

## MEMORANDUM

February 9, 2021

**To:** Participating Lenders  
**From:** C. Susie Barzey   
**Subject:** 2021 Mortgage Credit Certificate Program (MCC) Processing Procedures

Attached please find completed sample forms for your convenience to assist you in completing the required documents for requesting a MCC reservation (Tabs 2-4) and submitting of closing documents (Tabs 5-11 and a signed Closing Disclosure document).

Also, the sample forms have highlighted areas that are critical to the eligibility for the issuance of the MCC. Lenders are asked to correctly complete the documents to prevent delay/denial of the MCC program.

### **MCC Reservation**

Ms. Sonia Isme is the person responsible for processing all incoming application submissions (Attachment A: Tabs 2-4) and extensions. Ms. Isme will issue all MCC commitment letters. You may contact Ms. Isme via email [sisme@broward.org](mailto:sisme@broward.org).

### **MCC Post-Closing Documents and Issuance**

Ms. C. Susie Barzey is responsible for processing the post-closing documents (Attachment B: Tabs 5-11). Be sure to include a check for \$175.00 (non-refundable processing fee) and a copy of the final signed closing disclosure document. All signed MCC documents must be original documents. Ms. Barzey can be reached at (954) 357-4901 or via email [cbarzey@broward.org](mailto:cbarzey@broward.org).

### **MCC Late Submission**

MCC post-closing documents submitted more than 30 days after closing will be charged a late fee of \$75.00.

**Failure to comply with these procedures will result in the denial of the MCC Program for your client.**

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**MCC WORKSHEET**

You may be eligible to receive from the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA and your Participant, a TAX CREDIT that reduces your federal income taxes dollar for dollar and you may be able to receive a tax deduction for the remaining portion of the interest paid on your home mortgage loan.

Generally, you qualify if you have not owned a home during the last three (3) years (unless the home you purchase is located in a Targeted Area or you are a Qualified Veteran) and can answer "Yes" to the following:

	Yes	No
1. Is your current annual gross income less than the applicable amount shown on Appendix A hereto?	_____	_____
2. Do you plan to occupy the home purchased within sixty (60) days of the loan closing?	_____	_____
3. Is the Acquisition Cost of your home less than the applicable amount shown on Appendix A hereto?	_____	_____
4. Can you produce copies of signed tax returns or tax transcripts for the last three (3) years or show that you filed either Form 1040A or any other tax return permitted by the IRS or that you meet one of the exceptions referenced above to the first-time homebuyer requirement?	_____	_____
5. Have you completed a loan application with a Participant?	_____	_____
6. Did you attend a First Time Home Buyer's Course and received a First Home Buyer's Certificate? If Yes, please provide a copy.	_____	_____

If you answered YES to all of these questions, you probably qualify for a Mortgage Credit Certificate.

PLEASE NOTE: Mortgage Credit Certificates cannot be used in connection with a loan refinancing the existing balance of a loan you already have (except an interim construction loan) or with a loan which is part of a tax-exempt or veterans' bond program.

Complete the following Mortgage Tax Credit Calculations:

Loan Amount	\$ 277,382
(times % interest rate of your loan)	X 3.785%
Approximate Annual Interest	\$ 10,498.91
(times MCC credit rate of __%*)	X 50%
Approximate Annual Mortgage Tax Credit (MCC tax credit maximum is \$2,000)	\$ 5,249.45

PLUS, in addition to taking the Mortgage Tax Credit dollar for dollar from the federal income taxes you owe each year, under current tax laws, you may also be able to deduct the interest paid on your loan each year (less an amount equal to the Mortgage Tax Credit) and your property taxes. If you think you qualify, go to your Participant for further information.

*This worksheet is for informational purposes only and the calculation methodology may change over the course of the Program. You should consult your own tax advisor with respect to the federal income tax implications of an MCC to your particular situation.*

*\*Subject to periodic adjustment.*



APPENDIX A

PROGRAM INCOME AND ACQUISITION COST LIMITS

As of July 1, 2020\*

<u>Purchase Price Limit</u>	<u>Non-Targeted</u>	<u>AMFI*</u>	<u>Targeted</u>	<u>AMFI*</u>
One Unit	\$331,888		\$405,640	
Two Units	\$424,860		\$519,273	
Three Units	\$513,570		\$627,697	
Four Units	\$638,244		\$780,110	
Income Limits				
Families 1 or 2 Persons	\$89,100	100%	\$106,920	120%
Families 3 or More Persons	\$102,465	115%	\$127,740	140%

\*Subject to periodic adjustment. Initial Area Median Family Income (AMFI) reflects high housing cost adjustment.



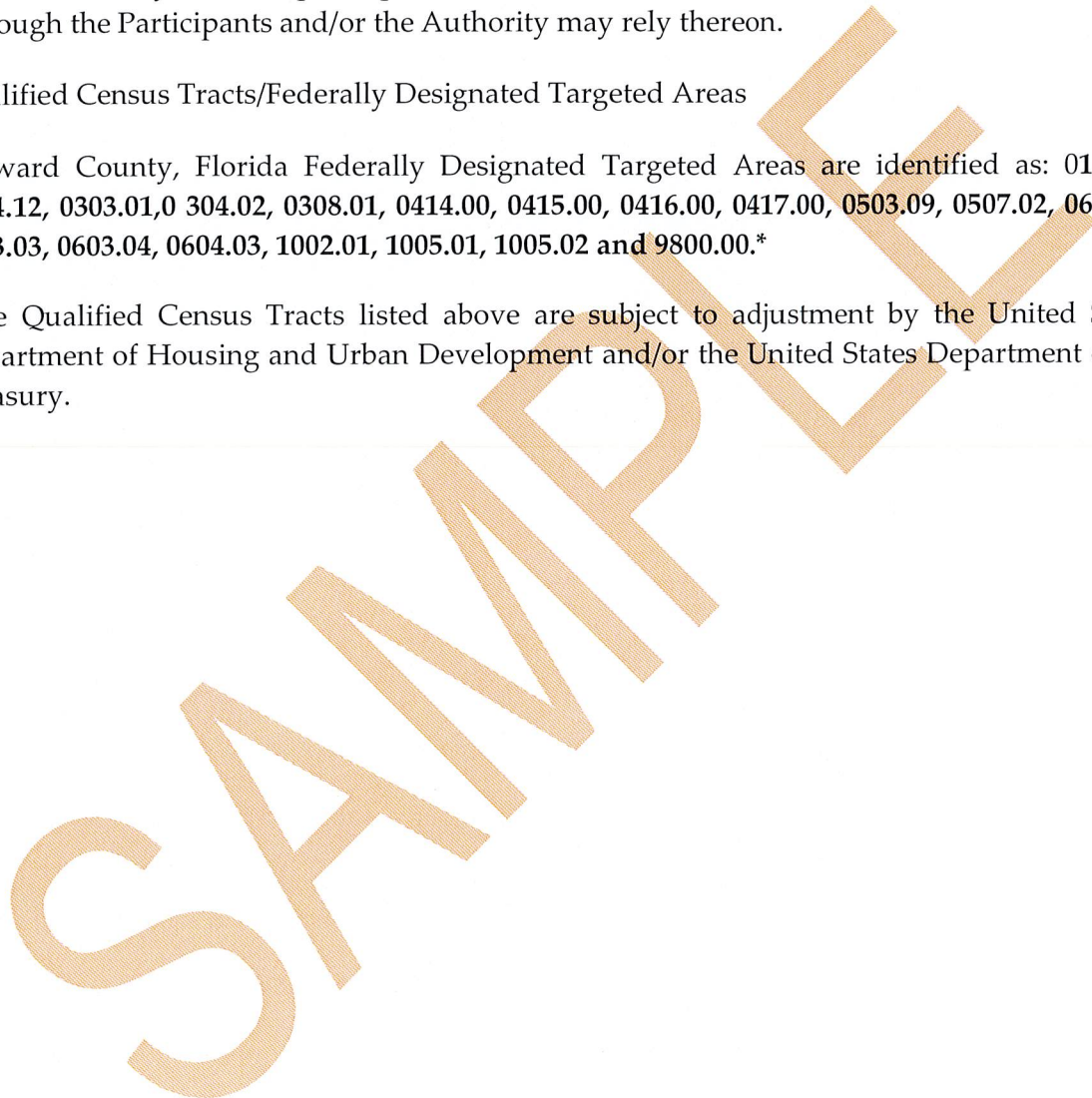
**APPENDIX B  
TARGETED AREAS 2021 MCC PROGRAM**

The determination of the Qualified Census Tracts in Broward County was made by the United States Department of Housing and Urban Development and the United States Department of the Treasury based on criteria in the 2010 Census and Section 143 of the Internal Revenue Code. Neither the Housing Finance Authority of Broward County, Florida (the "Authority") or Broward County, Florida participated in the determination of the Qualified Census Tracts although the Participants and/or the Authority may rely thereon.

