

**City of Chicago Department of Housing & Economic Development
TAXSMART MORTGAGE CREDIT CERTIFICATE PROGRAM
SERIES 2010**

Section Three - Borrower Application

Borrower Application: *The Lender must have all applicable forms from the list below completed by the borrower before faxing the MCC reservation form to the City.*

- A. Document Checklist**
- B. Borrower Application Instructions**
- C. Application Affidavit**
- D. Exhibit A to Application Affidavit**
- E. Rider to Application Affidavit**
- F. Addendum to Application Affidavit**
- G. Affidavit of Cosigner/Guarantor**
- H. Income Tax Return Affidavit**
- I. Notice of Recapture**
- J. Minimum Recapture and Calculation**
- K. Funds Reservation Form**
- L. Certificate of Inspection**
- M. Certificate of Homebuyer Training**
- N. Certificate of Property Management Training**
- O. Social Security Number Recording Form**

CITY OF CHICAGO
 DEPARTMENT OF HOUSING & ECONOMIC DEVELOPMENT
 TAXSMART MORTGAGE CREDIT CERTIFICATE PROGRAM
 MCC SERIES 2010
 BORROWER APPLICATION & LOAN CLOSING DOCUMENT CHECKLIST

Borrower Application Documents

Please submit the following documents in order to receive a Conditional Approval Letter before loan closing:

- | | | |
|--|--|--|
| <input type="checkbox"/> Application Affidavit for Purchase or Purchase/Rehab loan
<input type="checkbox"/> Addendum to Application Affidavit
<input type="checkbox"/> Rider to Application Affidavit
(Required for Purchase/Rehab loans)
<input type="checkbox"/> Affidavit of co-signer/guarantor (if applicable)
<input type="checkbox"/> 3 Years of Income Tax Returns or IRS Statement
(Required for Homebuyers Purchasing in Non-Target Areas)
<input type="checkbox"/> Income Tax Affidavit
(Complete if the applicant was not required by law to file federal income tax returns for any year during the proceeding three years)
<input type="checkbox"/> Notice of Potential Recapture
(Recapture does not apply to Home Improvement Loans)
<input type="checkbox"/> Social Security Number Recording Form
(Required for all persons who will be residing in the home purchased using the MCC, who are age 18 or older or a non-citizen legally residing in the United States)
<input type="checkbox"/> Mortgage Application (Fannie Mae Form 1003)
<input type="checkbox"/> Uniform Underwriting and Transmittal Summary
(Required for Rehab & Home Improvement Loans)
<input type="checkbox"/> Original Certificate of Inspection
(Not required if purchasing a Condo Unit or New Construction)
<input type="checkbox"/> Original Certificate of Homebuyer Training
(Not required if down payment is 5% or more. Training must be completed by a HUD approved agency.)
<input type="checkbox"/> Certificate of Property Management Training
(Required if purchasing 2 or more units)
<input type="checkbox"/> Sales Contract | <input type="checkbox"/> Application Affidavit for Qualified Rehab loan
(Loan greater than \$15,000) | <input type="checkbox"/> Application Affidavit for Home Improvement loan
(Loan less than \$15,000) |
|--|--|--|

Loan Closing Documents

-
- Borrower's Closing Affidavit
-
-
- Lender's Closing Affidavit
-
-
- Seller's Closing Affidavit
-
-
- MCC Program Fee (\$225.00) *Please make this check payable to the City of Chicago. Personal checks are not accepted. Checks drawn on the participating bank or title company, money orders and cashier's checks are all acceptable forms of payment. The fee is not required for Rehab & Home Improvement Loans.

City of Chicago Department of Housing & Economic Development
TAXSMART MORTGAGE CREDIT CERTIFICATE PROGRAM
SERIES 2010
Borrower Application
Borrower Application Instructions

This page provides instructions for the borrower to use in completing the Application Affidavit. The borrower attests to the truth of all information that he/she writes in as well as to the truth of all statements on the Application Affidavit pre-printed on the form.

Question #1

- a) Print the full name of each person applying for the Mortgage Credit Certificate. Each name appearing on your Mortgage loan application should be included on the application for the Mortgage Credit Certificate. All information for both spouses in a married couple must be included on the application, even if only one spouse is applying for the MCC and Mortgage loan.
- b) Print your current address.
- c) Print your home and work telephone numbers.

Question #2

Print the address of the home that is being purchased. Include the last two-digits of the zip code in the space provided. Check the box appropriate for the number of units in the Residence being purchased.

Question #4

Check box a) if you are buying a home in a Target Area. Check box b) if you ARE NOT buying a home in a Target Area.

- a) Check this box if the home you are buying is in a Target Area. Check the appropriate box to indicate whether you are a first time homebuyer. A first-time homebuyer is an individual who has not had an Ownership interest in his/her primary Residence(s) any time during the preceding three years.
- b) Complete this section only if the Residence being purchased is not located in a Target Area by placing an 'x' in the space provided.

Question #5

If the Residence is not located in a Target Area, attach copies of each Applicant's Federal Income Tax Returns for the prior 3 years. Your Federal Income Tax Returns should show that you did not claim deductions for mortgage interest and/or real estate taxes on your primary Residence. Any deductions taken for mortgage interest and/or real estate taxes must have been claimed for rental income property only. If you filed a 1040EZ, 1040, or 1040A and cannot produce a copy for any of the three years, you may submit an IRS "Letter 1722". This is a request for the IRS to verify information reported on your filed Federal Income Tax Return. The form is available by in-person request only at:

The Internal Revenue Service
230 South Dearborn Street, 17th Floor
Walk-In Service Office

Requests are usually filled in one hour.

If the "Letter 1722" indicates that you claimed deductions for real estate taxes and/or mortgage interest, you are required to submit copies of the actual Federal Income Tax Returns and applicable Schedules that were filed with the IRS to show that these deductions were not claimed for your primary Residence. A request for copies of the Federal Income Tax Returns and applicable Schedules can be made by filing IRS "Form 4506". IRS "Form 4506" can be obtained from the Participating Lender. The IRS will take approximately 45 days to process your request and provide you with copies of your Federal Income Tax Returns.

