



Closing Document Set



To use this doc set with fillable fields, download and open with Adobe Reader.

BORROWER DATA

Borrower Full Name	SSN	Email	Phone
Coborrower Full Name	SSN	Email	Phone
Coborrower Full Name	SSN	Email	Phone

LENDER DATA

Lender Name	NMLS ID
Loan Officer Name	NMLS ID
Lender Email (file point of contact, final closing docs will be sent here)	

PROPERTY DATA

Street Address	City	ZIP	County	Appraised Value
PIN	New Construction?...YES	NO	Targeted Area?...YES	NO
			Number Of Units?	

HOUSEHOLD AND INCOME DATA

1. Borrower Martial Status 2. Total Household Members 3. Total Household Income

4. Non Borrowing Spouse (Full Name).....

5. Are/Were any borrower exempt from filing federal income taxes?.....

6. If item 5 is yes, which years were not filed?.....YR1: YR2: YR3:

HH Occ. 1 – Full Name	Age	Primary Borrower Relationship	HH Occ. 4 – Full Name	Age	Relationship
HH Occ. 2 – Full Name	Age	Relationship	HH Occ. 5 – Full name	Age	Relationship
HH Occ. 3 – Full Name	Age	Relationship	HH Occ. 6 – Full name	Age	Relationship

PROPERTY LEGAL DESCRIPTION



FILE DATA

Borrower Name:

Closing Date:

IHDA Loan No.:

Loan Type:

LENDER DATA

Lender Name:

File Contact Name:

File Contact Email:

PRE - CLOSE ITEMS REQUIRED

1. Completed SmartBuy Pre-Close Submission Cover
2. Completed/signed Student Loan Attestation (auto filled by submission cover)
3. SmartBuy Checklist
4. IHDA Borrower Affidavit
5. IHDA Initial Recapture
6. IHDA Certification of Income
7. U.S. Bank Authorization
8. IHDA Tax Code Certification
9. IHDA income calculator
10. All of the most recent income documentation (i.e., paystubs, child support, etc.)
11. Payoff statements for all student loans (within 30 days of closing)
12. Copies of most recent student loan monthly statements
13. Credit report
14. Sales Contract and any addendum
15. Copy of 1003 (with most current assets and liabilities listed)
16. AUS results - In DU,
 - The existing student loan(s) marked as "paid at closing"
 - The Student Debt that is being covered in the SmartBuy transaction would be input as "unsecured, no payment, forgivable personal loan"

Please Note: It will take up to 10 days for IHDA to review the pre-close package. If any items are updated after IHDA's pre-close review, you must submit for pre-close approval. The 10-day clock will restart IHDA review if a second review is needed.

CLOSING ITEMS REQUIRED

If any items are found to be missing during the post close review, the file will be suspended.

1. Completed SmartBuy Post Close Submission Cover
2. SmartBuy Checklist
3. SmartBuy 2nd Mortgage
4. SmartBuy 2nd Note
5. IHDA Mortgage Rider
6. SmartBuy Signed Servicing Letter
7. IHDA Impact Assistance Letter
8. IHDA Final Recapture
9. Copy of Wire or Check to the applicable Student Loan Companies
10. Copy of Wire or Check for any applicable borrower funds needed for loan payoff
11. All agency required documents as listed on the IHDA Delivery Checklist, as applicable
12. Signed Guaranty Letter (*released by IHDA staff in TPO Connect*)
13. Signed Promissory Note (*released by IHDA staff in TPO Connect*)
14. Signed Deed Restriction (*released by IHDA staff in TPO Connect*)

NOTES

- IHDA DELIVERY CHECKLIST -

PROGRAM:

AMI:

LOAN TYPE:

HHSIZE:

CLOSING DATE:

BORROWER NAME:

IHDA FILE #:

AGENCY COMPLIANCE

1. TRID Initial LE(s) for 1st and 2nd Mortgages within 3 days of Application
2. TRID Compliance:

a) Written List of Providers

b) All revised LE disclosures & supporting docs.

c) Initial CD (for 1st & 2nd) 3 days

d) All revised CD(s) w/final CD signed & dated for closing date, if DPA is used source must be disclosed

e) CD's dated post close (if applicable) if DPA is used source must be disclosed

f) CFPB ToolKit/Acknowledgement
3. Intent to Proceed
4. Certified copy of Assignment of Mortgage to U.S. Bank (if mortgage is not on MOM doc)
5. 1st Mortgage Note
6. Certified copy of 1st Mortgage with attached legal description & Riders (if MERS must be on MOM docs)

Loan Amt: Rate: %
7. Certified copy of Power of Attorney
8. Notarized Name Affidavits
9. Initial Payment Letter/First Payment Letter
10. Title Commitment/Binder
11. Tax Certification Sheet
12. IEAD (Initial Escrow Account Disclosure)
13. Initial URLA/1003 fully executed
14. Final URLA/1003 fully executed
15. 1008 (FNMA) or 1077 (FHLMC)
16. Signed PMI Certificate (if over 80% LTV)
17. PMI Disclosure
18. Evidence of payment to MI company
19. Amortization Schedule (Conv. loans)
20. Copy of check & pay history (if principal reduct.)
21. AUS - DU, LPA, GUS
22. FFIEC Rate Spread Calc & lock if HPML
23. Pre-Purchase Counseling Cert datedPTC& signed (as needed)by: Borrower Coborrower/SP
24. Non-HFA/Gift Letter(s) & proof of transfer
25. Compliance/ E&O agreement
26. Customer ID & Notice – Patriot Act
27. Other Compliance Disclosures to borrower
28. Credit Report: FICO
29. OFAC Search with no matches found
30. List of Housing Counseling Orgs.