Qualified Census Tracts/Federally Designated Targeted Areas

Broward County, Florida Federally Designated Targeted Areas are identified as: 0103.04, 0204.12, 0303.01, 0304.02, 0308.01, 0414.00, 0415.00, 0416.00, 0417.00, 0503.09, 0507.02, 0603.02, 0603.03, 0603.04, 0604.03, 1002.01, 1005.01, 1005.02 and 9800.00.\*

\*The Qualified Census Tracts listed above are subject to adjustment by the United States Department of Housing and Urban Development and/or the United States Department of the Treasury.



**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM  
REQUEST FOR MCC COMMITMENT LETTER**

Date: Current Date MCC Commitment Fee (\$0\*)

Participant: Lender's Name

Participant Address: Lender's Address

Phone: Lender's Phone # Fax: Lender's Fax #

Contact: Lender's Contact Email: Lender's Contact Email

Applicant(s): Homebuyer's/buyers' Name

Soc. Sec. No. 1st Home Buyer's SSN# Soc. Sec. No. 2nd Home Buyer's SSN# (if applicable)

Property Address: Property being purchased (Full Address)

Property City: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Loan Amount: Do not leave blank Census Tract: Do not leave blank

Property: New/Existing **(select one)** Targeted Area: Yes/No **(select one)**

First-Time Homebuyer: Yes/No **(select one)** Qualified Veteran: Yes/No **(select one)**

Mortgage Term: 30 Years

Annual Income: Total household income Applicable Annual Income Limit: **See Tab 2, Page 3**

Acquisition Cost: Property Cost Applicable Limit on Acquisition Cost: **See Tab 2, Page 3**

Anticipated Closing Date: **Do not leave blank**

DOCUMENTS ENCLOSED: **(Must select all of the following (if applicable) to be eligible of a MCC commitment letter)**

- |  |  |
|--|--|
| <input type="checkbox"/> Mortgage Affidavit                  | <input type="checkbox"/> Three (3) Years Tax Returns or IRS Transcript |
| <input type="checkbox"/> Worksheet #1                        | <input type="checkbox"/> Worksheet #3                                  |
| <input type="checkbox"/> Worksheet #2                        | <input type="checkbox"/> Worksheet #4                                  |
| <input type="checkbox"/> First Time Home Buyer's Certificate |  |

The Housing Finance Authority of Broward County, Florida will issue an MCC Commitment Letter within fifteen (15) business days and will deliver via electronic mail the MCC Commitment Letter to the address listed above.

Housing Finance Authority of Broward County, Florida 110 N.E. 3rd Street, Suite 300 Ft. Lauderdale, FL 33301 Attention: Susie Barzey	Phone: (954) 357-4900 Fax: (954) 357-8221 <a href="mailto:cbarzey@broward.org">Email: cbarzey@broward.org</a>
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\*Subject to periodic adjustment by the Authority, in its sole discretion.



HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM

MORTGAGOR AFFIDAVIT

STATE OF FLORIDA )

BROWARD COUNTY )

The undersigned Applicant (whether one or more), the proposed purchaser(s) or owner(s) of the Residence located in the Broward County, Florida described below (the "Residence") and an Applicant under the Housing Finance Authority of Broward County, Florida's ("Authority") 2021 Mortgage Credit Certificate Program (the "Program"), does hereby depose and say, under penalty of perjury and the civil penalties outlined herein, that each of the following statements are true, correct and complete in all respects:

1. **Income.** (a) My current **Annualized Gross Income**, when added to the aggregate current Annualized Gross Monthly Income of all persons who intend to reside with me in the Residence is **Do no leave blank. [See Worksheet One attached hereto]**.

(b) I agree to furnish true and accurate copies of federal income tax returns for the past three years, as signed and filed with the Internal Revenue Service, for myself and all persons intending to reside with me in the Residence. I hereby authorize the above Participant to review such returns to verify the statements set forth herein, and I hereby authorize the Authority and its agents to review such returns as may be necessary to process my application for a Mortgage Credit Certificate ("MCC") under the Program. In lieu of providing copies of tax returns, I may submit original tax account information letters from the Internal Revenue Service showing that I filed Form 1040 tax returns or any other tax return permitted by the IRS for the years in question and stating my filing status and adjusted gross income. *Not applicable if the Residence is located in a Targeted Area or is a Qualified Veteran.*

2. **Tax Returns.** The following federal income tax return information is accurate for all persons intending to reside with me in the Residence described on the Mortgagor Affidavit:

**CHECK WHICH APPLIES:** **(Make a selection. Do not skip over)**

Attached are true and accurate copies of federal income tax returns for the past three years, as signed and filed with the IRS.

Attached is the original tax account information letter from the IRS verifying the type of returns filed, filing status and adjusted gross income for the past three (3) years. These letters may be used in lieu of furnishing copies of tax returns for persons who filed either Form 1040 or any other tax return permitted by the IRS.



I have not filed my Federal income tax return for the preceding year with the IRS. I am not entitled to claim deductions for taxes or interest in indebtedness with respect to property constituting my Principal Residence for the preceding calendar year. This statement may be furnished during the period between January 1 and February 15 when the loan has not yet been executed.

The loan is for a Residence located in a Targeted Area, and, as such, I am not required to provide copies of tax returns.

The loan is for a Qualified Veteran, and, as such, I am not required to provide copies of tax returns.

3. **Family Size.** The number of persons constituting my family who will reside in the Residence (together with any other persons who will reside in the Residence) is Do not leave blank

4. **Location of Residence.** The Residence is located within Broward County, Florida.

5. **Acquisition Cost.** (a) The Residence is (check one):

\_\_\_\_\_ New Housing                      \_\_\_\_\_ Existing Housing

(b) The "Acquisition Cost" of the Residence (as determined in accordance with Worksheet Two attached hereto) is \$ Do not leave blank. I understand that the term "Acquisition Cost" includes: (i) all amounts paid either in cash or in kind, by me (or by a related party or for my benefit) to the Seller (or to a related party or for Seller's benefit) as consideration for the Residence; (ii) if the Residence is incomplete, the reasonable cost of completing it; and (iii) if the Residence is being purchased subject to a ground lease, the capitalized value of the ground rent. I understand further that "Acquisition Cost" does not include: (i) settlement and financing costs (such as title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and points paid by me (but not points paid by the Seller) and other similar costs) but only to the extent that such amounts do not exceed the usual and reasonable settlement and financing costs for a home mortgage loan in this area; or (ii) the value of any services to be performed by me or my family members (including brothers and sisters (whether by whole or half-blood), spouse, ancestors and lineal descendants only) to complete the Residence; or (iii) the cost of the land on which the Residence is located if I owned such land at least two (2) years prior to the commencement of construction of the Residence.

(c) Worksheet Two attached hereto sets forth an accurate calculation of the "Acquisition Cost" of the Residence.

6. **Principal Residence.** (a) I intend to occupy the Residence as my "Principal Residence" within a reasonable time (not to exceed sixty (60) days) following the execution of

the loan to provide financing on the Residence. I understand that the term "Principal Residence" means a home which, depending on all of the facts and circumstances (including the good faith intent of the occupant), is occupied by me primarily for residential purposes. I understand further that a "Principal Residence" does not include a home used as an investment property or a recreational home or a home which is used primarily in a trade or business (as evidenced by the use of more than fifteen percent of the total floor space in a trade or business). I agree to notify the Authority immediately if at any time the Residence ceases to be my Principal Residence.