If you were not required by law to file a Federal Income Tax Return for any year during the last three years, you must sign an Income Tax Affidavit and state the specific reason for not being required to file a Federal Income Tax Return. The Income Tax Affidavit can be obtained from the Participating Lender.

If the loan is scheduled to close between January 1 and February 15, and you have not filed your preceding year's Federal Income Tax Return, you must sign and submit the Income Tax Return Affidavit. By signing this document, you will certify that you are not entitled to claim deductions for taxes or interest on a Principal Residence for the preceding calendar year.

If the loan closing occurs after February 15, you must submit a copy of the Federal Income Tax Return for the preceding year.

Question #6

Enter the Purchase Price of the Residence you are purchasing in the space provided. This amount should not include any fees paid in connection with obtaining financing or the value of services provided by the borrower(s) and members of their family.

Question #13

Enter the amount of your household income, including the income of all individuals who will be employed and living in the Residence to be purchased. If the number of borrowers is the same as the number of household members, household income for the MCC application will be the same as income reported on the mortgage loan application. If your current income is not a good indicator of your annual income due to fluctuations in hours worked or commissions earned, etc., the total household income is computed by taking the average of all household income earned for the last four months and multiplying that amount by 12.

Provide the name and age of each household member and indicate whether or not each individual is employed.

Question #14

Each Applicant must enter the date of application completion. Each Applicant shall print and sign his/her name and record his/her social security number.

The signing of the application must be notarized by a Notary Public.

Additional Instructions

If you are purchasing an incomplete/uninhabitable Residence and will receive a Mortgage loan for the purchase and the rehabilitation, you must complete the Rider to the Application Affidavit. (An example is a FHA 203(k) Loan)

A Cosigner/Guarantor on your Mortgage loan must execute the Affidavit of Cosigner/Guarantor. A Cosigner/Guarantor cannot have an Ownership interest nor reside in the Residence being purchased.

City of Chicago Department of Housing & Economic Development
TAXSMART MORTGAGE CREDIT CERTIFICATE PROGRAM
SERIES 2010
Borrower Application Funds Reservation Form

Home Acquisition _____ Home Improvement/Rehab _____ Purchase and Rehab _____

Date: _____ Lender name: _____

Lender No: _____

Branch Address: _____

Loan officer requesting reservation: _____

Telephone number: (_____) _____ Fax number: (_____) _____

Applicant name(s) & SSN(s):

Current address (es) with City, State, & Zip Code(s):

Annual household income: \$ _____ Maximum applicable annual household income: \$ _____

Total household size: _____ (incl. Applicant(s)) Age(s) of mortgagor(s): _____ marital status: _____

Race(s) of mortgagor(s): Asian _____ African American _____ Hispanic _____ White _____ Pacific Islander _____
Other _____ Not Provided _____ *Please use numbers to indicate more than one mortgagor of a particular race.*

Address of home being financed: _____ Chicago, IL 606 _____

Census Tract _____ Ward _____ Target Area: Y _____ N _____

1st time homebuyer(s): Y _____ N _____ New or existing home: _____

Number of units in property: (1-4) _____ If 1 unit, single family or condo? _____

Interest rate: _____% Loan type (FHA, VA, or Conventional): _____ Down payment amount: \$ _____

Has the lender received 3 years of tax returns (when applicable): Y_____ N_____?

Home acquisition cost: \$_____ Maximum applicable home cost: \$_____ (See Application Affidavit Exhibit A)

Mortgage loan amount: \$_____ MCC indebtedness amount: \$_____ (This figure will differ from the Mortgage loan amount only if funds for rehabilitation are included in the loan and the Rider to the Application Affidavit is not applicable. If rehabilitation funds are included and the Rider is not applicable, then the MCC indebtedness amount is equal to the loan amount less the amount allocated for rehabilitation. If the Rider is applicable, then the MCC indebtedness amount equals the loan amount (not to exceed the maximum applicable Purchase Price limit).
Anticipated Mortgage loan closing date (month/day/year) ____/____/____

****Please indicate if the applicant is utilizing more than one DCD Program: Y_____ N_____**
If yes, please list: _____

****Please indicate how the applicant learned of the TaxSmart Program:**

Please do not write below this line

Average area purchase price: \$_____ Reservation received by: _____

Date received: _____ Assigned reservation #: _____ Application due: _____

(To be completed upon receipt of application documents)

Application received by: _____ Date received: _____ Commitment exp. date: _____

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Application Affidavit

Reservation No.: _____ Name of Applicant: _____ Social Security No.: _____

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

The City of Chicago (the "City"), has implemented a Mortgage Credit Certificate program (the "MCC Program") pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the "Code"). I (We) understand that this affidavit is a material inducement to the issuance of a Mortgage Credit Certificate (an "MCC") under the MCC Program. I (we) understand that the completion and submission of this Affidavit does not assure that an MCC will be issued to me (us) and is a part of the application process under the MCC Program. If issued, the MCC will be issued in conjunction with a Mortgage loan (the "Mortgage Loan") obtained by me (us) for the purchase of a single-family Residence (the "Residence") containing one to four living units.

1. My (Our) legal name(s): _____

Current residence(s): _____ (city, state and zip)

Telephone Numbers: Work () _____ Home () _____

2. The Residence being purchased is either a single-family home, condominium, or townhouse (containing one to four living units) located in the City of Chicago at the following address: _____, Chicago, IL 606 _____

Check the number of units in the Residence: one two three four

Any land sold to me (us) with the Residence only maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to me (us).

3. The Residence will be occupied and used as my (our) Principal Residence within sixty (60) days after the date of the MCC or within sixty (60) days of completion of rehabilitation that is necessary for livability of the Residence. Except for two-unit properties in Target Areas, if the Residence contains two to four living units, the Residence was first occupied as a residence at least five (5) years prior to the Closing of the Mortgage Loan and the date of the MCC. The Residence will not be used as an investment property, vacation home or recreational home and not more than 15% of the area of the Residence will be used in a trade or business. No other person shall have an Ownership interest in the Residence. I (We) understand the MCC will be immediately revoked if the Residence ceases to be my (our) Principal Residence. I (We) will immediately notify the City in writing if the Residence ceases to be my (our) Principal Residence.