IHDA DISCLOSURE COMPLIANCE

1. (HO-001.3) Submission Cover PTC.....
2. (HO-012.1) Borrower Affidavit Dated PTC.....
3. (HO-034.1)MRB Initial Recapture PTC.....
4. (HO-007.1)Signed Income Cert PTC.....
5. (HO-053)Zero Inc. Cert. (as needed) PTC.....
6. (HO-002.1)U.S. Bank Authorization PTC.....
7. (HO-004.1) Tax Code Comp. Certificate PTC.....
8. 2nd Mortgage Note AC.....
9. Certified copy of 2nd Mortgage AC.....

Loan Amt: _____
10. (HO-008.1) IHDA Rider to 1st Mortgage (recordedwith1st) AC.....
11. Signed Servicing Letter^{1,2,3,5} AC.....
12. (RP-016.2)⁴ Second Payment LetterAC.....
13. (HO-054.1) Assist. Impact Letter AC.....
14. (HO-035.1)MRB Final Recapture AC.....

Required on: **1.** SmartBuy **2.** Access FG **3.** Access DF **4.** Access RP loans
5. Opening Doors

INCOME COMPLIANCE

1. VOE: (all borrowers) within 10 business days
2. Prior VVOE
3. IRS W-9
4. IRS 4506-C signed
5. IRS 8821(self-employed)
6. IRS W2's

B CB
7. Signed Tax Returns Transcripts.....

Yr. 1 B Yr. 2 B Yr. 3 B

Yr. 1 CB Yr. 2 CB Yr. 3 CB
8. (HO-027) Tax Affidavit for year(s) PTC...
9. Paystubs: 30 days.....

B CB 18YO
10. 2 months Bank stmts. (per AUS).....
11. Signed Income Calculator.....
12. SSI, Pension, VA, VA Benefits
13. LOX for Discrepancies
14. Divorce Decree/Property Settlement, Marriage Certificate, Birth Certificate.....

PROPERTY COMPLIANCE

1. Appraisal Delivery Acknowledgement
2. HOI (hazard policy with paid receipt to include mortgagee clause (ISAOA ATIMA)
3. Standard Flood Hazard determination
4. Flood Policy with paid receipt to include mortgagee clause to U.S. Bank (if applicable)
5. Notice to Borrower in Special Flood Hazard Area
6. Appraisal (all pages) < 5 acres.....
7. USBHM Condo Review if LTV > 95%
8. FHA/FNMA/FHLMC UCDP/SSR Submission
9. Final Inspection (if appraisal is subject to repairs)
10. Work completion Escrow Agreement
11. Final Purchase Contract Price.....

FHA COMPLIANCE

1. HUD-92000-A Initial (with pages 1&2 fully completed)
2. HUD-92000-A Final (with pages 1-4 fully completed by borrower and underwriter)
3. HUD-92900-B Important Notice to Homebuyer
4. Real Estate Cert & Amendatory Clause fully executed
5. Informed Consumer Choices Notification
6. FHA Case Query reflecting UFMIP as received
7. FHA Case No. Assignment
8. LUTS 929000-LT w/ CAIVRS/LDP/GSA "marked no"
9. Award & Commit. letter(s) for NON-HFA/Gifts/Grants
10. Conditional Commitment with all requirements
11. Loan MUST be FHA insured if > 90 days from close
12. Lender Unit Certification Form (if condominium)
13. HUD-92561 (Hotel/Transient Use – required if 2+Units)
14. DPA Award & Commitment letters signed by borrowers
15. Builder's Certificate (new const. only)
16. Builder's Warranty of Completion (HUD- 92544, new const. only)
17. Final Inspection (HUD-92051 or 1004D, if applicable, new const. only)
18. Evidence of 10 year warranty, or in lieu of warranty Builder's Permit & Certificate of Occupancy (if new construction)
19. For Your Protection Get A Home Inspection
20. Settlement Certification

VA COMPLIANCE

1. VA-26-1802a to include pages 1 & 2
2. VA-26-1820 Report & Certification of Loan Disbursement
3. COE for Veteran borrower
4. VA funding Fee Receipt reflecting settled/processed
5. VA 26-6393 Loan Analysis
6. CAIVRS Authorization of all borrowers
7. VA Notice of Value with all conditions
8. Borrower Certificate & Authorization
9. VA Rider to Security Instrument (or 5 clauses)
10. Escape Clause/ Amendatory Clause
11. VA-26-592 Counseling Checklist (Active duty only)
12. VA HUD-1/CD Itemization
13. Loan Quality Certification (Title 38 USC)
14. VA 26-1866 Commitment Cert (if prior approval from VA)
15. VA Guaranty Certificate (if > 90 days from close)
16. NPMA-33 Termite/Wood Destroying Insect/Soil Treatment

USDA COMPLIANCE

1. RD 3555-18 Conditional Commitment
2. GUS Findings
3. 1008 Underwriting Transmittal RD 3555-21
4. Request for Single Family Housing Loan Guarantee
5. RD 3555-17 Loan Note Guarantee (if >90 days from close)

MCC COMPLIANCE

All documents required for the MCC are listed on the submission cover of the MCC document set and must be included with every MCC.

