Applicant(s):

Date Signed:

Signature of Applicant(s):

Printed Name of Applicant(s):

Date Signed: