



Form – 101

Borrower/Co-Borrower Closing Affidavit

I, the undersigned, as part of my application for a Mortgage Loan and/or Mortgage Credit Certificate (MCC) through the North Carolina Housing Finance Agency (NCHFA), and as a material inducement to the Participating Lender (“Lender”) and NCHFA to offer a Mortgage Loan product or issue an MCC to the undersigned, in connection with the purchase of a single-family property (“Residence”), and to verify conformity with state and federal requirements, state the following:

1. I have reviewed and signed *Mortgage Affidavit and Borrower Certification* (Form - 016) executed as part of my application for a Mortgage Loan or MCC and declare there have been no changes in the statements therein and the statements remain true and accurate, except as noted below. *(If no changes noted below, I agree everything remains the same.)* _____

2. I further state that I have not had an interest in a principal residence within three (3) years prior to the date of loan closing. For this purpose, a principal residence includes a single-family residence; condominium stock held by a tenant stockholder in a housing corporation; or any manufactured home (including a mobile home). Prior ownership interest in a manufactured home which is not permanently fixed to a foundation and was not taxed as real estate is acceptable. I am exempt from the first-time homebuyer requirement if my home is located in a Targeted area or I qualify for the one-time veteran’s exception as set forth in Section 416 of the Tax Relief and Health Care Act of 2006.

3. I acknowledge that the Seller has certified to me that the sales price of the residence is no higher than it would be without the use of an MCC or Mortgage Loan (including down payment assistance (DPA)) provided through NCHFA.

4. I have received from the Lender and signed the “Notice to Mortgagors of Potential Recapture of Federal Subsidy” (Form - 015).” I understand that if my home is disposed of within the next nine (9) years, the maximum recapture tax payable, *if any*, is the lesser of 6.25% of the 1st mortgage loan amount, or 50% of the gain on the sale.

5. I acknowledge that if I fail to occupy the property described in the mortgage as a principal residence within 60 days after closing, or do not continue to occupy property as a principal residence, without prior written consent of NCHFA, that all sums secured by the Residence may be declared immediately due and payable and/or the MCC may be revoked.

6. I acknowledge that I have not relied on NCHFA or the Lender in determining the potential tax benefits of the MCC. I understand that the MCC offers no state personal income tax credit and may not always provide a tax benefit to me in any given year.

7. 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 a Mortgage Loan or MCC. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my Mortgage Loan and/or 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 an MCC or funding of the Mortgage Loan will result in denial of my application for an MCC or Mortgage. If an 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 NCHFA. If a Mortgage provided under an NCHFA program has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and, among other remedies, to institute foreclosure.

Date Signature of Borrower/Mortgagor Print Name

Date Signature of Co-Borrower/Mortgagor Print Name