



WHEDA Tax Advantage
MCC Program
Request for Conditional Commitment

APPLICANT NAME: _____

CO-APPLICANT NAME: _____

I, the undersigned, as part of my application for a Mortgage Credit Certificate (MCC) from Wisconsin Housing and Economic Development Authority (WHEDA), and as a material inducement for WHEDA to issue a MCC in connection with a mortgage loan from a participating MCC lender for the purchase of a single family residence, and to verify conformity with state and federal requirements, represent and certify the following:

The residence being purchased is a single-family residence located in the State of Wisconsin at:

Address _____ City _____

County _____ Zip Code _____

Check the statement that applies:

- _____ (a) The residence is an existing 1 unit residential property
- _____ (b) The residence is a newly completed home, never occupied
- _____ (c) The residence is a condominium
- _____ (d) The residence is a 2-unit property at least 5 years old
- _____ (e) The residence is an existing 1 – 2 unit property that will be rehabilitated through an Acquisition Rehabilitation loan

The residence is/is not (select one) located in a federally designated Target Area.

1. FIRST TIME HOMEBUYER CERTIFICATION: Check the statement that applies:

- _____ (a) I individually, or together with another person, have not had an ownership interest in a principal residence within three years prior to the date I expect to close my loan relating to the purchase of the residence. For this purpose, a principal residence includes stock held by a tenant stockholder in a housing corporation; single family residence; condominium; or any manufactured home (including a mobile home that is permanently affixed to a foundation).
- _____ (b) I am purchasing a principal residence in a federally designated Target Area.
- _____ (c) I am a Qualified Veteran as defined as a person who served in active duty of the United States Armed Forces or Reserves and who was discharged or released under conditions other than dishonorable. I certify that I applied for financing of this home before the 25th anniversary of the last date on which I left active service. I further certify that I have not previously used this exception for a Mortgage Credit Certificate assisted loan or veterans bond funded loan.
- _____ (d) I am purchasing a property that has been a principal residence for the past 20 years that will be subject to an Acquisition Rehabilitation loan.

2. ACQUISITION COST CERTIFICATION: The total acquisition cost of the land and the completed residence includes:

- ___ (a) The contract price of the residence is \$ _____. If new construction, the contract price should include the construction cost, excluding the value of any sweat equity, plus the value of the land. The appraised value of the land should be used if the land has been received by the Applicant as a gift. If the land has been owned by the Applicant for more than two years before construction, the cost of the land is not included. If the land has been owned less than two years, include the actual cost of the land.

- ___ (b) Other amounts paid by me to the seller and not in the contact price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not in the contract price) or paid by a person related to me or for the benefit of me, to the seller or a person related to or acting on behalf of the seller are \$ _____.

- ___ (c) A reasonable cost estimate of completing, rehabilitating or repairing the residence must be included in the acquisition cost, whether or not the construction is completed. A reasonable cost estimate of completing the residence at closing includes such fees, permits, architectural fees, site improvements, work credit, subcontracted items, etc. The total cost estimate to complete, rehabilitate or repair the residence is \$ _____.

- ___ (d) If the residence purchased is subject to a ground lease, the capitalized value of the ground rent is \$ _____.

- ___ (e) The total cost of acquiring the residence as completed residential unit is \$ _____ (a+b+c+d) and this total amount does not exceed the WHEDA purchase price limit. No side deal or agreement, either verbal or written, is presently contemplated for the completion of the residence or an addition to the residence, unless the estimated cost of the completion and/or addition is included in the acquisition cost. I acknowledge that the seller has certified to me that the total acquisition cost is no higher than it would be without the use of the MCC.

3. COMPLIANCE INCOME CERTIFICATION: The income to be taken into account in determining the total annual income is the income of the applicants and any other person who is expected to live in the property being financed, including income received by any household member who is 18 years of age or older (except a full-time dependent student) even if they will not be secondarily liable for the mortgage. Please attach an additional page if there are more than 6 occupants.