LENDER CONTACT

LENDER NAME:

FILE CONTACT NAME:

FILE CONTACT EMAIL:

Remember! - Split your upload:

1. IHDA Delivery File- ALL IHDA DOCS

2. INVESTOR Delivery File-Everything else

Document Completion/Execution Guide

PTC= Prior to Closing AC= At Closing

NOTES

*This document
was prepared by:*

When recorded return to:
Illinois Housing
Development Authority
111 E Wacker Drive STE 1000
Attn: Homeownership
Chicago, IL 60601

Space Above For Recording

IHDA 2ND Loan Number:

SMARTBUY SECOND MORTGAGE

THIS SMARTBUY SECOND MORTGAGE ("Security Instrument") is given on

The mortgagor(s) is(are)

("Borrower(s)").

This Security Instrument is given to ILLINOIS HOUSING DEVELOPMENT AUTHORITY which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose address is 111 E. Wacker Drive, Suite 1000, Chicago, IL 60601 ("Lender").

Borrower owes the Lender the principal sum of Five Thousand and 00/100 Dollars (U.S. \$5,000.00)

WHEREAS, Borrower is obligated, at the time of the occurrence of certain events, to repay to the Lender the SmartBuy Deferred Payment Loan all in accordance with the provisions set forth in that certain SmartBuy Mortgage Note (referred to, along with any amendments, modifications, renewals, extensions, substitutions, or restatements thereof, as the "Note").

WHEREAS, if not sooner repaid, the total outstanding and unpaid balance of the Note must be repaid on the Maturity Date (as defined in the Note).

ITS _____

SB-014

1 of 12

WHEREAS, this debt is evidenced by the Borrower’s Note and is dated the same date as this Security Instrument. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower’s covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to the Lender the following described property located in _____County, Illinois:

(Legal Description)

which has the address of

_____, Illinois _____
(Street Address) *(City, State)* *(ZIP)*
("Property Address");

ITS_____

SB-014

2 of 12

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of the debt evidenced by the Note and any prepayment and late charges due under the Note and any sums advanced under paragraph 7.
2. **Intentionally Deleted.**
3. **Application of Payments.** Unless applicable law provides otherwise, all payment received by Lender under paragraph 1 shall be applied first to any amounts advanced under paragraph 7, then to any late charges due under the Note and then to principal due.
4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower or Lender, on Borrower's behalf, shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien, or defends against enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

ITS_____

SB-014

3 of 12

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which the Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's Principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for the term of this Security Instrument. Borrower shall keep the Property in good repair and shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this

Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless the Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect the Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so. Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument.
8. **Intentionally Deleted.**
9. **Inspection.** Lender or its agent may make reasonable entries upon and inspection of the Property. Lender shall give Borrower notice at the time of or prior to an Inspection specifying reasonable cause for the inspection.
10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction:

(a) the total amount of the sums secured immediately before the taking, divided by
(b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several.

13. Intentionally Deleted.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which

can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower/Refinance of First Mortgage Loan.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of:

- (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or
- (b) entry of a judgment enforcing this Security Instrument.

Those conditions are that Borrower:

- (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred;
- (b) cures any default of any other covenants or agreements;
- (c) pays all expenses incurred in enforcing this Security Instrument, including but not limited to, reasonable attorneys' fees; and
- (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged.

Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that

collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which the Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the Note may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure.

ITS_____

SB-014

8 of 12

If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

22. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation charges. Notwithstanding anything contained in this Security Instrument to the contrary, it is expressly understood and agreed that no partial or full release of this Security Instrument, nor any enforcement or other action hereunder, shall waive, release or otherwise affect any of the restrictions and agreements set forth in the Note or any of the other Loan Documents.
23. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.
24. **Intentionally Deleted.**
25. **Required HUD Provision.** The restrictions contained in this Security Instrument shall automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the Security Instrument is assigned to the Secretary of the United States Department of Housing and Urban Development.
26. **Assumption.** This Security Instrument may not be assumed or assigned (other than as provided in paragraph 19 above).
27. **Prohibited Transfer.** Without the prior written consent of Lender, the Borrower shall not effect, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of the Property (each a "Prohibited Transfer") not in compliance with the terms and conditions of this Security Instrument.
28. **Total Indebtedness.** At no time shall the principal amount of the indebtedness secured by this Security Instrument, excluding sums advanced to protect the security of this Security Instrument, exceed the original amount of the Note.
29. **Indemnification of the Lender.** Borrower agrees to defend and indemnify and hold harmless Lender from and against any and all damages, including, but not limited to, any past, present or future claims, actions, causes of action, suits, demands, liens, debts, judgments, losses, costs, liabilities and other expenses, including, but not limited to, reasonable attorneys' fees, costs, disbursements, and other expenses, that Borrower may incur or suffer by reason of or in connection with the Property, except if arising solely due to Lender's gross negligence, willful misconduct or after Lender takes possession of the Property. Borrower further agrees that Lender, if it so chooses, shall have the right to select its own counsel with respect to any such claims.