4. **CHECK AND COMPLETE ONE** of the two following sections, whichever applies to you, the undersigned. If the Residence is located in a designated Target Area, complete paragraph 4A and proceed to paragraph 6. (See list of Target Areas). If the Residence is outside a Target Area, complete paragraph 4B and proceed to paragraph 5.

- A. **The Residence Is located in a Target Area.**
I (We) am (are) am (are) NOT first time homebuyer(s) (informational purposes only).
- B. **The Residence Is not located in a Target Area.** I (We) understand that I (we) am (are) not eligible for an MCC under the MCC Program if I (we) individually or together had an Ownership interest in a Principal Residence within three years prior to the date hereof. I (We) also understand that I (we) cannot have an Ownership interest in a Principal Residence between the date hereof and the date of any MCC issued in connection with my (our) purchase of the Residence. For this purpose, a Principal Residence includes a single-family Residence, condominium, share in housing cooperative, any manufactured home or mobile home (as defined under federal and state law) meeting the requirements of 2(b) above or occupancy in a multifamily Residence owned by me (us). For this purpose, an Ownership interest means Ownership by any means, whether outright or partial, including property subject to a mortgage or other security interest. An Ownership interest also means a fee simple Ownership interest, a joint Ownership interest by joint tenancy in common, tenancy by the entirety or a life estate interest.

5. For Residences not in a Target Area, attached hereto are true and complete copies of my (our) federal tax returns as filed for the preceding three tax years or such other written verification that is acceptable to the MCC Program.
6. The total Purchase Price of the Residence and land as a completed Residence, including all construction items, all builder's fees, hook-up and tap-in fees, permits, architectural fees, all site improvements, discount points paid by the Seller, work credit, subcontracted items, or construction loan interest, but excluding any customary and reasonable settlement or financing costs, the value of services performed by me (us) or members of my (our) immediate family necessary to complete the Residence and the cost of land owned by me (us) for at least two years before the commencement of construction of the Residence, is \$_____.

I (We) certify that the total acquisition cost set forth above includes:

- a. The total amount of payments made to date and to be made in the future by me (us) or a person related to me (us) (as defined in Section 144(a)(3)(A) of the Code and the regulations there under) or for my (our) benefit, for purchase of the Residence. I (we) have attached hereto an itemized list of such payments and certify that the list is complete and true.
- b. If, on the date of my (our) execution of this Affidavit, the Residence has not been completely constructed, a reasonable estimate of the reasonable cost of completing the Residence.
- c. If the Residence will be purchased subject to a ground rent, the capitalized value of the ground rent. The aggregate Purchase Price does not exceed the Purchase Price limitation appearing in Exhibit A.
7. If the Residence is newly constructed, I (we) certify that the Residence has not and will not be occupied prior to loan commitment.
8. I (we) certify that the proceeds of the Mortgage Loan will not be used to replace an existing mortgage unless the existing mortgage is for: (1) a construction period loan of not greater than 24 months, or (2) a bridge loan or similar temporary initial financing of 24 months or less.
9. (We) understand and agree that if an MCC is issued to me (us), it may not be transferred.
10. No portion of the financing of the acquisition of the Residence is or will be provided from the proceeds of a qualified mortgage bond or qualified veteran's mortgage bond. No person related to me (us) (as defined in applicable federal or state laws and regulations) has or is expected to have, an interest as a creditor on the Mortgage Loan being acquired for the Residence.

11. I (We) understand and agree that the Mortgage Loan was not limited to particular lenders and I (we) may seek financing from a lender of my (our) own choosing, provided such lender has entered or will enter into a Lender Participation Agreement with the City.

12. I (We) understand that I (we) am (are) not eligible for an MCC unless my (our) gross annual household income does not exceed the Income Limit appearing in Exhibit A (depending on whether the Residence is in a Targeted or Non-Targeted area and the size of my (our) family):

13. I (We) certify that my (our) current gross (as 'gross' is defined by Revenue Ruling 86-124 of the Internal Revenue Code) annual (meaning gross income current monthly income multiplied by 12 or biweekly income multiplied by 26) household income is \$ _____. Number of persons in household, including Applicant(s): _____

Name & Age: _____ Employed (Yes/No)? _____

Name & Age: _____ Employed (Yes/No)? _____

Name & Age: _____ Employed (Yes/No)? _____

14. I (We) will not subdivide any residential unit in the Residence without following all applicable zoning and other laws; provided that in no event shall the Residence ever contain more than four units.

15. I (We) certify that other than the residence being purchased with the MCC being applied for, I (We) have not had present ownership interest in a principal residence at any time during the 3 year period prior to the date we plan to execute the mortgage on the residence in connection with which the MCC is being provided.

15. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for an MCC under the City's MCC Program. I (We) acknowledge that a material misstatement intentionally or negligently made in this Affidavit or in any other statement made by me (us) in connection with an application for an MCC will constitute a federal violation punishable by a fine of \$10,000. I (We) further acknowledge that a material misstatement fraudulently made in this Affidavit or in any other statement made by me (us) in connection with an application for an MCC could constitute a basis for the revocation of the MCC, which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility for an MCC will result in a denial of my (our) application for an MCC, or, if an MCC has been issued prior to discovery of the false statement, immediate cancellation of the MCC issued.

Date: _____

Date: _____

Applicant signature: _____ Applicant signature: _____

Name (printed): _____ Name (printed): _____

Social Sec. No.: _____ Social Sec. No.: _____

Signed and sworn to before me this _____ Day of _____ 20_____. [SEAL]

Notary Signature: _____ Commission Exp. Date: _____

The Lender hereby certifies having reviewed the attached Affidavit and that, to the Lender's best its knowledge and belief, each of the foregoing statements is true and correct. The Lender further certifies that each of the above statements is consistent with the information submitted by the Applicant in connection with his/her/ their application for a Mortgage Loan.