(b) I do not intend to claim, with respect to the Residence, any deductions pursuant to the Internal Revenue Code for expenses incurred in connection with the business use of a home.

**7. Prior Ownership of a Residence.** Either (a):

(i) I have not had a present ownership interest in a "Principal Residence" at any time during the three (3)-year period ending on the date of the execution of the loan. I understand that the term "Principal Residence" has the same meaning set forth in the preceding paragraph, and I understand further that the term "present ownership interest" includes: a fee simple interest; a joint tenancy, a tenancy in common or a tenancy by the entirety; the interest of a tenant stockholder in a cooperative; a life estate, a land contract or contract for deed under which possession and the burdens and benefits of ownership are transferred although legal title is not transferred until some later date; and an interest held in trust for one person by another person; but that "present ownership interest" does not include a remainder interest, a lease with or without an option to purchase, a mere expectancy to inherit, the interest that a person acquires upon the execution of a real estate purchase contract, or any interest in other than a "Principal Residence";

(ii) Worksheet Three attached hereto sets forth an accurate statement of the places at which I have resided during the past three (3) years and an explanation of the rental or other arrangements under which I have resided at such places; and

the (iii) My federal income tax returns for the past three (3) years, as signed and filed with the Internal Revenue Service, reflect that I have not claimed deductions during the past three (3) years for real property taxes or interest on a loan with respect to a "Principal Residence"; or

(b) The Residence is located in a Targeted Area.

(c) I am a Qualified Veteran.

**8. Veteran Applicant.** (a) I am a "veteran" (as defined in 38 U.S.C. Section 101) who has not previously obtained a mortgage loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth on Section 143(d)(2)(D) of the Internal Revenue Code as of 1986, as amended, as demonstrated on Worksheet Four attached hereto; and (b) attached



hereto are true and correct copies of my discharge papers.

**9. New Loan.** Except as set forth below, the proceeds of the loan will not be used to replace an existing mortgage on the Residence to which I am a party or upon which I am an obligor. At no time prior to the date hereof have I been a party to a mortgage on the Residence (whether in the form of a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow or other form of owner financing), other than a construction loan, construction bridge loan or other temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within twenty-four (24) months from the date of execution of the loan and having an original term not exceeding twenty-four (24) months, which will be paid with the proceeds of the loan.

If the proceeds of the loan will be used to replace a construction loan, construction bridge loan or other temporary initial construction financing, describe such financing in the space below, specifying the source, purpose and the term of such financing:

**10. Prohibited Mortgages.** No portion of the loan on the Residence shall be provided from the proceeds of a qualified mortgage bond or a qualified veterans' mortgage bond.

**11. Size of Property; Income from Property.** The real estate associated with the Residence is not greater than the normal and usual size of a lot within the area and is not in excess of that necessary to maintain the basic livability of the Residence. I do not expect to derive any income from the real estate associated with the Residence.

**12. Other Owners of Residence.** There are no persons who have or who are expected to have a "present ownership interest" (as defined in paragraph 4 hereof) in the Residence following execution of the loan who have not executed this Affidavit or one substantially the same as this Affidavit.

**13. Verification.** I understand that the Participant, the Internal Revenue Service, Housing Finance Authority of Broward County, Florida and/or their authorized representatives, intend to conduct investigations in order to verify the truth and completeness of the statements set forth herein. I hereby agree to provide access to such information, past income tax returns, canceled checks or receipts evidencing payment of rent, utility statements, employment records and similar data, as may be necessary in connection with such verification procedures, and authorize the disclosure of such information to the parties listed above.

**14. Revocation of MCC.** I understand that if any of the statements set forth herein are not true, correct and complete in all respects, or that if federal law or regulations disqualify me from participation in this Program, the MCC issued to me may be immediately revoked.

**15. Qualification for Program.** I qualify in all respects as an Applicant under the Program. I have been furnished a copy of the MCC Information Guide and am familiar with and understand the provisions of the Program.



**16. No Other Applications.** I have not made application to and been rejected by another Participant for an MCC under the Program for a loan similar in type and amount, and I have not been the recipient of an MCC under the Program.

**17. Participant.** I have not been required to seek financing for the purchase of the Residence through any particular Participant.

**18. Assumption.** I understand in the event that I sell this Residence at any time and desire to have my MCC transferred pursuant to the transfer provisions of the Program that (a) the person assuming my loan must qualify as an Applicant, (b) the "Acquisition Cost" may not exceed the maximum "Acquisition Cost" then applicable to Existing Housing, and (c) all other Program requirements must be satisfied, including without limitation, the payment of all applicable assumption fees.

**19. Tax Credit Recapture.** I understand in the event I sell this Residence within the nine (9) year period following the issuance of an MCC, all or a portion of the tax credit utilized under the Program will be subject to recapture pursuant to the provisions of Section 143(m) of the Internal Revenue Code.

**20. Family Members.** I further swear and affirm that I am not an employee of, nor am I the spouse of an employee of, the Participant or related within the third degree of affinity (marriage) or consanguinity (blood) to an employee of the Participant.

**21. Interest to Related Persons.** No interest on the loan is being paid to a "related person" to the Applicant, as that term is defined in Section 144(a)(3)(A) of the Internal Revenue Code and the regulations promulgated pursuant thereto. Such a "related person" does not have, and is not expected to have, an interest as a creditor in the loan.

**22. Condition to Issuance of MCC.** I understand that the Authority's ability to issue an MCC in connection with the mortgage loan is contingent upon the availability of funds at the time of reservation, including the requirement that the Authority has made an election with the IRS to issue MCCs.

**23. Penalty.** The statements set forth herein are made under penalty of perjury and the following civil penalties: Any material misstatement in any Affidavit or certificate made in connection with application for or issuance of an MCC due to my negligence shall result in a civil penalty fee payable to the United States Department of the Treasury or the Internal Revenue Service of \$1,000.00; and any such material misstatement due to my fraud shall result in a civil penalty fee payable to the United States Department of the Treasury or the Internal Revenue Service of \$10,000.00. I understand that perjury is a felony offense punishable by fine or imprisonment, or both.

**24. Attachments.** All documents attached hereto (and any documents submitted to supplement and/or complete the application) are true and correct and not misleading in any material respect.

**Do not leave this page blank**

Name(s) of Applicant:

\_\_\_\_\_  
\_\_\_\_\_

Signature(s) of Applicant:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, who is/are personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of person taking acknowledgment)

\_\_\_\_\_  
(Name typed, printed or stamped)

\_\_\_\_\_  
(Title or rank)

\_\_\_\_\_  
(Serial number, if any)

**WORKSHEET ONE  
CURRENT ANNUALIZED GROSS MONTHLY INCOME**

1. The names, relationships, ages and social security numbers of all persons intending to reside in the Residence are as follows: **List all members of the Household.**

<u>Name</u>	<u>Relationship to Application</u>	<u>Ages</u>	<u>Social Security No.</u>

Please provide any additional names on a separate sheet.

In determining gross monthly income, the income of the mortgagor(s) and anyone who is expected to live in the residence must be taken into account.

2. The name and address of the employer(s) of each of the above persons who is 18 years of age or older and his or her gross monthly income is as follows: **Do not leave blank**

<u>First Name (from above)</u>	<u>Employer and Address</u>	<u>Gross Monthly Income*</u>

**Total Income:**



The Annualized Gross Monthly Income for all of the above persons [the total gross monthly income from Section 2 above multiplied by twelve (12)] is \$ Do not leave blank .  
[Insert this figure in the blank in Section 1(a) of the Mortgagor Affidavit.]