30. WAIVER OF JURY TRIAL. BORROWER WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER BORROWER OR LENDER, ITS SUCCESSORS AND ASSIGNS, ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PROPERTY OR THIS SECURITY INSTRUMENT, AND ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE DEFERRED LOAN EVIDENCED BY THE NOTE AND TO ACCEPT THIS SECURITY INSTRUMENT.

31. Illinois Mortgage Foreclosure Law. If any provision in this Security Instrument is inconsistent with any provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 et seq. (the "Foreclosure Law"), the provisions of the Foreclosure Law shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the Foreclosure Law. If any provision of this Security Instrument grants to Lender any rights or remedies upon default of the Borrower that are more limited than the rights that would otherwise be vested in Lender under the Foreclosure Act in the absence of that provision, Lender shall be vested with the rights granted in the Foreclosure Law to the fullest extent permitted by law.

32. Senior Loan. Borrower has a senior loan from a senior lender (the "Senior Lender") secured by a senior mortgage or mortgages on the Property as disclosed to the Lender (collectively, the "Senior Instruments"). Lender acknowledges that this Security Instrument is junior and subordinate to the lien of the Senior Instruments. Borrower covenants and agrees to comply with all of the terms and provisions of the Senior Instruments. Borrower shall give Lender a copy of all notices given Borrower with respect to any of the Senior Instruments within fifteen (15) business days after receiving such notice. Borrower shall not, without the prior written consent of Lender, enter into any modification, extension, amendment, agreement or arrangement in connection with any of the Senior Instruments. In the event Borrower is declared by the holder of any of the Senior Instruments to be in default with respect to any requirement of any of the Senior Instruments, Borrower agrees that said default shall constitute a default hereunder and under this Security Instrument and the Loan Documents. Upon the occurrence of such default, in addition to any other rights or remedies available to Lender, Lender may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under any of the Senior Instruments in any manner and form deemed expedient by Lender. Lender shall not be responsible for determining the validity or accuracy of any claim of default made by the Senior Lender under the Senior Instruments and the payment of any sum by Lender in curing or attempting to cure any alleged default or omission shall be presumed conclusively to have been reasonable,

justified and authorized. Any inaction on the part of the Lender shall not be construed as a waiver of any right accruing to Lender on account of any default hereunder.

[SIGNATURE PAGE TO FOLLOW]

ITS_____

SB-014

11 of 12

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Borrower Signature

Co-Borrower Signature

Borrower Printed Name

Co-Borrower Printed Name

Co-Borrower Signature

Co-Borrower Printed Name

~ A C K N O W L E D G E M E N T ~

STATE OF }

COUNTY OF }

I , a Notary Public in and for the said county and State, do hereby certify that

personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this day of .

Notary Seal

My Commission Expires

Notary Public (signature)

Originator Names Nationwide Mortgage Licensing System and Registry IDs

Organization:

NMLSR ID:

Individual:

NMLSR ID:

ITS_____

SB-014

12 of 12

SMARTBUY MORTGAGE NOTE

Illinois Housing Development Authority
IHDA 2nd Loan number:

Borrower Name

Closing Date

Co-Borrower(s) Name(s)

Closing City, State

Co-Borrower(s) Name(s)

Property Address

Property City

Property State ZIP

THIS 0% INTEREST SMARTBUY DEFERRED PAYMENT LOAN IS PAYABLE IN FULL ON THE MATURITY DATE (AS DEFINED BELOW). YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN ON OR PRIOR TO THIS DATE.

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay **U.S. \$5,000.00** (this amount will be called "principal"), to the order of the Lender. This Lender is Illinois Housing Development Authority. I understand that the Lender may transfer this SmartBuy Mortgage Note ("Note"). The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder".

2. TIME AND PLACE OF PAYMENTS

(A) Final Payment Due

I understand, accept and agree to pay the total and outstanding unpaid principal balance of this Note on the Maturity Date. "Maturity Date" means the earliest to occur of one or more of the following dates or events:

1. On the maturity date of the first mortgage loan;
2. Payment in full of the first mortgage loan, which includes, but is not limited to, a refinancing of the first mortgage loan, unless the Lender waives in writing the acceleration of the maturity of this Note;
3. The first mortgage loan becomes due and payable in full (for any reason; including, but not limited to, if the first mortgage loan is declared immediately due and payable by the note holder); or

4. If during the deferred payment period (i) the Property (as defined in the SmartBuy Second Mortgage ("Security Instrument") given by me to Lender to secure this Note and as identified by the Property Address above) is sold or otherwise transferred, or (ii) I refinance the first mortgage loan obtained by me from Lender in connection with this loan, or (iii) I cease to occupy the Property as my principal residence, or (iv) I am in default (as described in paragraph 3(C) below), I will repay to the Note Holder the remaining principal amount of the Note. When repayment of principal becomes due, I will pay the total outstanding and unpaid principal balance due, as required by this Note, by making such payment in the amount and to the party as designated in writing by the Note Holder.
5. The Lender determines that any of Borrower's representations and/or warranties made herein, in the Security Instrument, or any other information furnished by Borrower to the Lender regarding the first mortgage loan is inaccurate or misleading in any material respect as of the date made.