Date: _____ Lender: _____

By (name signed): _____

Name (printed): _____ Its: _____

NOTE: This form MUST be signed, dated, and witnessed.

**City Of Chicago, Department of Housing & Economic Development
SINGLE FAMILY MORTGAGE CREDIT CERTIFICATE PROGRAM
SERIES 2010**

**Lender Application Documents
Exhibit A to Application Affidavit**

This exhibit sets forth the income limits and purchase price limits of the City of Chicago's MCC Program. These limits are effective for the 2010 Series.

INCOME LIMITS

NON-Target Area

1 person household ..	\$90,120
2 person household ..	\$90,120
3 or more person household ..	\$105,140

Target Area

1 person household ..	\$90,120
2 person household ..	\$90,120
3 or more person household ..	\$105,140

PURCHASE PRICE LIMITS

Non-Target Area

Existing Single Family Residence.....	\$369,000
Existing Two Family Residence ..	\$472,365
Existing Three Family Residence ..	\$571,005
Existing Four Family Residence..	\$709,605

New Construction

Non-Target Single Family Residence.....	\$369,000
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Target Area

Existing Single Family Residence ..	\$451,000
Existing Two Family Residence ..	\$577,335
Existing Three Family Residence ..	\$697,895
Existing Four Family Residence..	\$867,295

New Construction

Target Single Family Residence.....	\$451,000
Target Two Family Residence.....	\$577,335

**City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Rider to Application Affidavit**

Reservation No.: _____

Name of Applicant: _____ Social Security No.: _____

Complete this document only if Mortgage loan proceeds are being used to acquire and rehabilitate an uninhabitable Residence.

I (We), the undersigned, hereby certify that the total Mortgage loan amount exceeds the sales price agreed upon by the buyer(s) and the Seller(s) for the purchase of the Residence located at _____ in an amount of \$_____.

I (we) further certify that the Residence, in its present condition, is incomplete and uninhabitable and that occupancy will not be permitted under local law. Therefore, the Mortgage loan proceeds in excess of the negotiated sales price will only be used to cover the cost of completing the Residence so that occupancy is permitted by local law.

I (We) acknowledge and understand that this Rider to the Application Affidavit will be relied upon for purposes of determining my (our) eligibility for an MCC. I (We) acknowledge that a material misstatement negligently made in this Rider or in any other statement made by me (us) in connection with an application for an MCC will constitute a federal violation punishable by a fine. I (We) further acknowledge that a material misstatement fraudulently made in this Rider or in any other statement made by me (us) in connection with application for an MCC, will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the Certificate, which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) application for an MCC will result in a denial of my (our) application for an MCC, or if an MCC has been issued prior to discovery of the false statement, immediate revocation of the MCC issued.

Date: _____

Date: _____

Signature of Applicant: _____ Signature of Applicant: _____

Name (printed): _____ Name (printed): _____

The Lender hereby certifies having reviewed the attached Rider and that, to the Lender's best its knowledge and belief, each of the foregoing statements is true and correct. The Lender further certifies that each of the above statements is consistent with the information submitted by the Applicant in connection with his/her/ their application for a Mortgage Loan.

Date: _____

Lender: _____ By : _____

Name (printed): _____ Its: _____

Signed and sworn to before me this _____ Day of _____ 20_____. [SEAL]

Notary Signature: _____ Commission Expiration Date: _____

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Addendum to Application Affidavit

Reservation No.: _____

Name of Applicant: _____ Social Security No.: _____

This addendum supplements and amends the Application Affidavit of _____ as part of my (our)
(Applicant name/date)
application for a Mortgage Credit Certificate (MCC) from the City of Chicago, Illinois.

I (We) hereby certify, as follows:

1. The single-family home referred to in my (our) Application Affidavit has (check appropriate box):
 one unit two units three units four units.
2. I(We) will occupy a unit of the Residence as my (our) principal place of residence within 60 days after the date of the MCC.
3. The Residence was first occupied as a residence at least five years ago.
4. The second sentence of Section 3 of my (our) Application Affidavit is hereby amended to read as follows:
The Residence will not be used as an investment property, vacation home or recreational home and not more than 15% of the area in the unit of the Residence in which I will reside will be used on a regular basis in a trade or business qualifying for deduction under Section 280A of the Internal Revenue Code of 1986, as amended.
5. I (We) acknowledge and understand that this Addendum to the Application Affidavit will be relied upon for purposes of determining my (our) eligibility for an MCC. I (We) acknowledge that a material misstatement negligently made in this Rider or in any other statement made by me (us) in connection with an application for an MCC will constitute a federal violation punishable by a fine. I (We) further acknowledge that a material misstatement fraudulently made in this Rider or in any other statement made by me (us) in connection with application for an MCC, will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the Certificate, which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) application for an MCC will result in a denial of my (our) application for an MCC, or if an MCC has been issued prior to discovery of the false statement, immediate revocation of the MCC issued.
6. In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation; or the fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to my (our) participating in the program, may be punishable by imprisonment or by a fine.

Date: _____ Date: _____

Signature of Applicant: _____ Signature of Applicant: _____

Name (printed): _____ Name (printed): _____

Signed and sworn to before me this _____ Day of _____ 20_____. [SEAL]

Notary Signature: _____ Commission Expiration Date: _____

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Affidavit of Co-Signer/Guarantor

Reservation No.: _____

Name of Applicant: _____

Social Security No.: _____

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

I (we), the undersigned, an obligor(s) on a note (the "Note") made in connection with a Mortgage loan (the "Mortgage Loan") in the amount of \$ _____ from (the "Lender") under the City of Chicago Mortgage Credit Certificate ("MCC") Program, Series 2010 (the "Program"), hereby certify that I (we) am (are) executing the Note solely for purposes of providing additional security for the Mortgage Loan.