\*Gross monthly income shall include all current or anticipated wages and salaries, over time pay, part time employment compensation, commissions, fees, tips and bonuses, and other compensation for personal services, before payroll deductions, net income from the operation of a business or profession (without deducting expenditures for business expansion or amortization of capital indebtedness or an allowance for depreciation of capital assets), any interest, dividends, royalties, and other net income of any kind from any investment or from real or personal property (without deducting expenditures for amortization of capital indebtedness or an allowance for depreciation of capital assets), all income received from social security, annuities, insurance policies, retirement funds, pensions, Veterans Administration (VA) compensation, disability, or other benefits and other similar types of periodic receipts, including a lump sum payment for the delayed start of periodic payments, payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, the maximum amount of welfare assistance or any other form of public assistance available to the above persons, periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the Residence, all regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the Residence) who is the head of the household or spouse or other person whose dependents' are residing in the Residence, and any earned income tax credit to the extent it exceeds income tax liability.

**WORKSHEET TWO  
ACQUISITION COST**

**Do not leave any blank spaces**

1. Amount paid for the Residence, in cash or in kind, by Applicant to the Seller (including any amount which Seller is required to pay as a real estate commission or loan discount points): \_\_\_\_\_
  
2. Amount paid for the Residence, in cash or in kind, by Applicant or any person related to the Applicant or by any person for the benefit of the Applicant, to Seller or any person related to Seller or for Seller's benefit (other than the amount set forth above): \_\_\_\_\_
  
3. If the Residence is incomplete or unfinished the estimated cost of completing it, including the cost of any necessary alterations or improvements (specify the nature of such alterations or improvements): \_\_\_\_\_
  
4. If the Residence is located on leased land, the capitalized value (using a discount rate equal to the interest rate borne by the mortgage loan) of the ground rent: \_\_\_\_\_
  
5. Total Acquisition Cost: \_\_\_\_\_  
  
(Total of Lines 1, 2, 3, and 4)[Insert this figure in Paragraph 5(b) of the Mortgagor Affidavit]:

**WORKSHEET THREE  
PRIOR RESIDENCES**

[NOT REQUIRED FOR A RESIDENCE LOCATED IN A TARGETED AREA OR FOR A QUALIFIED  
VETERAN]

**Fill in all applicable blanks**

Provide residential history for the previous three (3)-year period. During the last three (3) years I have either:

(1) Lived as a tenant at the following address(es) for the following periods of time:

Address: \_\_\_\_\_ Landlord: \_\_\_\_\_

City: \_\_\_\_\_ From: \_\_\_\_\_

Phone No.: \_\_\_\_\_ To: \_\_\_\_\_

(Include area code)

Address: \_\_\_\_\_ Landlord: \_\_\_\_\_

City: \_\_\_\_\_ From: \_\_\_\_\_

Phone No.: \_\_\_\_\_ To: \_\_\_\_\_

(Include area code)

Address: \_\_\_\_\_ Landlord: \_\_\_\_\_

City: \_\_\_\_\_ From: \_\_\_\_\_

Phone No.: \_\_\_\_\_ To: \_\_\_\_\_

(Include area code)

(Indicate additional addresses on a separate sheet, if necessary.)

(2) Lived with the following members of my family (without having a "present ownership interest" in the Residence) at the following address(es) for the following period(s) of time:

Name(s) of family members: \_\_\_\_\_

Relationship: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

\_\_\_\_\_

Phone No:

\_\_\_\_\_

From:

(Mo/Yr)

\_\_\_\_\_

To:

(Mo/Yr)



**WORKSHEET FOUR  
FOR QUALIFIED VETERANS ONLY**

**Use if applicable**

Qualification as "Veteran"  
within the meaning of 38 U.S.C. Section 101

In order to qualify as a "veteran" within the meaning of 38 U.S.C. Section 101, both (1) and (2) below must be satisfied.

I certify that the following is true:

(1) Applicant must have served in the active military, naval or air service in one of the following capacities (must mark (a), (b) or (c)):

(a) **Active duty** in one of the following manners:

(i) full-time duty (other than active duty for training) in the Armed Forces (United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof);

(ii) full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service (on or after July 29, 1945, or before that date if under circumstances affording entitlement to "full military benefits");

(iii) full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessor the Coast and Geodetic Survey (on or after July 29, 1945, or before that date if while on transfer to one of the Armed Forces or if while assigned to duty on a project for one of the Armed Forces in an area determined by Secretary of Defense to be of immediate military hazard during time of war or national emergency declared by President or if in the Philippine Islands on December 7, 1941 and continuously in such islands thereafter; or

(iv) service as a cadet in the United States Military, Air Force or Coast Guard Academy, or as a midshipman at the United States Naval Academy; or

(v) authorized travel to or from such duty or service listed in (a)(i) through (iv) above.

- (b) **Active duty for training** in one of the following manners if the member was disabled during such period from a disease or injury incurred or aggravated in the line of duty (specifically excludes any duty performed as a temporary member of the Coast Guard Reserve):
  - (i) full-time duty for training purposes in the Armed Forces Reserves (Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States and Air National Guard of the United States);
  - (ii) full-time duty for training purposes as a commissioned officer of the Reserve Corps of the Public Health Service (on or after July 29, 1945, or before that date if under circumstances affording entitlement to "full military benefits");
  - (iii) full-time duty for members of the Army National Guard or Air National Guard of any State under Title 32, Section 316 (detail of members of Army National Guard for rifle instruction of civilians), Section 502 (required drills and field exercises), Section 503 (participation in field exercises), Section 504 (National Guard schools and small arms competitions), or Section 505 (Army and Air Force schools and field exercises);
  - (iv) duty performed as a member of a Senior Reserve Officers' Training Corps program when ordered to such duty for the purposes of training or a practice cruise under Chapter 103 of Title 10 for a period of not less than 4 weeks and which must be completed by the member before the member is commissioned; or
  - (v) authorized travel to or from such duty listed in items (b)(i) through (iv) above.
  
- (c) **Inactive duty training** in one of the following manners if the member was disabled during such period from an injury incurred or aggravated in the line of duty or from an acute myocardial infarction, a cardiac arrest or a cerebrovascular accident occurring during such training (specifically excludes any work or study performed in connection with correspondence courses, attendance at an educational institution in an inactive status or duty performed as a temporary member of the Coast Guard Reserve):
  - (i) duty (other than full-time duty) prescribed for Reserves (Army



Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States, Air National Guard of the United States and commissioned officers of the Reserve Corps of the Public Health Service) by the Secretary concerned under Section 206 of Title 37 or any other provision of law;

- (ii) special additional duties authorized for Reserves (Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States, Air National Guard of the United States and commissioned officers of the Reserve Corps of the Public Health Service) by an authority designated by the Secretary concerned and performed by them on a voluntary basis in connection with prescribed training or maintenance activities of the units to which they are assigned; or
- (iii) training (other than active duty for training) by a member of, or applicant for membership (as defined in Section 8140(g) of Title 5) in the Senior Reserve Officers' Training Corps prescribed under Chapter 103 of Title 10.

(2) Applicant has been discharged or released from the service referenced in (1) above under conditions other than dishonorable, including retirement or the satisfactory completion of the period of active military, naval or air service required if, due to enlistment or re-enlistment, discharge or release at the time of such completion was not awarded but was earned and would have been awarded under conditions other than dishonorable.