(B) Manner of Payment

This Note may be paid in full or in part at any frequency without penalty prior to the Maturity Date subject to the provisions of paragraph 5.

(C) Place of Payment

Payments shall be made at 111 E Wacker Drive, Suite 1000, Chicago, IL 60601, or at such other place as Lender may designate in writing by notice to Borrower.

3. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge For Overdue Payments

If the Note Holder has not received the full amount of principal repayment that becomes due by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of the installment. I will pay this late charge only once on any late payment.

(B) Notice From Note Holder

If I do not pay the full amount of principal repayment that becomes due, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. The date must be at least 15 days after the date on which the notice is mailed to me or, if it is not mailed, 15 days after the date on which it is delivered to me.

(C) Default

If I do not pay the overdue amount by the date stated in the notice described in (B) above, I will be in default. I am also in default if: (i) I am in breach any of the terms and conditions of, or I fail to perform any of my obligations under, any of this Note, the Security Instrument, the first mortgage loan on the Property or any other loan documents I have delivered in connection with this Note or the first mortgage loan (collectively, the "Loan Documents"), or (ii) I commit fraud under or in connection with any of the Loan Documents or as otherwise determined by a court of competent jurisdiction. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time. Upon a default, the Note Holder may refuse to

subordinate the Security Instrument to any subsequently recorded document or lien; and/or exercise such other rights or remedies as may be available to the Note Holder thereunder or under any of the Loan Documents, at law or in equity. No waiver of any default by the Note Holder shall be deemed to be a waiver of any other default or a subsequent default. If the Note Holder fails to exercise, or delays in exercising, any right under this Note or any of the other Loan Documents, such failure or delay shall not be deemed a waiver of such right or any other right.

(D) Payment of Note Holder's Cost and Expenses

If the Note Holder has required me to pay immediately the principal that has not been paid in full as described above, the Note Holder will have the right to be paid back for all of its cost and expenses to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

4. THIS NOTE SECURED BY A SECOND MORTGAGE

In addition to the protection given to the Note Holder under this Note, a Security Instrument dated the same date herewith, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. In addition to the provisions of this Note regarding payment conditions, that Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

5. BORROWER'S PAYMENTS BEFORE THEY ARE DUE

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. A prepayment of all of the unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment". I may make a full prepayment or a partial prepayment at any time without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note.

6. BORROWER'S WAIVERS

I waive my rights to require the Note Holder to do certain things. Those things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); (C) to obtain an official certification of nonpayment (known as "protest").

7. GIVING OF NOTICES

Any notice that must be given to me under this Note will be given by delivering it or by mailing it by certified mail addressed to me at the subject Property Address above. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address. Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 2 above. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. Any person who takes over my

rights or obligations under this Note will have all of my rights and must keep all of my obligations made in this Note.

9. **Required HUD Provision.** The restrictions contained in this Note shall automatically terminate if title to the Property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the Security Instrument is assigned to the Secretary of the United States Department of Housing and Urban Development.

SIGNATURE PAGE TO FOLLOW

A T T E S T A T I O N

BORROWER SIGNATURE

CO-BORROWER SIGNATURE

BORROWER PRINTED NAME

CO-BORROWER PRINTED NAME

CO-BORROWER SIGNATURE

CO-BORROWER PRINTED NAME

Originator Names – Nationwide Mortgage Licensing System and Registry IDs

Organization: _____

NMLSR ID: _____

Individual: _____

NMLSR ID: _____

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

MORTGAGE RIDER

NOTICE TO MORTGAGOR

THE PROVISIONS OF THIS RIDER SUBSTANTIALLY MODIFY THE TERMS OF THE LOAN. DO NOT SIGN THE NOTE OR THE SECURITY INSTRUMENT UNLESS YOU READ AND UNDERSTAND THESE PROVISIONS.

RIDER TO MORTGAGE BY AND BETWEEN THE

(THE "MORTGAGOR(S)")

AND

(THE "LENDER")

The Mortgagor is executing simultaneously herewith that certain mortgage, dated

(the "Security Instrument") to secure a loan (the "Loan") made by

(The "LENDER")

in the amount of _____ to the Mortgagor, evidenced by a note (the "NOTE") of even date herewith. It is expected that the Loan will be purchased or securitized by the Illinois Housing Development Authority (the "Authority"). It is a condition of the making of the Loan that the Mortgagor execute this Rider. In consideration of the respective covenants of the parties contained in the Security Instrument, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, Mortgagor and Lender further mutually agree as follows:

1. The rights and obligations of the parties to the Security Instrument and the Note are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Security Instrument and the Note, the provisions of this Rider shall control.