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

I (WE) UNDERSTAND THAT ANY FRAUDULENT STATEMENT MADE IN THIS AFFIDAVIT WILL RESULT IN (I) THE REVOCATION OF THE MCC AND (II) A PENALTY OF \$10,000 UNDER SECTION 6709 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

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

Date: _____

Date: _____

Signature of Co-signer/Guarantor:

Signature of Co-signer/Guarantor:

Printed Name of Co-signer/Guarantor:

Printed Name of Co-signer/Guarantor:

Signed and sworn to before me this _____ Day of _____ 20_____.

[SEAL]

Notary
Signature: _____

Commission
Expiration Date: _____

**City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Income Tax Return Affidavit**

Reservation No.: _____

Name of Applicant: _____

Social Security No.: _____

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

I (We), the undersigned, being first duly sworn state the following:

1. Check the box below and provide the information indicated only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years.

I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax return for the following year(s) _____. State the reason(s) no tax return was filed below (attach documentation to support reasons):

2. Check box at left if the following is true:

The Closing in connection with which I (we) am (are) seeking an MCC is occurring between January 1 and February 15, and I (we) have not yet filed my (our) Federal Income Tax return for the prior tax year.

3. I (We) hereby certify that I (we) was (were) not entitled to claim deductions on my (our) Federal Income Tax return for taxes or for interest paid with respect to property which was my (our) Principal Residence during the tax years referred to in paragraphs 2 and 3 hereof.

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for an MCC. I (We) acknowledge and understand that a material misstatement negligently made by me (us) on this Affidavit or in any other statement made by me (us) in connection with an application for an MCC will constitute a federal violation punishable by a fine. I (We) further acknowledge and understand that any material misstatement fraudulently made in this Affidavit or in any other statement made by me (us) in connection with the application for an MCC will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the MCC, which will be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility under Section 25 of the Internal Revenue Code of 1986, as amended, and the Regulations there under will result in denial of my (our) application for an MCC, or, if an MCC has been issued prior to the discovery of the false statement, immediate revocation of the MCC issued.

In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation or the fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to my (our) participation in the program may be punishable by imprisonment or by a fine.

Date: _____

Date: _____

Signature of Applicant: _____ Signature of Applicant: _____

Name (printed): _____ Name (printed): _____

Signed and sworn to before me this _____ Day of _____ 20_____.

[SEAL]

Notary
Signature: _____

Commission
Expiration Date: _____

This Affidavit must be accompanied by proof that the Applicant was a renter or otherwise did not own a Principal Residence during the three years prior to this application. Acceptable proof includes: a notarized letter from the Applicant's landlord or manager, or rent receipts.

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Notice of Potential Recapture on Sale of Home

Reservation No.: _____

Name of Applicant: _____

Social Security No.: _____

Because you are receiving a Mortgage Credit Certificate 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 years, part or all of this benefit may be "recaptured". 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 above specified levels.

The recapture was enacted in 1988. According to the United States General Accounting Office, the purpose of the recapture is to retrieve the subsidy from owners who experience rapid income increases after purchasing their homes and, as a result, do not need the subsidy to remain homeowners. If your income does not increase more than five percent per year, you will likely not incur a recapture liability.

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 your actual recapture tax. (See Section 143(m) of the Internal Revenue Code generally.) Along with this notice, you are being given additional information that will be needed to calculate the recapture tax.

The undersigned Mortgagor(s) has (have) received and read a duplicate copy of this Notice of Potential Recapture Tax on Sale of Home and the accompanying three page Notice to Borrower(s) of Maximum Recapture Tax and of Method to Compute Recapture Tax on Dispositions of Home.

Date: _____

Date: _____

Signature of Applicant: _____ Signature of Applicant: _____

Name (printed): _____ Name (printed): _____

Signed and sworn to before me this _____ Day of _____ 20_____.

[SEAL]

Notary
Signature: _____

Commission
Expiration Date: _____

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Maximum Recapture Tax and Computation of Tax Amount

Maximum Recapture Tax and Method for Computing Recapture Tax on Dispositions of Home

If you receive a Mortgage Credit Certificate ("MCC") and sell or otherwise dispose of your home financed in connection with the MCC within 9 years, following the date of issuance of the MCC, you may be subject to a "recapture tax". Pursuant to Section 143(m) of the Internal Revenue Code of 1986 as amended (the "Code"), a portion of the tax savings from MCC tax credit can be recaptured in the form of an additional tax at the time the home is sold or disposed of.

This summary is believed accurate but is qualified in its entirety by reference to Section 143(m) of the Code. The provisions of Section 143(m) may be amended at any time and could result in higher or lower recapture than described in this notice. If you have any concerns about the recapture tax you should contact your tax advisor or the Internal Revenue Service.

Exceptions, Limitations and Special Rules

- a) No recapture tax is due if you dispose of your home later than nine years after you close your Mortgage loan.
- b) No recapture tax is due if your home is disposed of as a result of your death.
- c) No recapture tax is due if you transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code.
- d) No recapture tax is due if you dispose of your home at a loss.
- e) No recapture tax is due if your MCC was issued for a home improvement loan.
- f) If you give away your home (other than to your spouse or former spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
- g) 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.
- h) If you repay your loan in full during the 9 year recapture period and then sell your home during this same 9 year period, your holding period percentage will be calculated using the date of repayment, not the date of sale or disposition.

Actual Recapture Tax

The maximum recapture tax that you may be required to pay is the Federally Subsidized Amount, as defined below. The actual amount of recapture, is the lesser of the following two calculations:

1. The Federally Subsidized Amount (defined below) multiplied by the Holding Period Percentage (defined below), and then multiplied by the Income Percentage (also defined below).
- OR -
2. The gain realized on the sale or disposition multiplied by 50%.

Federally Subsidized Amount

The federally subsidized amount is calculated by multiplying the highest principal loan amount by 6.25 per cent.

Holding Period Percentage

No. Of Years

*After Purchase that
Disposition Occurred:*

*Corresponding
Holding Period
percentage is :*

During the first year	20 %
During the second year	40 %
During the third year	60 %
During the fourth year	80 %
During the fifth year	100 %
During the sixth year	80 %
During the seventh year	60 %
During the eighth year	40 %
During the ninth year	20 %

Income Percentage

To determine the income percentage, compare your modified adjusted gross income to the limits determined using the following chart. Modified adjusted gross income ("MAGI") is defined as adjusted gross income as shown on your IRS Form 1040 plus tax-exempt interest you earned less gain on the sale or disposition of the Residence.

