

**HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY**

Mortgagor(s) Last Name(s) _____

MORTGAGOR(S)'S AFFIDAVIT

ONE FORM FOR ALL MORTGAGORS

APPLICATION AND SETTLEMENT AFFIDAVIT

INSTRUCTIONS TO THE LENDER:

- **BORROWER(S) SIGNS PAGE 3** at APPLICATION.
- SUBMIT **COPY** OF **SIGNED AFFIDAVIT** WITH the **MBS PRE-CLOSING COMPLIANCE PACKAGE**.

INSTRUCTIONS TO SETTLEMENT:

- **BORROWER(S) SIGNS AT SETTLEMENT, PAGE 3 AGAIN** and is NOTARIZED; and signs PAGE 4 if appl.
- RETURN **ORIGINAL SIGNED AFFIDAVIT TO LENDER**.
- **LENDER** after settlement submit the **COMPLETE ORIGINAL SIGNED AFFIDAVIT** to HOC with the **MBS POST-CLOSING COMPLIANCE PACKAGE**.

The undersigned (jointly or severally, the "Mortgagor(s)") being duly sworn and under penalty of perjury, which is a felony offense, hereby represent as follows:

1. This affidavit is executed in compliance with the Single Family Program Finance Agreement, by and between the Housing Opportunities Commission of Montgomery County (the "Commission") and a participating lending institution.

2. The Mortgagor(s) intends to use the single family residence (the "Residence") which is located at:

| |
|-------------------------|
| <p>Property Address</p> |
|-------------------------|

Montgomery County, Maryland, and which is to be financed under the Commission's Single Family Mortgage Purchase Program (the "Program") as his/her Principal Residence within 30 days after the Mortgage on the Residence is executed. [For purposes of this statement, "Principal Residence" means an owner-occupied residence which the Mortgagor(s) will occupy as his or her principal residence, and which will not, at any time that the Mortgage on the Residence is outstanding, be used in a trade or business, as an investment or rental property, or as a recreational home and will not use more than 15% of the total area of the residence in a trade or business. Principal residence includes land appurtenant to the Residence but only if such land reasonably maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to the Mortgagor(s).]

3. The following is a true and accurate list of the residences in which the Mortgagor(s) lived during the three-year period before the date of execution of the contract of sale on the Residence and the names, addresses and telephone numbers of persons who can be contracted to verify said arrangements:

MORTGAGOR(S) PROVIDES 3 YEAR RESIDENTIAL HISTORY

Name of Borrower: _____

| Current & Former Address(es) | Name & Address Landlord/Owner/ Management Agency | <u>MUST SHOW AS:</u> Month/Year to Month/Year |
|------------------------------|---|---|
| | | From _____, 20____ To _____, 20____ |
| | | From _____, 20____ To _____, 20____ |
| | | From _____, 20____ To _____, 20____ |

**HOUSING OPPORTUNITIES COMMISSION
MORTGAGOR(S) AFFIDAVIT**

MORTGAGOR(S) NAME: _____

Name of Co-Borrower: _____

| Current & Former Address(es) | Name & Address Landlord/Owner/ Management Agency | <u>MUST SHOW AS:</u> Month/Year to Month/Year |
|------------------------------|---|---|
| | | From _____, 20____ To _____, 20____ |
| | | From _____, 20____ To _____, 20____ |
| | | From _____, 20____ To _____, 20____ |

MORTGAGOR(S) MUST COMPLETE BLANKS IN #4 AND #5.

4.

The total annual income at this time of all those who will be occupying this residence is \$ _____ and the total number of occupants will be _____. Mortgagor(s) delivers with this Affidavit or will deliver a statement of current anticipated annual income.

5.

The Acquisition Cost of the Residence is \$ _____.

For the purposes of this Affidavit, the term "Acquisition Cost" means the cost of acquiring the Residence from the seller as a completed residential unit. The "Acquisition Cost" of a residence includes all amounts paid, either in cash or in kind, or by, or on behalf of, Mortgagor(s) as consideration for the residence and the reasonable cost of completing the residence where the residence is incomplete but does not (except for MPDUs [Moderately Priced Dwelling Units] as defined in Montgomery County Code Section 25A-3) include the usual and reasonable settlement and financing costs or the costs of land where such was owned by the Mortgagor(s) for at least 2 years prior to the commencement of construction of the residence. For the stated Acquisition Cost, Mortgagor(s) is purchasing a completed residence including all fixtures (as defined by the laws of Montgomery County, Maryland) and other items necessary to make such Residence habitable and normally provided by the developer or seller of similar residences. Mortgagor(s) has not entered into any contract or agreement, either express or implied, to obtain the performance of additional construction on the Residence. The Acquisition Cost of the Residence reflects all amounts paid or to be paid by the Mortgagor(s) or seller or developer in order to acquire said residence.

6. Mortgagor(s) has had no present ownership interest in a residence (other than with respect to temporary initial financing on the Residence) at any time during the three-year period prior to the date on which the contract of sale with respect to the Residence is executed. (For purposes of this statement, Mortgagor(s)'s present ownership interest in a principal residence shall include fee simple interest, joint tenancy, tenancy in common, tenancy by the entirety, a life estate, a land contract, and an interest held in trust for the Mortgagor(s); present ownership interest in a principal residence does not include a remainder interest, a lease with or without an option to purchase, a mere expectancy to inherit or an interest that the Mortgagor(s) acquired on the execution of a purchase contract.)

7. For each of the three years prior to the date of execution of the purchase contract on the Residence, Mortgagor(s) has done or will do one or more of the following:

- (A) Attached hereto true, accurate, complete and signed copies of his or her federal income tax returns; or
- (B) Received verification from the IRS that no deductions for home mortgage interest or real estate taxes were claimed including that the Mortgagor(s) filed Form 1040A or 1040EZ short form returns for such years; or
- (C) Swears that he or she was not required to file such return in accordance with federal tax law during one or all of the years of such period (SEE APPENDIX A TO THIS AFFIDAVIT).