HO-008.1

2. Notwithstanding the provisions of Paragraph 5 of the Security Instrument, the Mortgagor agrees that the Lender or the Authority, as applicable, may, at any time and without prior notice, accelerate all payments due under the Security Instrument and Note, and exercise any other remedy allowed by law for breach of the Security Instrument or Note, if (a) the Mortgagor sells, rents or fails to occupy the property described in the Security Instrument as his or her permanent and primary residence; or (b) the statements made by the Mortgagor in the Affidavit of Buyer (Illinois Housing Development Authority Form MP-6A) are not true, complete and correct, or the Mortgagor fails to abide by the agreements contained in the Affidavit of Buyer; or (c) the Lender or the Authority finds any statement contained in that Affidavit to be untrue. The Mortgagor understands that the agreements and statements of fact contained in the Affidavit of Buyer are necessary conditions for the granting of the Loan.
3. The provisions of, this Rider shall apply and be effective only at such times as the Authority securitizes your loan or is the holder of the Security Instrument and the Note, or is in the process of securitizing or purchasing the Security Instrument and the Note. If the Authority does not securitize or purchase the Security Instrument and the Note, or if the Authority sells or otherwise transfers the Security Instrument and the Note to another individual or entity, the provisions of this Rider shall no longer apply or be effective, and this Rider shall be detached from the Security Instrument.

MORTGAGOR(S)



**ILLINOIS HOUSING
DEVELOPMENT AUTHORITY**

HO-008.2

pg. 2 of 2



111 E. Wacker Drive
Suite 1000
Chicago, IL 60601
312.836.5200

Dear Borrower,

Thank you for participating in the IHDA Mortgage SmartBuy Program! Congratulations on the purchase of your new home! The Illinois Housing Development Authority (the "Authority") is committed to the financing of single family housing and as a new customer we want to take this opportunity to welcome you to the Authority. We recognize the need to work closely with our borrowers and hope you will find the information provided herein helpful to you.

Your second loan was financed to assist you with your down payment needs and the Note made by you in connection with the second loan is secured by a Second Mortgage. Please review your Note carefully and understand the payment terms you are obligated to.

A second letter will soon follow that will provide you with further direction regarding the servicing of your second loan. If you have any questions or any changes that may impact notices you will receive during the term of your second loan, please contact us at:

Illinois Housing Development Authority

111 E. Wacker Dr. Suite 1000 Chicago, Illinois 60601

Attention: Homeownership Department

We may also be contacted directly at Mortgage@ihda.org. Or call us at (877) 456-2656. Thank you in advance for your cooperation and we look forward to servicing your future needs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tara Pavik", with a circled number "2" at the end.

Tara Pavik
Managing Director of Homeownership

Acknowledged this _____ day of _____, 20____

Borrower

Co-Borrower

Co-Borrower

Illinois Housing Development Authority

ASSISTANCE IMPACT LETTER

Date.....

Borrower.....

Co-Borrower..

Co-Borrower..

Address....., Illinois

Were you helped by this program? Help us get the word out!
Tell us how this program will improve your life :

IHDA Opt-In – Help us help others!

I/We,

1. Consent to having this statement use in the promotion of these types of programs to other homeowners in need of assistance.
2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.
3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA's programs?

1. Visited IHDA's website
2. Housing/Community Event
3. Email from IHDA
4. Printed Ad/Flyer
5. Housing Counselor
6. Real Estate Agent
7. Friend/Family
8. Other

Borrower Signature

Borrower E-mail

Borrower Phone Number

Co-borrower Signature

Co-borrower Signature

HO-054.1

Illinois Housing Development Authority

RECAPTURE NOTICE

NOTICE TO MORTGAGOR OF MAXIMUM RECAPTURE TAX AND OF METHOD TO COMPUTE RECAPTURE TAX ON SALE OF HOME - MRB

The Illinois Housing Development Authority (the "Authority"), through provisions of the Internal Revenue Code, has the ability to issue what are customarily referred to as "tax-exempt bonds." By issuing these bonds, the Authority can provide financing for mortgage loans. The Authority's First Time Homebuyer Program is an example of financing that is possible through such bond issuance.

A. INTRODUCTION: As a recipient of a mortgage loan from the proceeds of a tax-exempt bond, you may be subject to a recapture tax if you sell your home during the next nine years. The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases more than 5% per year. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

B. MAXIMUM RECAPTURE TAX & CALCULATION OF TAX DUE, if any:

NO RECAPTURE TAX DUE: In the following situations, no recapture tax is due and you do not need to do the calculations listed below:

1. You sell your home more than nine years after settlement.
2. Your home is disposed of as a result of your death.
3. You transfer your home either to your spouse or to your former spouse in connection with a divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code, or
4. You dispose of your home at a loss.

MAXIMUM RECAPTURE TAX:

The maximum recapture tax that you may have to pay is _____.

This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

Total 1st mortgage loan amount: _____.

The **ACTUAL RECAPTURE TAX**, if any, can be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your RECAPTURE AMOUNT determined below:

1. If home is sold before the 1st anniversary of closing, or on or after the 8th anniversary but before the 9th, your recapture amount will be 1.25% of your original principal mortgage amount.
2. If home is sold on or after 1st anniversary of closing but before the 2nd, or on or after the 7th anniversary but before the 8th, your recapture amount will be 2.5% of your original principal mortgage amount.
3. If home is sold on or after 2nd anniversary of closing but before the 3rd, or on or after the 6th anniversary but before the 7th, your recapture amount will be 3.75% of your original principal mortgage amount.
4. If home is sold on or after 3rd anniversary of closing but before the 4th, or on or after the 5th anniversary but before the 6th, your recapture amount will be 5% of your original principal mortgage amount.
5. If home is sold on or after 4th anniversary of closing but before the 5th your recapture amount will be 6.25% of your original principal mortgage amount. This is the maximum recapture amount.