No recapture tax if MAGI is equal to or less than the following limits. The limits are the percentage below multiplied by the Income Limit in effect on the date the MCC Number of Years was issued. When considering the Income Limit, consider the family size and whether or not the home was in a Targeted Area.

Disposition Occurred:

During the first year	100% of Income Limit
During the second year	105% of Income Limit
During the third year	110% of Income Limit
During the fourth year	116% of Income Limit
During the fifth year	122% of Income Limit
During the sixth year	128% of Income Limit
During the seventh year	134% of Income Limit
During the eighth year	141% of Income Limit
During the ninth year	148% of Income Limit

If your MAGI does not exceed the amount you calculated using column 2 above, you do not need to make any more calculations. If your MAGI exceed the amount calculated using column 2, and the difference is \$5,000 or more, your Income Percentage is 100%. If the difference is greater than zero but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your Income Percentage and should be rounded to the nearest whole percentage point. If the result contains less than one half of a percentage point, round down. If the result contains more than one half of a percentage point, round up.

RECAPTURE TAX EXAMPLES

	<u>Example #1</u>	<u>Example #2</u>	
a. Initial household income	\$65,000	\$74,000	
b. Household size	2 persons	4 persons	
c. Initial income limit (2003 limit)	75,400	86,710	
d. Purchase price	100,000	100,000	
e. Mortgage amount	90,000	90,000	
<hr/>			
f. Year of Re-sale	year 5	year 7	
g. Income at time of resale	95,000	79,500	
h. Resale price	120,000	130,000	
<hr/>			
i. Federally subsidized percent	6.25%	6.25%	
j. Federally subsidized amount	5,625	5,625	(e) times (i)
k. Holding period percent	100%	60%	
l. Income limit percent	122%	134%	
m. Income limit	91,988	116,191	(c) times (l)
n. Income percent	60%	N/A	(g) minus (m) divided by 5,000
o. Recapture amount	3,375	N/A	(j) times (k) times (n)
p. 50% gain on resale	10,000	N/A	(h) minus (d) times 50%
q. Recapture tax	\$3,375	None	the lesser of (o) or (p)

Important Notes:

1. A Homebuyer is not subject to recapture if:
the Residence is sold after 9 years, or
the Homebuyer's income does not exceed the adjusted income limit.
2. The amount of recapture never exceeds 50% of the gain on the sale of the home.

**City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
Certificate of Inspection**

This Certificate of Inspection ("Certificate") is completed for a residence ("Residence") which is being considered for purchase by the undersigned homebuyer ("Homebuyer") who intends to use financing made available through the City of Chicago, Department of Housing & Economic Development City Mortgage Program. This Certificate indicates that an inspection ("Inspection") was performed by the undersigned inspector ("Inspector") under the conditions indicated.

Homebuyer Certification:

I, _____ [name], the Homebuyer, certify that:

1. An Inspection was performed by the Inspector, whose certification follows this section, for the Residence located at: _____, Chicago, IL which I am considering purchasing with funds made available through the City of Chicago, Department of Housing & Economic Development, and City Mortgage Program.
2. I was present at the Inspection and was provided with a written statement of the defects found in the property by the Inspector.
3. I understand that I may use the results of the Inspection to make decisions, including further negotiations with the seller of the Residence, regarding whether to purchase the Residence and the purchase price I am willing to pay for the Residence.

Homebuyer's Signature: _____

Date: _____

Inspector Certification:

I, _____ [name], certify that:

1. I am a licensed, bonded home inspector, and maintain errors and omissions insurance.
2. I inspected the Residence for defects on _____ [date].
3. I performed the Inspection in the presence of the Homebuyer.
4. I provided the Homebuyer with a written report detailing defects found as a result of the Inspection.

Inspector's Signature: _____

Business Name: _____

Business Address: _____

Business Phone(s): _____

Date: _____

This Certification must be completed before closing of the loan for the Residence, and must be included among the loan closing documents.

(WAIVED for non-first time buyers and those putting 5% down)

**City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
CERTIFICATE OF HOMEBUYER TRAINING**

This Certificate of Homebuyer Training ("Certificate") is completed for the undersigned homebuyer ("Homebuyer") who intends to use financing made available through the City of Chicago, Department of Housing & Economic Development City Mortgage Program. This Certificate indicates that the Homebuyer attended a homebuyer training course ("Homebuyer Training"), performed by the undersigned counselor ("Counselor"), which:

1. Was at least two hours in duration;
2. Performed with both the Homebuyer and a Counselor in person;
3. Covered topics relevant to home ownership, including at least the following:
 - *roles of the Realtor, home inspector, and loan agent,
 - *selecting a home and negotiating price,
 - *obtaining a mortgage and the loan closing, and
 - *maintenance, budgeting, and taxes; and
4. Included distribution of written materials relating to the above topics.

Homebuyer Certification:

I, _____ [name], the Homebuyer, certify that I attended a Homebuyer Training session of the type indicated above.

Homebuyer's

Signature: _____

Date: _____

Counselor Certification:

I, _____ [name], certify that I performed a Homebuyer Training of at least the type indicated above.

Counselor's

Signature: _____

Business Name: _____

Business Address: _____

Business Phone(s): _____

Date: _____

This Certification must be completed before closing of the Homebuyer's home loan and must be included among the mortgage closing documents.

**City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
CERTIFICATE OF PROPERTY MANAGEMENT TRAINING**

This Certificate of Homebuyer Training ("Certificate") is completed for the undersigned Homebuyer ("Homebuyer") who intends to use financing made available through the City of Chicago, Department of Housing & Economic Development Mortgage Credit Certificate Program to purchase a two-to-four unit home. This Certificate indicates that the Homebuyer attended a property management training course ("Property Management Training"), performed by the undersigned counselor (Counselor"), which:

1. Was at least two hours in duration;
2. Performed with both the Homebuyer and the Counselor in person;
3. Covered topics relevant to property management, including at least the following:
 - ❖ Legal aspects,
 - ❖ Finding and qualifying tenants,
 - ❖ Budgeting, reserves, and maintenance, and
 - ❖ Taxes and insurance;
4. Included distribution of written materials relating to the above topics; and
5. Was attended by the Homebuyer in addition to the Homebuyer Training unless the Property Management Training covered the topics required for the homebuyer training.