Copy of Form DD214 (Certificate of Release or Discharge from Active Duty)

Name(s) of Applicant:

Signature(s) of Applicant:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

ATTACHMENT B

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY,  
FLORIDA 2021 MORTGAGE CREDIT CERTIFICATE PROGRAM

MCC SUBMISSION COVER SHEET

**Do Not Leave any Blank Spaces**

Date: \_\_\_\_\_

Applicant: \_\_\_\_\_

Soc. Sec. No. \_\_\_\_\_

Property Address: Same as on Final closing Disclosure

Property City/Zip Code: \_\_\_\_\_

MCC Commitment Number: \_\_\_\_\_

MCC Commitment Expiration Date: \_\_\_\_\_

Purchase Price: Same as on Final closing Disclosure

Loan Amount: \$ Same as on Final closing Disclosure

Loan Maturity Date: \_\_\_\_\_

Type of Loan: \_\_\_\_\_ VA \_\_\_\_\_ FHA \_\_\_\_\_ Conventional \_\_\_\_\_ USDA-RHS

Participant: \_\_\_\_\_

Participant Contact: Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

Participant Loan Reference Number: \_\_\_\_\_

% of AFMI \_\_\_\_\_ Family Size: \_\_\_\_\_

Property Type:

- |   |                                     |
|---|-------------------------------------|
| <input type="checkbox"/> Single Family Detached | <input type="checkbox"/> Town House |
| <input type="checkbox"/> Manufactured Housing   | <input type="checkbox"/> Condo      |



Documents Submitted (check all that is applicable):

- \_\_\_\_\_ Program Income Affidavit
- \_\_\_\_\_ Seller/Builder Affidavit or GSE/Institutional Seller Affidavit
- \_\_\_\_\_ Certificate of Participant
- \_\_\_\_\_ Lending Best Practices Affidavit
- \_\_\_\_\_ Closing Affidavit
- \_\_\_\_\_ Notice of Potential Recapture Tax on Sale of Home
- \_\_\_\_\_ Settlement Statement (HUD-1)/Closing Disclosure Form (executed)
- \_\_\_\_\_ Credit Analysis Worksheet
- \_\_\_\_\_ Certificate of Completion of approved pre-purchase homebuyer education course, if applicable

The following fee(s) must be submitted with the MCC Submission Package, which fee(s) is/are payable by check or money order to the Housing Finance Authority of Broward County, Florida (the "Authority").

MCC Issuance Fee - \$175.00\*

Late fee, if required - \$75.00\*

**Housing Finance Authority of Broward County, Florida**  
**110 N.E. 3<sup>rd</sup> Street, Suite 300**  
**Ft. Lauderdale, FL 33301**  
**Attention: Susie Barzey**  
**Telephone: (954) 357-4900**

\*Subject to periodic adjustment by the Authority, in its sole discretion.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE**

**PROGRAM INCOME AFFIDAVIT**

The undersigned Applicant (whether one or more) under the Housing Finance Authority of Broward County, Florida's ("Authority") 2021 Mortgage Credit Certificate Program, does hereby depose and say, under penalty of perjury and the civil penalties provided herein, that each of the following statements are true, correct and complete in all respects:

1. Current Income. Attached is a true and correct copy of the credit analysis worksheet, or comparable instrument (the "Credit Analysis Worksheet"), prepared by the Participant in determining my gross monthly income. I hereby certify that the gross monthly income stated on the Credit Analysis Worksheet is a true and accurate statement of my income and the income of all persons age 18 or older who intend to reside with me in the Residence, except as noted below [indicate in the space provided any additional monthly income not stated on the Credit Analysis Worksheet such as alimony, child support, income of other adult family members, etc.]:

My **total annualized gross monthly income** (twelve (12) times the sum of my gross monthly income stated on the Credit Analysis Worksheet and any additional monthly income stated above) is **\$ Do not leave blank.**

2. All documents attached hereto (and any documents submitted to supplement and/or complete the application) are true and correct and not misleading in any material respect.

3. The statements set forth herein are made under penalty of perjury and the following civil penalties: any material misstatement in any Affidavit or certification made in connection with application for or issuance of an MCC due to my negligence shall result in a civil penalty fee payable to the United States Department of the Treasury or the Internal Revenue Service of \$1,000.00; and any such material misstatement due to my fraud shall result in a civil penalty fee payable to the United States Department of the Treasury or the Internal Revenue Service of \$10,000.00. I understand that perjury is a felony offense punishable by fine or imprisonment, or both.

[SIGNATURE PAGE TO FOLLOW]



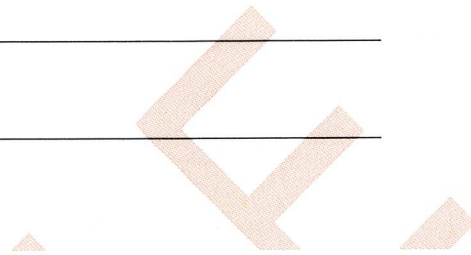
**Do not leave blank (original signatures only)**

Name(s) of Applicant:

\_\_\_\_\_  
\_\_\_\_\_

Signature(s) of Applicant:

\_\_\_\_\_  
\_\_\_\_\_



STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, who is/are personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of person taking acknowledgment)

\_\_\_\_\_  
(Name typed, printed or stamped)

\_\_\_\_\_  
(Title or rank)

\_\_\_\_\_  
(Serial number, if any)

MCC Commitment No: Fill in information

Applicant: \_\_\_\_\_

Participant: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**SELLER/BUILDER AFFIDAVIT**

The undersigned, the proposed Seller (whether one or more) of a Residence located in the Eligible Loan Area described below (the "Residence") to the above Applicant for which a Mortgage Credit Certificate is being sought under the Housing Finance Authority of Broward County, Florida's ("Authority") 2021 Mortgage Credit Certificate Program, does hereby depose and say, under penalty of perjury, that each of the following statements are true, correct and complete in all respects:

1. Location of Residence. The Residence is located within Broward County, Florida (the "Eligible Loan Area") at: Same as on Closing Disclosure  
(Property Address)

2. New Mortgage. At no time prior to the date hereof has there been a mortgage on the Residence (whether in the form of a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow or other form of owner financing) securing a loan to the above Applicant, the proposed purchase of the Residence, other than a construction loan, construction bridge loan or other temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within twenty-four (24) months from the date of execution of the loan and having an original term not exceeding twenty-four (24) months.

3. Acquisition Cost. (a) The Residence is (check one):

\_\_\_\_\_ a newly constructed Residence which has never been occupied;

\_\_\_\_\_ or an existing Residence which has been occupied previously;

\_\_\_\_\_ or incomplete or under construction; or

\_\_\_\_\_ located on leased land.

The "Acquisition Cost" to the Applicant (as determined in accordance with the Acquisition Cost Worksheet attached hereto) is \$ Same as on Closing Disclosure. I understand that the term "Acquisition Cost" includes:(a) all amounts paid either in cash or in kind, by the Applicant (or by a related party or for the benefit of the Applicant) to me (or to a related party or for my benefit) as consideration for the Residence; (b) if the Residence is incomplete, the

reasonable cost of completing it; and (c) if the Residence is being purchased subject to a ground lease, the capitalized value of the ground rent. I understand further that "Acquisition Cost" does not include: (i) settlement and financing costs (such as title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and points paid by the Applicant (but not points paid by me) and other similar costs) but only to the extent that such amounts do not exceed the usual and reasonable settlement and financing costs for a home mortgage loan in this area; or (ii) the value of any services to be performed by the Applicant or the Applicant's family members (include the Applicant's brothers and sisters (whether by whole or half-blood), spouse, ancestors and lineal descendants only) to complete the Residence; or (iii) the cost of the land on which the Residence is located if the Applicant owned such land at least two (2) years prior to the commencement of the construction of the Residence.

(b) The Worksheet attached hereto sets forth an accurate calculation of the "Acquisition Cost" of the Residence to the Applicant.

4. Verification. I understand that the above Participant, the Internal Revenue Service, Housing Finance Authority of Broward County, Florida and/or their respective authorized representatives, may conduct investigations in order to verify the truth and completeness of the statements set forth herein. I hereby agree to provide access to such information, including my records pertaining to the Residence, as may be necessary in connection with such verification procedure.

5. Penalty. The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony offense punishable by fine or imprisonment or both.