C. INCOME CALCULATION. You can calculate the income percentage as follows: SUBTRACT the applicable ADJUSTED QUALIFYING INCOME in the taxable year in which you sell your home, as listed on the "Income Limit Attachment" to this form, FROM your MODIFIED ADJUSTED GROSS INCOME in the taxable year in which you sell home.

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be INCREASED by the amount of any interest that you receive or accrue in the taxable year from tax exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be DECREASED by the amount of any gain included in your gross income by reason of the sale of your home.

Your **adjusted qualifying income** can be obtained from the Income Limit Attachment to this form. Start by finding the county in which your home is located. You would then choose the family size at the time of sale, whether it be 1 to 2 members or 3 or more. Once you have the correct row selected for the income, you would choose the correct column by selecting the year in which you are selling your home. Use this figure for your ADJUSTED QUALIFYING INCOME.

NOTE: If your income calculation above is zero or less, you owe no recapture tax. If it is \$5000 or more, you will owe 100% of the recapture amount. If it is greater than zero but less than \$5,000, it must be divided by \$5000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

D. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX.

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See section 143(m) of the Internal Revenue Code generally.

THIS EXPLANATION AND THE ACCOMPANYING CALCULATIONS REPRESENT THE AUTHORITY'S CURRENT UNDERSTANDING OF THE RECAPTURE PROVISION OF THE INTERNAL REVENUE CODE. THE EXPLANATION IS NOT A COMPLETE STATEMENT OF THE RECAPTURE PROVISION, AND THE AUTHORITY CANNOT BE CERTAIN THAT IT WILL BE CONSISTENT WITH ANY REGULATIONS THE TREASURY DEPARTMENT MAY PROMULGATE UNDER THE RELEVANT SECTIONS OF THE INTERNAL REVENUE CODE. IF YOU DO NOT UNDERSTAND THIS NOTICE, OR IF YOU HAVE ADDITIONAL QUESTIONS ABOUT RECAPTURE, YOU SHOULD CONSULT YOUR ATTORNEY, A TAX ADVISER OR THE LOCAL OFFICE OF THE INTERNAL REVENUE SERVICE.

The Authority believes that very few, if any, individuals will ever become subject to this tax. To encourage you to finance your residence under the First Time Homebuyer Program, the Authority agrees to reimburse you if you can provide to the Authority documentation showing that you paid the recapture tax. NOTE: any such reimbursement shall be limited to the actual amount of tax due; in the event of overpayment, any amount paid in excess of the actual amount due will not be reimbursed.

I (We) have read this Notice to Mortgagor, and I (We) have received a signed copy of this Notice for my (our) records.

Buyer signature.....

Date.....

Print Name.....

Buyer signature.....

Date.....

Print Name.....

Buyer signature.....

Date.....

Print Name.....

~ THIS DOCUMENT MUST BE SIGNED ON OR AFTER CLOSING ~

HO-035.1

3 of 5

IHDA RECAPTURE WORKSHEET #1

INCOME LIMITS*

NON-TARGETED

Effective: July 1st, 2020

APPLICANT'S INCOME

County in Which the Residence is Located	MAXIMUM HOUSEHOLD INCOME LIMITS									
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Cook, DuPage, Kane, Lake, McHenry, Will	1 OR 2	\$91,000.00	\$95,550.00	\$100,327.50	\$105,343.88	\$110,611.07	\$116,141.62	\$121,948.70	\$128,046.14	\$134,448.45
	3 OR MORE	\$104,650.00	\$109,882.50	\$115,376.63	\$121,145.46	\$127,202.73	\$133,562.87	\$140,241.01	\$147,253.06	\$154,615.71
DeKalb	1 OR 2	\$84,100.00	\$88,305.00	\$92,720.25	\$97,356.26	\$102,224.08	\$107,335.28	\$112,702.04	\$118,337.15	\$124,254.00
	3 OR MORE	\$96,715.00	\$101,550.75	\$106,628.29	\$111,959.70	\$117,557.69	\$123,435.57	\$129,607.35	\$136,087.72	\$142,892.10
Grundy	1 OR 2	\$88,900.00	\$93,345.00	\$98,012.25	\$102,912.86	\$108,058.51	\$113,461.43	\$119,134.50	\$125,091.23	\$131,345.79
	3 OR MORE	\$102,235.00	\$107,346.75	\$112,714.09	\$118,349.79	\$124,267.28	\$130,480.65	\$137,004.68	\$143,854.91	\$151,047.66
Kendall	1 OR 2	\$107,300.00	\$112,665.00	\$118,298.25	\$124,213.16	\$130,423.82	\$136,945.01	\$143,792.26	\$150,981.88	\$158,530.97
	3 OR MORE	\$123,395.00	\$129,564.75	\$136,042.99	\$142,845.14	\$149,987.39	\$157,486.76	\$165,361.10	\$173,629.16	\$182,310.61
McLean	1 OR 2	\$95,300.00	\$100,065.00	\$105,068.25	\$110,321.66	\$115,837.75	\$121,629.63	\$127,711.11	\$134,096.67	\$140,801.50
	3 OR MORE	\$109,595.00	\$115,074.75	\$120,828.49	\$126,869.91	\$133,213.41	\$139,874.08	\$146,867.78	\$154,211.17	\$161,921.73
Boone, Winnebago	1 OR 2	\$84,100.00	\$88,305.00	\$92,720.25	\$97,356.26	\$102,224.08	\$107,335.28	\$112,702.04	\$118,337.15	\$124,254.00
	3 OR MORE	\$96,715.00	\$101,550.75	\$106,628.29	\$111,959.70	\$117,557.69	\$123,435.57	\$129,607.35	\$136,087.72	\$142,892.10
**All Other Counties	1 OR 2	\$84,100.00	\$88,305.00	\$92,720.25	\$97,356.26	\$102,224.08	\$107,335.28	\$112,702.04	\$118,337.15	\$124,254.00
	3 OR MORE	\$96,715.00	\$101,550.75	\$106,628.29	\$111,959.70	\$117,557.69	\$123,435.57	\$129,607.35	\$136,087.72	\$142,892.10