HOMEBUYER CERTIFICATION

I, _____ (*name*), the Homebuyer, certify that I attended a Property Management Training Session of the type indicated above.

Homebuyer's Signature: _____ Date: _____

COUNSELOR CERTIFICATION

I, _____ (*name*), certify that I performed a Property Management Training of at least the type indicated above.

Counselor's Signature: _____

Business Name: _____

Business Phone: _____ Date: _____

This Certification is required for all loans for two-to-four unit residences. This Certificate must be completed before closing of the Homebuyer's home loans, and must be included among the mortgage closing documents.

City of Chicago Department of Housing & Economic Development
TAXSMART Mortgage Credit Certificate Program
SERIES 2010
Borrower Application Documents
Social Security Number Recording Form

Reservation No.: _____ Name of Applicant: _____ Social Security No.: _____

This form must be completed for all persons who will be residing in the home purchased using the MCC who are age 18 or older. All residents must provide a social security number unless he/she is under age 18 or a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

Resident name (printed): _____ Resident signature: _____

Complete one of the following:

I can provide a social security number. My social security number is: _____

I cannot provide a social security number because I am a non-citizen legally residing in the United States.

TaxSmart

LOAN CLOSING DOCUMENTS

CITY OF CHICAGO
TaxSmart Mortgage Credit Certificate Program
SERIES 2010
Section Four – Loan Closing

This section describes the process and contains the documents necessary to close a new MCC loan.

Loan Closing Documents: *The Lender must include all of the following documents in the loan closing package within 14 days of the closing in order for the City to accept the Lender's MCC reservation. Incomplete loan closing packages will not be accepted. Lenders who submit closing documents more than 14 days post closing may be subject to a minimum \$200 fine.*

Closing Documents

_____ Borrower's Closing Affidavit

_____ Seller's Affidavit

_____ Lender's Affidavit

_____ Program Fee – \$375.00 - DCD portion (\$225.00) – Lender portion (\$150.00)

CITY OF CHICAGO
TaxSmart Mortgage Credit Certificate Program
SERIES 2010
Borrower's Closing Affidavit

Reservation No.: _____

Name of Applicant: _____ Social Security No.: _____

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

1. I (We), the undersigned, as part of my (our) application for a Mortgage Credit Certificate ("MCC") under the City of Chicago Mortgage Credit Certificate Program, Series 2010 (the "MCC Program"), in connection with a Mortgage loan (the "Mortgage Loan") from a Lender of my (our) choosing (the "Lender") for my (our) purchase or improvement of a single-family home (the "Residence"), being first duly sworn, state the following:
2. **I (We) executed the Application Affidavit as part of my (our) application for a Mortgage Credit Certificate on _____, 20____ (date Application Affidavit was signed).**
3. Check and complete Section (a) or (b), whichever applies
 - (a) I (We) have reviewed the Application Affidavit and declare that there has been no change in any of the statements made in the Application Affidavit, and that those statements remain true and accurate as if made on the date hereof.
 - (b) I (We) have reviewed the Application Affidavit and declare that the following changes have occurred from the statements made in the Application Affidavit.
4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for an MCC. I (We) acknowledge and understand that a material misstatement negligently made by me (us) on this Affidavit or in any other statement made by me (us) in connection with an application for an MCC will constitute a federal violation punishable by a fine. I (We) further acknowledge and understand that any material misstatement fraudulently made in this Affidavit or in other statements made by me (us) in connection with the application for an MCC will constitute a federal violation punishable by a \$10,000 fine and revocation of the MCC, which will be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility under Section 25 of the Internal Revenue Code of 1986, as amended, and the regulations there under will result in denial of my (our) application for an MCC or, if an MCC has been issued prior to discovery of the false statement, immediate revocation of the MCC issued.
5. In addition, I (we) hereby acknowledge and understand that any false pretense, including false statement or representation or the fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to my (our) participation in the program may be punishable by imprisonment or by a fine.

Date: _____

Date: _____

Signature of Applicant: _____

Signature of Applicant: _____

Name (printed): _____

Name (printed): _____

Signed and sworn to before me this _____ Day of _____ 20_____.

[SEAL]

Notary
Signature: _____

Commission
Expiration Date: _____

Note: This form must be completed and signed by the Applicant(s). All blanks must be completed in order for the form to be valid. The Program Fee must accompany this Closing Affidavit unless the Lender has approved other arrangements. The Program Fee must be in the form of a certified or cashier's check or money order or Title Company or Lender check.

CITY OF CHICAGO
TaxSmart Mortgage Credit Certificate Program
SERIES 2010
Seller's Affidavit

Reservation No.: _____

Name of Applicant: _____ Social Security No.: _____

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

1. I (We), the undersigned, an essential participant in the application for a Mortgage Credit Certificate ("MCC") to be issued by the City of Chicago, Illinois (the "Issuer"), pursuant to its Mortgage Credit Certificate Program, Series 2010 (the "Program"), being submitted by _____ (the "Buyer"), in connection with the Buyer's purchase from the undersigned of a single-family home, condominium, townhouse or housing cooperative (containing one to four living units), as applicable (the "Residence"), being first duly sworn, hereby state the following:
2. I (We) am (are) the Seller of the Residence located in the City of Chicago, Cook County, at the following address: _____.
3. The Residence is a residence comprising a single-family home, condominium, townhouse or housing cooperative, containing one to four living units.
4. **The total Purchase Price for the Residence and the land appurtenant thereto will be \$_____.** For this purpose, "total Purchase Price" includes the cost of acquiring the Residence as a complete unit from me (us). "Total Purchase Price" includes amounts paid by or on behalf of the Buyer for (i) the Residence, (ii) items attached to the Residence (such as carpeting, curtain rods, and light fixtures), (iii) commissions and builder's or architect's fees, (iv) site improvements, (v) fees for permits (including hook-up and tap-in fees), (vi) the capitalized value of ground rent, (vii) subcontracted items, (viii) construction loan interest and (ix) points if the points are paid by the Seller.