**Do not leave blank (original signatures only)**

Name(s) of Seller: \_\_\_\_\_ Signature(s) of Seller: \_\_\_\_\_

STATE OF FLORIDA)  
BROWARD COUNTY )

SUBSCRIBED AND SWORN to before me on this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Florida  
(typed or Printed Name)  
My Commission Expires:



**ACQUISITION COST  
WORKSHEET**

**Fill in all applicable blanks**

1. Amount paid for the Residence, in cash or in kind, by Applicant to the Seller (including any amount which Seller is required to pay as a real estate commission or loan discount points): \_\_\_\_\_
  
2. Amount paid for the Residence, in cash or in kind, by Applicant or any person related to the Applicant or by any person for the benefit of the Applicant, to Seller or any person related to Seller or for Seller's benefit (other than the amount set forth above): \_\_\_\_\_
  
3. If the Residence is incomplete or unfinished the estimated cost of completing it, including the cost of any necessary alterations or improvements (specify the nature of such alterations or improvements): \_\_\_\_\_
  
4. If the Residence is located on leased land, the capitalized value (using a discount rate equal to the interest rate borne by the mortgage loan) of the ground rent: \_\_\_\_\_
  
5. Total Acquisition Cost: \_\_\_\_\_  
  
(Total of Lines 1, 2, 3, and 4) [Insert this figure on Page 1 of the Seller/Builder Affidavit to which this Acquisition Cost Worksheet is attached]:

MCC Commitment No: Fill in information

Applicant: \_\_\_\_\_

Participant: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**GSE/INSTITUTIONAL SELLER AFFIDAVIT**

The undersigned, the proposed Seller of a Residence located in the Eligible Loan Area described below (the "Residence") to the above Applicant for which a Mortgage Credit Certificate is being sought under the Housing Finance Authority of Broward County, Florida's ("Authority") 2021 Mortgage Credit Certificate Program, does hereby depose and say, under penalty of perjury, that each of the following statements are true, correct and complete in all respects:

\_\_\_\_\_

1. Location of Residence. The Residence is located within Broward County, Florida (the "Eligible Loan Area") at: Same as on Closing Disclosure  
(Property Address)

4. Acquisition Cost. (a) The Residence is (check one):

\_\_\_\_\_ a newly constructed Residence which has never been occupied;

\_\_\_\_\_ or an existing Residence which has been occupied previously;

\_\_\_\_\_ or incomplete or under construction; or

\_\_\_\_\_ located on leased land.

The "Acquisition Cost" to the Applicant is \$ Same as on Closing Disclosure (as determined in accordance with the Acquisition Cost Worksheet attached hereto). All consideration exchanged between the parties in connection with the purchase and sale of the Residence shall be reflected on the HUD-1 settlement statement signed by the parties at the closing of the transaction.

**Do not leave blank (original signatures only)**

Name(s) of Applicant:

Signature(s) of Applicant:

\_\_\_\_\_

\_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, who is/are personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of person taking acknowledgment)

\_\_\_\_\_  
(Name typed, printed or stamped)

\_\_\_\_\_  
(Title or rank)

\_\_\_\_\_  
(Serial number, if any)



**ACQUISITION COST  
WORKSHEET**

**Fill in all applicable blanks**

1. Amount paid for the Residence, in cash or in kind, by Applicant to the Seller (including any amount which Seller is required to pay as a real estate commission or loan discount points): \_\_\_\_\_
  
2. Amount paid for the Residence, in cash or in kind, by Applicant or any person related to the Applicant or by any person for the benefit of the Applicant, to Seller or any person related to Seller or for Seller's benefit (other than the amount set forth above): \_\_\_\_\_
  
3. If the Residence is incomplete or unfinished the estimated cost of completing it, including the cost of any necessary alterations or improvements (specify the nature of such alterations or improvements): \_\_\_\_\_
  
4. If the Residence is located on leased land, the capitalized value (using a discount rate equal to the interest rate borne by the mortgage loan) of the ground rent: \_\_\_\_\_
  
5. Total Acquisition Cost: \_\_\_\_\_  
  
(Total of Lines 1, 2, 3, and 4) [Insert this figure on Page 1 of the GSE/Institutional Seller Affidavit to which this Acquisition Cost Worksheet is attached]:

MCC Commitment No: Fill in information

Applicant: \_\_\_\_\_

Participant: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**CERTIFICATE OF PARTICIPANT**

I, the undersigned authorized officer of the above Participant, do hereby certify, represent and warrant to the Housing Finance Authority of Broward County, Florida (the "Authority"), that:

1. I have read the Mortgagor Affidavit of the above Applicant, the Program Income Affidavit, and the Closing Affidavit, and, if applicable, the Seller/Builder Affidavit or GSE/Institutional Seller Affidavit and the Notice of Potential Recapture Tax on Sale of Home which were executed in connection with the Mortgage Credit Certificate Application made by the above Applicant and submitted to the Authority. Prior to the execution of such documents, I reviewed the contents thereof with the Applicant, and if applicable, the Seller and the closing agent, respectively.

2. (a) Attached is a true and correct copy of the credit analysis worksheet, or similar document, prepared in connection with the subject loan. The credit analysis worksheet accurately reflects the information the Participant has obtained concerning the gross monthly income of the Applicant, and the Participant has complied with the requirements of the Program Manual in verifying the accuracy of such information.

(b) Based upon the credit analysis worksheet, the additional income, if any, disclosed by the Applicant on the Program Income Affidavit and the Participant's review of the Applicant's federal income tax return, Form W-2 or verification of income from third parties such as employers or state agencies paying unemployment compensation, to the Participant's best knowledge and belief, the Applicant's annualized gross monthly income, when added to the aggregate annualized gross monthly income of all persons who intend to reside with the Applicant in the Residence, is \$ Do not leave blank. The Participant certifies that such amount is within the required limit set forth in the Program Manual and MCC Information Guide

3. The Residence is located within Broward County, Florida.

4. I have conducted or have caused to be conducted an investigation regarding the truth of the facts set forth in such Affidavits, the nature of which investigation is as follows: Do not leave blank.

- |  |  |
|--|--|
| <input type="checkbox"/> Credit Verification | <input type="checkbox"/> First Time Homebuyer Verification |
| <input type="checkbox"/> Income Verification | <input type="checkbox"/> Employment Status                 |
| <input type="checkbox"/> Asset Verification  | <input type="checkbox"/> Other _____                       |



5. **NOTE: This Paragraph 5 shall be deleted in its entirety in the case of an Applicant who is (i) acquiring a Residence in a Targeted Area, or (ii) a Qualified Veteran.** The investigation described in paragraph 4 hereof complies with the requirements of the Program Manual, and such investigation included an examination of copies of income tax returns for the past three (3) years provided by the Applicant which were filed with the Internal Revenue Service (or tax account information letters from the Internal Revenue Service covering such years), and the returns or information furnished indicated that during the preceding three (3) years the Applicant did not claim deductions for taxes or interest on indebtedness with respect to the real property constituting a Principal Residence of the Applicant. [In the event that the Applicant was not required to file a federal income tax return for all three of the years preceding the execution of the loan, the Participant must make sure that the Program Income Affidavit executed by the Applicant states that fact.]

6. No facts have come to my attention as a result of such investigation or otherwise which would cause me to disbelieve or doubt the truth of the Mortgagor Affidavit of the above Applicant or the Program Income Affidavit, or, if applicable, the Seller/Builder Affidavit or the Closing Affidavit, or any portion of any of such Affidavits.

7. All terms used herein shall have the respective meanings assigned to them in the Program Manual.

8. The Participant has not originated a loan for the Residence for an employee of the Participant or a person related within the third degree of affinity (marriage) or consanguinity (blood) of said employee.

9. The loan is secured by a valid lien on a Residence, which, to the knowledge of the Participant is occupied by or is to be occupied by the Applicant as his or her Principal Residence, is made in accordance with the Program Manual, and is not for the purpose of refinancing any existing loan on any such property (other than a construction period loan, construction bridge loan, or similar temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within twenty-four (24) months of execution of the loan and having an original term not exceeding twenty-four (24) months).

10. The fees and charges collected by the Participant for the loan are in compliance with the Program Manual. The amounts collected by the Participant to reimburse the Participant for reasonable and customary charges paid or incurred for hazard or mortgage insurance premiums, surveys, title insurance, appraisal fees, abstract and attorneys' fees, recording or registration charges, escrow fees, file preparation fees, application fees, credit reports, and similar charges do not exceed the reasonable and customary amounts charged by the Participant for mortgage loans not made in connection with the Program.



11. To the best knowledge of the Participant, the Applicant has not conveyed the Applicant's right, title or interest to or in the property to any party other than a trust for the benefit of such Applicant and/or members of such Applicant's immediate family.

12. No portion of the financing of the Residence has come from the proceeds of qualified mortgage bonds or qualified veterans' mortgage bonds.