*If household income is less than that shown in corresponding cell, NO recapture tax is due.

**All other counties includes the following eighty-nine (90) counties: Adams, Alexander, Bond, Brown, Bureau, Calhoun, Carroll, Cass, Champaign, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, De Witt, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Fulton, Gallatin, Greene, Hamilton, Hancock, Hardin, Henderson, Henry, Iroquois, Jackson, Jasper, Jefferson, Jersey, Jo Daviess, Johnson, Kankakee, Knox, La Salle, Lawrence, Lee, Livingston, Logan, Macon, Macoupin, Madison, Marion, Marshall, Mason, Massac, McDonough, Menard, Mercer, Montgomery, Monroe, Morgan, Moultrie, Ogle, Peoria, Perry, Piatt, Pike, Pope, Pulaski, Putnam, Randolph, Richland, Rock Island, Saline, Sangamon, Schuyler, Scott, Shelby, St. Clair, Stark, Stephenson, Tazewell, Union, Vermillion, Wabash, Warren, Washington, Wayne, White, Whiteside, Williamson, Woodford.

IHDA RECAPTURE WORKSHEET #1A

INCOME LIMITS*

TARGETED

Effective: July 1st, 2020

APPLICANT'S INCOME _____

County in Which the Residence is Located	MAXIMUM HOUSEHOLD INCOME LIMITS									
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Cook, Kane, Lake, Will	1 OR 2	\$109,200.00	\$114,660.00	\$120,393.00	\$126,412.65	\$132,733.28	\$139,369.95	\$146,338.44	\$153,655.37	\$161,338.13
	3 OR MORE	\$127,400.00	\$133,770.00	\$140,458.50	\$147,481.43	\$154,855.50	\$162,598.27	\$170,728.18	\$179,264.59	\$188,227.82
De Kalb	1 OR 2	\$100,920.00	\$105,966.00	\$111,264.30	\$116,827.52	\$122,668.89	\$128,802.34	\$135,242.45	\$142,004.57	\$149,104.80
	3 OR MORE	\$117,740.00	\$123,627.00	\$129,808.35	\$136,298.77	\$143,113.71	\$150,269.39	\$157,782.86	\$165,672.00	\$173,955.60
McLean	1 OR 2	\$114,360.00	\$120,078.00	\$126,081.90	\$132,386.00	\$139,005.29	\$145,955.56	\$153,253.34	\$160,916.00	\$168,961.80
	3 OR MORE	\$133,420.00	\$140,091.00	\$147,095.55	\$154,450.33	\$162,172.84	\$170,281.49	\$178,795.56	\$187,735.34	\$197,122.11
Winnebago	1 OR 2	\$100,920.00	\$105,966.00	\$111,264.30	\$116,827.52	\$122,668.89	\$128,802.34	\$135,242.45	\$142,004.57	\$149,104.80
	3 OR MORE	\$117,740.00	\$123,627.00	\$129,808.35	\$136,298.77	\$143,113.71	\$150,269.39	\$157,782.86	\$165,672.00	\$173,955.60
**All Other Counties	1 OR 2	\$100,920.00	\$105,966.00	\$111,264.30	\$116,827.52	\$122,668.89	\$128,802.34	\$135,242.45	\$142,004.57	\$149,104.80
	3 OR MORE	\$117,740.00	\$123,627.00	\$129,808.35	\$136,298.77	\$143,113.71	\$150,269.39	\$157,782.86	\$165,672.00	\$173,955.60

*If household income is less than that shown in corresponding cell, NO recapture tax is due.

**All other counties includes the following twenty-eight (28) counties: Adams, Alexander, Champaign, Christian, Coles, Fayette, Franklin, Jackson, Jefferson, Kankakee, Knox, Livingston, Macon, Madison, Marion, McDonough, Menard, Morgan, Peoria, Richland, Rock Island, Saline, St. Clair, Stephenson, Vermillion, White, Whiteside, Williamson