"Total Purchase Price" does not include (i) title and transfer costs, survey fees, title insurance, appraisal fees, legal fees, credit reference fees, points if paid by the Buyer, but only to the extent that such costs do not exceed the usual and reasonable costs that would be paid in this area for a mortgage loan not covered by an MCC, (ii) the uncharged value of work performed by the Buyer or the Buyer's immediate family (parents, grandparents, spouse, siblings or children or grandchildren), or (iii) the cost of land owned by the borrower for at least two years before commencement of construction of the Residence.

Apart from any customary real estate agents' commissions, no money is being paid, no promissory note is being delivered, nor is anything else of value (including, without limitation, personal property) being exchanged for or transferred to me (us) or any other persons by the Buyer or, to my knowledge, by any other person in connection with the purchase of the property, except as indicated in the escrow and settlement documents.

I (we) have not entered into any agreement with the Buyer, the developer, the contractor, or any other person pursuant to which any portion of the Residence has been left unfinished or any fixtures or other necessary architectural appointments have been omitted or removed from the Residence in order to reduce the Purchase Price of the Residence.

5. No side deal or agreement, either verbal or written, is in place or contemplated for the completion of or the addition to the Residence unless the actual, reasonable estimated cost of the completion or addition is included in the Purchase Price stated above.

6. The land sold to the Buyer along with the Residence only maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to me (us). [This provision is not applicable to the acquisition of a condominium or housing cooperative or other purchase where no additional land is sold to the Buyer.]
7. If the Residence was occupied by the Buyer prior to Closing the Mortgage Loan, the rent charged by Seller did not exceed a fair market rent.
8. 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 Buyer, 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 months from the date of execution of the Buyer's permanent Mortgage and having an original term not exceeding twenty-four months.
9. Except for a two-family Residence in a Target Area, if the Residence is a two- to four-family Residence, it was first occupied for residential purposes at least five years prior to the execution of the Mortgage loan being used for the purchase of the Residence.
10. **I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining the Buyer's eligibility for an MCC. I (We) acknowledge that a material misstatement negligently made in this Affidavit or in any other statement made by me (us) in connection with the Buyer's MCC will constitute a federal violation punishable by a fine. I (We) further acknowledge that any material misstatement fraudulently made in this Affidavit or in any other statement made by me (us) in connection with the Buyer's application for an MCC will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the certificate, which will be in addition to any criminal penalty imposed by law.**
11. In addition, I (we) hereby acknowledge and understand that any false pretense, including false statement or representation, or the fraudulent use of any instrument, facility, article or other valuable thing or service pursuant to participation in the program, may be punishable by imprisonment or by a fine.

Date: _____

Date: _____

Signature of Seller: _____ Signature of Seller:

Name (printed): _____ Name (printed):

Signed and sworn to before me this _____ Day of _____ 20_____.

[SEAL]

Notary

Commission

Signature: _____

Expiration Date: _____

CITY OF CHICAGO
TaxSmart Mortgage Credit Certificate Program
Series 2010
Lender's Affidavit

Reservation No.: _____

Name of Applicant: _____ Social Security No.: _____

I, the undersigned, an authorized officer of _____ [Name of Lender]
located at _____, [Address], the "Lender", hereby
certify, represent and warrant to the City of Chicago (the "Issuer") that;

1. An authorized representative of the Lender has read the Borrower's Closing Affidavit and the Seller's Affidavit executed in connection with participation in the Issuer's Mortgage Credit Certificate Program 2008 Series (the "MCC Program") by:

(Borrower Name(s))

(hereafter the "Borrower")

2. The Lender has originated a Mortgage loan to the Borrower in the amount of \$ _____ (the "Mortgage Loan") with respect to a Residence located at: _____ (Street Address) Chicago, Illinois _____ (zip code). (hereafter, the "Residence")
3. No facts have come to my attention, which would cause me to disbelieve or doubt the trustworthiness of the Affidavit(s) or any portion thereof.
4. Except for the administrative program fee, the points, origination fees, servicing fees, application fees, survey fees, credit report fees, insurance fees or similar financing costs charged by or on behalf of the Lender in connection with the Borrower's indebtedness are reasonable and do not exceed the amounts customarily charged by the Lender with respect to loans not provided in connection with a Mortgage Credit Certificate program.
5. The funds loaned to the Borrower are not directly or indirectly the proceeds of a tax-exempt bond issue.
6. Neither I nor the Lender, if it is not an individual, nor any other person expected to receive interest on the Mortgage Loan, is a related person to the Borrower.
7. The Borrower was qualified for the Mortgage Loan on the basis of monthly income of \$ _____, which (together with \$ _____ of monthly income not used to qualify the Borrower, to the best of my knowledge, reflects the total gross monthly income of the Borrower.
8. The Mortgage Loan was closed on _____, 20_____.

9. An authorized representative of the Lender has read the MCC Administration Procedures provided in connection with the MCC Program.
10. The Lender is aware of the requirement imposed by Section 1.25-8T(a) of the Income Tax Regulations with respect to annual reports by the Lender on Form 8329 due to be filed with the Internal Revenue Service by January 31 of years following those in which the Lender finances indebtedness in connection with the MCC Program. The Lender is also aware that there are penalties imposed by the Internal Revenue Service for noncompliance with the reporting requirement.
11. The Lender is aware of the record keeping requirement imposed by Section 1.25-8T (a) of the Income Tax Regulation and the provisions of the Lender Participation Agreement between the Lender and the Issuer.

Date: _____

Lender: _____ By (name signed): _____

Name (printed): _____ its: _____

Signed and sworn to before me this _____ Day of _____ 20_____. [SEAL]

Notary Signature: _____ Commission Expiration Date: _____