13. The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony offense punishable by fine or imprisonment or both.

**Do not leave blank (original signature only)**

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Participant

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SAMPLE

MCC Commitment No: Fill in information

Applicant: \_\_\_\_\_

Participant: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**LENDING BEST PRACTICES AFFIDAVIT**

To help protect consumers from abusive lending practices, the Housing Finance Authority of Broward County, Florida (the "Authority") is promoting anti-predatory lending policies for the loans originated under the Authority's 2021 Mortgage Credit Certificate Program (the "MCC Program"). The Authority identifies and promotes responsible lending practices that help borrowers become successful, long-term homeowners. The Authority is committed to working with responsible Participants serving the needs of borrowers with less-than-perfect credit.

The following is a summary of the Authority's lending guidelines, based on lending guidelines promulgated by Fannie Mae and Freddie Mac, for the MCC Program:

- Suitability -- For loans originated under the MCC Program, the Authority expects that borrowers will receive the best mortgage rate available, and commensurate with the borrowers' overall risk profile, at the time of the borrowers' loans.
- Steering -- For loans originated under the MCC Program, the Authority expects that Participants will have determined the borrower's ability and willingness to repay the mortgage debt regardless of the underwriting method the Participant uses. In addition, Participants should have practices and procedures to offer mortgage applicants the full range of products for which they qualify and should specifically avoid the steering of borrowers to high-cost products that are designed for less creditworthy borrowers if the applicants can qualify for lower-cost products. Similarly, consumers who seek financing through a Participant's higher-priced subprime lending channel should be offered (or directed toward) the Participant's standard mortgage product line if they are able to qualify for one of the standard products.
- Excessive Fees -- Participants should have their own guidelines and policies that address the fees that originators and brokers can charge a borrower when a mortgage is originated and should apply those policies consistently. For loans originated under the MCC Program, the points and fees charged to a borrower should not exceed five percent (5%) of the loan amount.
- Prepaid Single Premium Credit Life Insurance Policies -- For loans originated under the MCC Program, the Authority will not permit any mortgages for which a prepaid single-premium credit life insurance policy was sold to the borrower in connection with the origination of the mortgage loan, regardless of whether the premium is financed in the mortgage amount or paid from the borrower's funds. This does not apply to credit life insurance policies that require



separately identified premium payments on a monthly or annual basis or to prepaid hazard, flood, or mortgage insurance policies.

- Prepayment Penalties -- Fannie Mae will only consider allowing prepayment penalties under the terms of a negotiated contract, and where the Participant adheres to the following criteria: a mortgage that has a prepayment penalty should provide some benefit to the borrower (such as a rate or fee reduction for accepting the prepayment premium); the borrower also should be offered the choice of another mortgage product that does not require payment of such a premium; the terms of the mortgage provision that requires a prepayment penalty should be adequately disclosed to the borrower; the prepayment penalty should not be charged when the mortgage debt is accelerated as the result of the borrower's default in making his or her mortgage payments, and prepayment penalty terms shall not exceed three years.
- Full-file Credit Reporting – The Authority believes that it is important for a borrower's entire payment history to be reported to the credit repositories since that gives a borrower who has a good payment record more opportunities to obtain new financing (and better mortgage terms) when the need arises. Therefore, Participants must report on the status of any MCC loan that they are servicing each month to the credit repositories.
- Servicing Practices -- Servicers maintain escrow deposit accounts for the monthly deposit of funds to pay taxes, ground rents, mortgage insurance premiums, etc. The Authority suggests the use of escrow accounts for borrowers with blemished credit records to protect them from additional risk of default.

By its execution below, the undersigned Participant certifies compliance with the Authority's lending policy described above in connection with the referenced MCC Commitment.

**Do not leave blank (original signature only)**

\_\_\_\_\_

NAME OF PARTICIPANT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



MCC Commitment No: Fill in information

Applicant: \_\_\_\_\_

Participant: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM  
CLOSING AFFIDAVIT**

**Information on this form must be the same as on the Final Closing Disclosure**

The undersigned, in connection with the Housing Finance Authority of Broward County, Florida's (the "Authority") 2021 Mortgage Credit Certificate Program, hereby certifies, with respect to the closing of the loan pertaining to the Residence purchased or owned by the above Applicant, that the attached closing statements are true and correct copies of the closing statements prepared and delivered in connection with the following transaction:

SELLER/BUILDER: \_\_\_\_\_

PURCHASER: \_\_\_\_\_

LENDER: \_\_\_\_\_

PROPERTY: \_\_\_\_\_

FINAL MORTGAGE  
LOAN AMOUNT: \_\_\_\_\_

REISSUANCE: \_\_\_\_\_ NO \_\_\_\_\_ YES<sup>1</sup>

**Do not leave blank (original signature only)**

**LENDER OR CLOSING AGENT**

\_\_\_\_\_  
(Name of Firm)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

<sup>1</sup> For refinancings, the Participant or Closing Agent, as applicable, certifies that \$\_\_\_\_\_ is the

**Do not leave blank (original signature only)**

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of the corporation. He/she is personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of person taking acknowledgment)

\_\_\_\_\_  
(Name typed, printed or stamped)

\_\_\_\_\_  
(Title or rank)

\_\_\_\_\_  
(Serial number, if any)



HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM

**NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME**

(To be delivered to Applicant by the Participant at the Time of Settlement of Mortgage Loan)

Because you are receiving a Mortgage Credit Certificate in connection with your mortgage loan, you are receiving the benefit of a credit against your federal income taxes. If you sell or otherwise dispose of your home during the next nine (9) years, this benefit may be recaptured, and you may have to pay back all or a part of the federal mortgage subsidy you received by increasing your federal income tax for the year in which you sold or disposed of your home. The recapture applies, however, only if you sell your home at a gain and your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. Along with this Notice of Potential Recapture, you are being given additional information necessary to calculate the recapture tax.

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

**A. Introduction.**

1. General. When you sell your home, you may have to pay a recapture tax calculated in the manner described in Paragraph C below. The recapture tax may also apply if you dispose of your home in some other way. Any references in this Notice of Potential Recapture of 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.

2. Exceptions. In the following situations, no recapture tax is due, and you do not need to do the calculations:

- (a) You dispose of your home later than nine (9) years after you close your mortgage loan;
- (b) Your home is disposed of as a result of your death;
- (c) You transfer your interest in your home to your spouse or to your former spouse incident to a divorce and no gain or loss is included in or deducted from your income on your federal income tax return; or
- (d) You dispose of your home at a loss.

**B. Maximum Recapture Tax.** The Maximum Recapture Tax that you may be required to pay as an addition to your federal income tax is \$ **Do not leave blank**. 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.

**C. Actual Recapture Tax.** The actual recapture tax, if any, can only be determined when you sell your home, and is calculated in the manner set forth in Part II of IRS Form 8828, Recapture of Federal Mortgage Subsidy (attached as Page 3 to this Tab 11), as may be amended by the Department of Treasury from time to time.

**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 taxes as if you had sold your home for its fair market value at the time of the disposition.

(2) If your home is destroyed by fire, storm, flood or other casualty, there generally is no recapture tax if, within two (2) years after the end of the tax year when the destruction happened, you replace the home (for use as your principal residence) on the original site of the home financed with your original federally subsidized mortgage loan.

(3) In general, except as provided in future regulations, if two (2) or more persons own a home and are jointly liable for the federally subsidized mortgage loan, the actual recapture tax is determined separately for each person based on the interest of each in the home.

(4) If you repay your loan in full or refinance other than with reissuance of an MCC within the first four (4) years after you close your subsidized mortgage loan and you sell or otherwise dispose of your home during the nine (9)-year recapture 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.

**Do not leave blank (original signature only)**

Received by Applicant On: \_\_\_\_\_

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Applicant's Signature

Form **8828**  
 (Rev. March 2010)  
 Department of the Treasury  
 Internal Revenue Service (506)

### Recapture of Federal Mortgage Subsidy

OMB No. 1545-0074

▶ Attach to Form 1040. ▶ See separate instructions.