	<u>Name</u>	<u>Relationship to Applicant</u>	<u>Age</u>	<u>Annual Income</u>
1	<u>Applicant</u>	_____	_____	\$ _____
2	<u>Co-Applicant</u>	_____	_____	\$ _____
3	_____	_____	_____	\$ _____
4	_____	_____	_____	\$ _____
5	_____	_____	_____	\$ _____
6	_____	_____	_____	\$ _____
Total Annual Income:				\$ _____

4. OCCUPANCY CERTIFICATION: The residence will be occupied and used as my principal residence within 60 days after the date of loan closing; the residence will not be used as an investment property, vacation home, or recreational home and not more than 15% of the residence will be used in a trade or business. I will notify WHEDA in writing if the property ceases to be my principal residence. I understand and agree that if the residence ceases to be my principal residence, I will so notify WHEDA. The MCC will be automatically revoked and I will no longer be entitled to claim the credit.

The land appurtenant to the residence does not provide, other than incidentally, a source of income to the applicant. No land can be separated from the land being financed and offered for sale as a separate residence or building lot without obtaining a zoning variance.

5. NEW CONSTRUCTION CERTIFICATION: I certify that if the mortgage application is for the purchase of a newly constructed residence, that the property has not and will not be occupied prior to loan commitment. If the property is a newly constructed, never occupied residence, I certify that the proceeds of the mortgage will not be used to replace an existing mortgage or contract for deed (or similar transaction) unless the existing mortgage or contract for deed (or similar transaction) is for a construction loan of 24 months or less, bridge loan, or similar temporary loan financing of 24 months or less. If the property is a previously occupied, existing residence, I certify that the proceeds of the mortgage will not be used to replace my existing mortgage or my existing contract for deed (or similar transaction).

6. ACQUISITION REHABILITATION CERTIFICATION: I certify that if the mortgage application is for the purchase and rehabilitation of a residence, that I will occupy the property upon completion of the property improvements. I certify that the proceeds of the mortgage will not be used to replace an existing mortgage or contract for deed (or similar transaction) unless the existing mortgage or contract for deed (or similar transaction) is for temporary loan financing of 6 months or less.

7. LENDER CHOICE CERTIFICATION: I understand that I may seek financing from any lender of my choosing provided that the lender and WHEDA have executed the Lender Participation Agreement required by WHEDA and that I am in no way prohibited from seeking financing from any particular lender.

8. ELIGIBILITY CHANGES CERTIFICATION: I understand and agree that changed circumstances in acquisition cost and income may disqualify me at closing from receiving an MCC although I was eligible at the time of application.

9. HOLD HARMLESS CERTIFICATION: I understand that the lender and WHEDA will determine my eligibility to receive an MCC. WHEDA will not inspect the residence for defects. I agree to hold WHEDA harmless from any action or inaction on the part of the lender, the seller, the contractors or other involved parties.

10. RELATED PERSON CERTIFICATION: No person who is related to the applicant has an interest or is expected to have an interest as a creditor in the principal amount of the mortgage loan.

11. REFINANCE CERTIFICATION: I understand that if I refinance my MCC related mortgage, I must notify WHEDA within one year from the date of the refinance transaction.

12. MCC ASSUMABILITY CERTIFICATION: I understand that if a MCC-assisted mortgage loan is to be assumed by a new applicant, the MCC may be issued to the new applicant under certain guidelines. The new applicant's acquisition cost and household income must not exceed the WHEDA limits in effect at the time of the loan assumption and that WHEDA's prior written approval is required. The new applicant must occupy the unit as a principal residence within 60 days of the assumption, and must be a first-time home buyer, unless the home is in a federally designated target area or the new applicant is a qualified veteran. The new MCC will be issued in the same credit amount as the original MCC. Additionally, the new MCC must comply with any changes in federal, state, or WHEDA policies that have amended the MCC requirements. There will be a non-refundable MCC processing fee.

13. MCC TAX ADVICE CERTIFICATION: I have been advised by the Lender to consult a tax accountant to calculate federal tax consequences as a result of participation in the MCC program and not to rely solely on any statements made by the Lender or WHEDA. I have been advised that use of the MCC will reduce my mortgage interest deduction for federal tax purposes and that the MCC does not offer any state income tax credit. I understand that the maximum annual value of the credit is \$2,000.00 or applicable tax credit amount, whichever is less.

14. MATERIAL MISSTATEMENT CERTIFICATION: I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for an MCC. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my MCC, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a MCC will result in denial of my application for a MCC. If a MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by WHEDA.

Dated as of _____, 20_____

Applicant:

Co-Applicant:

Signature

Signature

Printed Name

Printed Name