8. Mortgagor(s) did not have a permanent mortgage loan on the Residence at any time prior to the Mortgage financed under the Program.

9. All documents and information supplied to the Commission and a participating lending institution are true, accurate and complete.

**HOUSING OPPORTUNITIES COMMISSION
MORTGAGOR(S) AFFIDAVIT**

MORTGAGOR(S) NAME: _____

10. Mortgagor(s) hereby consents to the investigation by the Commission or a participating lender to any records relating to the Mortgagor(s) residency and residential financing during the three-year period prior to the execution of the contract of sale on the Residence.

11. Mortgagor(s) acknowledges that the Commission has elected (which election may be subject to change by the Commission) to credit certain investment earnings on certain Bond proceeds to Mortgagor(s) under the Program for so long as such credit is required to keep the interest on the Commission's Single Family Mortgage Revenue Bonds excludable from gross income for purposes of federal income taxation. With respect to said credit, Mortgagor(s) further agrees that (i) the amount of the credit, if any, is to be determined by the Commission in its sole discretion consistent with Section 103A of the Internal Revenue Code of 1954, as amended (the "1954 Code") and Sections 143 and 148 of the Internal Revenue Code of 1986, as amended (the "1986 Code"); (ii) the amount received by the Mortgagor(s), if any, will be treated as a principal payment or prepayment on the mortgage note on the Residence (the "Mortgage Note"), and will not be paid to the Mortgagor(s); (iii) the Commission will make credit, if any, at the time of repayment in full of the Mortgage Note; (iv) the Commission is under no obligation to maximize the credit or to earn any credit; and (v) the Mortgagor(s) is responsible for the federal income tax treatments of the credit, if any, received by the Mortgagor(s).

12. Mortgagor(s) acknowledges that under current federal income tax law, if Mortgagor(s) no longer uses the Residence as his or her principal residence, Mortgagor(s) may not be entitled to deduct the interest on his or her mortgage for federal income tax purposes. However, future interest expenses may be deducted for federal income tax purposes to the extent incurred after the Mortgagor(s) reestablishes the Residence as his or her principal residence.

13. Mortgagor(s) has executed this affidavit in order to enable the Commission to comply with the requirements of Section 103A of the 1954 Code and Section 143 of the 1986 Code.

14. Mortgagor(s) acknowledges that any violation of the terms or conditions of the mortgage required by Section 103A of the 1954 Code or Section 143 of the 1986 Code or by the Commission, will result in the Commission's instituting foreclosure proceedings, in addition to any other legal remedies.

THIS AFFIDAVIT is required to be made under oath and may be subject to penalty of perjury. Every person who shall be convicted of perjury shall be sentenced to imprisonment in jail or penitentiary for no more than ten years. (Md. Ann. Code Art. 27, Section 439, as amended.)

**SIGNATURE AND DATE
AT LOAN APPLICATION**

Signature of Mortgagor

Date

Signature of Mortgagor

Date

**SIGNATURE AND DATE
AT SETTLEMENT**

Signature of Mortgagor

Date

Signature of Mortgagor

Date

[Notary]

STATE OF MARYLAND)

: ss.:

COUNTY OF MONTGOMERY)

On this _____ day of _____, 20____, before me, a notary public for the said county and state, personally appeared _____ known to me (or satisfactorily proven to be the person whose name is subscribed to the within Mortgagor(s)' Affidavit) and acknowledged that he/she executed the same for the purpose therein contained.

IN WITNESS THEREOF, I hereunto set my hand and official seal.

Notary

[seal]

My commission expires: _____

SIGNATURE OF MORTGAGOR(S) AT SETTLEMENT REQUIRED ON PAGE 4, IF APPLICABLE.

HOUSING OPPORTUNITIES COMMISSION
MORTGAGOR(S) AFFIDAVIT

MORTGAGOR(S) NAME: _____

APPENDIX A MORTGAGOR(S)'S AFFIDAVIT

[TO BE USED WHEN MORTGAGOR(S) WAS NOT REQUIRED TO FILE TAX RETURNS]

I, _____ do swear that I was not required to file federal income tax returns in accordance with federal tax law during one or all of the preceding 3 years (check appropriate years)

____ 20__ because _____

____ 20__ because _____

____ 20__ because _____

Signature of Mortgagor Date

I, _____ do swear that I was not required to file federal income tax returns in accordance with federal tax law during one or all of the preceding 3 years (check appropriate years)

____ 20__ because _____

____ 20__ because _____

____ 20__ because _____

This affidavit is required to be made under oath and may be subject to penalty of perjury.

Signature of Mortgagor Date

[Notary]
STATE OF MARYLAND)
 : ss.:
COUNTY OF MONTGOMERY)

On this _____ day of _____, 20____, before me a notary public for the said county and state, personally appeared _____ known to me (or satisfactorily proven to be the person whose name is subscribed to me within Mortgagor(s)'s Affidavit) and acknowledged that he/she executed the same for the purpose therein contained.

In witness whereof, I hereunto set my hand and official seal.

Notary
My commission expires on: _____

seal

INSTRUCTIONS TO THE LENDER:

- BORROWER(s) SIGNS PAGE 3 at APPLICATION.
- SUBMIT COPY OF SIGNED AFFIDAVIT WITH the **MBS PRE-CLOSING COMPLIANCE PACKAGE.**

INSTRUCTIONS TO SETTLEMENT:

- BORROWER SIGNS AT SETTLEMENT, PAGE 3 AGAIN and is NOTARIZED; and signs PAGE 4 if appl.
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