Attachment  
 Sequence No. **64**

Name(s) \_\_\_\_\_ Social security number (as shown on page 1 of your tax return) \_\_\_\_\_

**Part I Description of Home Subject to Federally Subsidized Debt**

- 1 Address of property (number and street, city or town, state, and ZIP code) \_\_\_\_\_
  
- 2 Check the box that describes the type of federal subsidy you had on the loan for your home.
  - a  Mortgage loan from the proceeds of a tax-exempt bond
  - b  Mortgage credit certificate

**Note.** If neither box applies, you are not subject to recapture tax on the sale or other disposition of your home. **Do not** complete this form.
- 3 Name of the bond or certificate issuer \_\_\_\_\_  
 State \_\_\_\_\_ Political subdivision (city, county, etc.) \_\_\_\_\_ Agency, if any \_\_\_\_\_
- 4 Name and address of original lending institution \_\_\_\_\_
- 5 Date of closing of the original loan \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**Note.** If the date of closing of the loan was before January 1, 1991, recapture tax does not apply. **Do not** complete this form. If you (1) checked the box on line 2b (mortgage credit certificate), (2) refinanced your home, and (3) received a reissued mortgage credit certificate, see **Refinancing your home** on page 1 of the instructions.

- 6 Date of sale or other disposition of your interest in the home \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_
- 7 Number of years and full months between original closing date (line 5) and date of sale or disposition (line 6): \_\_\_\_\_  
 Years \_\_\_\_\_ Full months \_\_\_\_\_
- 8 Date of full repayment of the original loan including a refinancing other than one for which a replacement mortgage credit certificate was issued (see instructions) \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**Part II Computation of Recapture Tax**

9	Sales price of your interest in the home sold or disposed of (see instructions)	9	
10	Expenses of sale. Include sales commissions, advertising, legal fees, etc.	10	
11	Amount realized. Subtract line 10 from line 9	11	
12	Adjusted basis of your interest in the home sold or disposed of (see instructions)	12	
13	Gain or (loss) from sale or disposition. Subtract line 12 from line 11. If a loss, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax	13	
14	Multiply line 13 by 50% (.50)	14	
15	Modified adjusted gross income (see instructions)	15	
16	Adjusted qualifying income (see instructions)	16	
17	Subtract line 16 from line 15. If zero or less, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax	17	
18	Income percentage. If the amount on line 17 is \$5,000 or more, enter "100." Otherwise, divide the amount on line 17 by \$5,000 and enter the result as a percentage. Round to the nearest whole percentage	18	%
19	Federally subsidized amount (see instructions)	19	
20	Holding period percentage (see instructions)	20	%
21	Multiply line 19 by the percentage on line 20	21	
22	Recapture amount. Multiply line 21 by the percentage on line 18	22	
23	Tax. Enter the <b>smaller</b> of line 14 or line 22. Also, include this amount on the line for total tax on Form 1040. For details, see the Instructions for Form 1040	23	

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 13049F

Form **8828** (Rev. 3-2010)



Name of Applicant: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Reference No: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM  
AFFIDAVIT OF COSIGNOR/GUARANTOR**

**Must be completed only when necessary**

**THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS LEGAL AFFIDAVIT.  
READ IT CAREFULLY BEFORE SIGNING.**

THE STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, an obligor on a note (the "Note") made in connection with a mortgage loan (the "Mortgage Loan") in the amount of \$\_\_\_\_\_ from \_\_\_\_\_ the ("Participant") under the Housing Finance Authority of Broward County, Florida's 2021 Mortgage Credit Certificate Program, hereby certify that I am executing the Note solely for purposes of providing additional security for the Mortgage Loan.

I further certify that I have no other financial or ownership interest in the property subject to the Mortgage Loan and I have no intention to and will not occupy the property subject to the Mortgage Loan as a permanent residence.

The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony punishable by fine or imprisonment or both.

Cosigner/Guarantor

\_\_\_\_\_

Date

\_\_\_\_\_

THE STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SUBSCRIBED AND SWORN to before me on this\_\_ day of \_\_\_\_\_ , 20\_\_.

\_\_\_\_\_  
Notary Public, State of Florida  
(typed or Printed Name)  
My Commission Expires:



**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM  
SUPPLEMENTAL INSTRUCTIONS FOR COMPLETING IRS FORM W-4**

The MCC tax credit, at \_\_\_% (subject to periodic adjustment), is very similar to the credit which may be taken for child or dependent care expenses which ranges from twenty percent (20%) to thirty percent (30%) depending upon income. Although a separate line on the W-4 form is not provided for the MCC credit, you may use line G for this purpose.

If you anticipate at least \$1,500.00 of mortgage interest during the year, you may enter "1" on line G. If you anticipate paying more than \$3,000.00 in mortgage interest during the year, you may enter "2" on line G. If you additionally have child or dependent care expenses that would entitle you to a tax credit, the number should be adjusted accordingly.

The following example is included solely for illustrative purposes and shows how you might calculate the amount of mortgage interest you will pay during the year:

Mortgage balance at beginning of year:	\$150,000.00
Interest rate on mortgage loan:	4.50%
Estimated annual interest paid:	\$6,700.00
Mortgage Term:	30 Years

The actual amount of interest paid will be somewhat smaller because with each monthly payment your mortgage balance normally decreased during the year.

If you have more than one wage earner in your family (e.g., both spouses are employed), be careful not to claim too many allowances by putting the maximum number on both workers' W-4 forms. Dual income families normally need to reduce the number of allowances taken to avoid having to pay penalties when their annual tax return is filed.

If you wish to calculate the additional amount of mortgage interest you might be able to take as an itemized deduction, follow the instructions on the back of the W-4 Form. On line 1, be sure to subtract an amount equal to \_\_\_% of your mortgage interest (depending on the credit amount of your certificate) from the total amount of mortgage interest which you have calculated for deduction purposes. (Federal law requires subtracting an amount equal to the MCC tax credit claimed from the amount of the home mortgage interest to be deducted.)

This IRS Form W-4 is to be filed with the payroll clerk where you work. You do not send the W-4 form to the Internal Revenue Service. If you have any questions concerning completion of the form, your payroll clerk should be able to assist you.

Failure to revise your IRS Form W-4 to reflect the MCC tax credit will have no effect on your ability to claim the deduction with your annual tax return. When you file your annual IRS Form 1040, you will need to claim the MCC tax credit in the space provided. You will also need to complete IRS Form 8396 and file it with your tax return.

*These instructions are for your information only. The Housing Finance Authority of Broward County, Florida and its officers and agents do not intend to render any income tax advice in connection with this MCC program. All MCC holders or applicants should consult with the Internal Revenue Service or their personal income tax advisers concerning the appropriate level of withholding allowance given their personal tax situations.*

Name of Applicant: \_\_\_\_\_

Social Security No: \_\_\_\_\_

MCC Commitment No: \_\_\_\_\_

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2021 MORTGAGE CREDIT CERTIFICATE PROGRAM**

**AFFIDAVIT OF NON-OCCUPYING SPOUSE**

**Must be completed only when necessary**

**THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS LEGAL AFFIDAVIT.  
READ IT CAREFULLY BEFORE SIGNING.**

I, the undersigned, an obligor on a note (the "Note") made in connection with a mortgage loan (the "Mortgage Loan") in the amount of \$\_\_\_\_\_ from \_\_\_\_\_ ("Participant") under the Housing Finance Authority of Broward County, Florida's 2021 Mortgage Credit Certificate Program, hereby certify that I have executed the Note solely for purposes of complying with the State of Florida law pertaining to a married couple.

I further certify that I have no other financial or ownership interest in the property being purchased, which is located at \_\_\_\_\_ (the "Property") and subject to the Mortgage Loan. I also certify that I reside at \_\_\_\_\_ and have no intention to and will not occupy the Property as a permanent residence.

The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony punishable by fine or imprisonment or both.

Non-Occupying Spouse:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of person taking acknowledgment)

\_\_\_\_\_  
(Name typed, printed or stamped)

\_\_\_\_\_  
(Title or rank)

\_\_\_\_\_  
(Serial number, if any)