

BORROWER ELIGIBILITY CERTIFICATE

I, (We) _____ and _____
(type/print name) *(type/print name)*

(Hereinafter “Borrower”, a term used throughout this certificate in the plural but construed to be singular if there is only one borrower), as an essential part of the closing of a mortgage loan pursuant to the Housing Mortgage Finance Program of the Connecticut Housing Finance Authority (the “Authority”) to finance the purchase by us of an eligible dwelling (the “Residence”) and with knowledge that the Authority and the Lender will rely on the statements contained herein, do hereby certify:

1. I (We) reside at: _____

2. The location of the Residence to be financed with the proceeds of the mortgage loan is as follows:

3. The Residence is a dwelling suitable for occupancy by only one family: Yes No

[IF THE ANSWER TO ITEM 3 IS NO, COMPLETE ITEM 3a.]

- 3a. The Residence contains separate residential units suitable for occupancy by _____ families.
(number)
- 3b. To the best of the undersigned’s knowledge, the Residence was first occupied as a residence at least five years prior to my application for the mortgage loan.
4. The undersigned intend to occupy the Residence as a principal residence within sixty (60) days following the closing of the mortgage loan, or, in the case of a Qualified Rehabilitation Mortgage Loan being closed prior to the rehabilitation, within sixty (60) days following the completion of the rehabilitation, but no later than one year following the date of closing of the Qualified Rehabilitation Mortgage Loan.
5. The undersigned do not intend to use the Residence as a vacation home, second home, or investment property.
6. The undersigned do not intend to use more than fifteen (15%) percent of the total area of the Residence in a trade or business.
7. The undersigned do not intend to use the Residence as an investment property.
8. The undersigned do not intend to deduct any portion of the costs of the Residence as a business or investment expense for Federal income Tax purposes, except as permitted in the case of certain business expenses referred to in item 6 above or except for costs associated with the non-owner-occupied units in the case of a two-to-four family residence.
9. No portion of the Residence was specifically designed for commercial use.
- 10a. The land being financed with proceeds of the mortgage loan on which the Residence is or will be located, will not provide a source of income to the undersigned, other than incidentally.
- 10b. The undersigned do not intend to farm a portion of the land being financed, to subdivide the land being financed or to apply for a zoning variance regarding minimum lot size or set back requirements.
- 10c. The size of the lot allows one, and only one, building lot, and the land cannot be subdivided.
11. In conjunction with my mortgage loan application, the undersigned have provided copies of my Federal income tax returns including all schedules and any amendments to these returns and have executed either IRS Form 4506 or 8821 Request for Copy or Transcript or Tax Authorization form of the tax form for the three years preceding the closing of the mortgage loan (one year in the case of a loan in a Targeted Area or a Qualified Rehabilitation Mortgage Loan). To the best of the undersigned’s knowledge, the tax return(s) are complete and accurate.

[INITIAL ONLY THE APPLICABLE ITEM 12a or 12b & INITIAL ITEM 12c, IF APPLICABLE.]

A FIRST TIME HOMEBUYER IS A BORROWER WHO HAS NOT HAD AN PRESENT OWNERSHIP INTEREST IN A PRINCIPAL RESIDENCE WITHIN THE LAST THREE YEARS. OWNERSHIP INTEREST IN A PRINCIPAL RESIDENCE IS ACCEPTABLE FOR PURCHASING IN TARGETED AREAS OR APPLYING FOR A QUALIFIED REHABILITATION MORTGAGE LOAN, AND A LIMITED NUMBER OF OTHER APPLICATIONS.

Note: A present ownership interest includes ordinary full ownership (fee simple), joint tenancy, tenancy in common or tenancy by the entirety, an interest in a cooperative, a life estate, a land sale contract, a bond for deed, and an interest held in trust for the Borrower that would constitute a present ownership interest if held directly by the Borrower. A present ownership interest does not include a remainder interest, an ordinary lease with or without a purchase option, an expectancy to inherit, or an interest in real estate other than a principal residence (e.g., a vacation home, investment property).

12a. The undersigned has not had a present ownership interest in my principal residence at any time during the three-year period preceding the closing date for this mortgage loan. _____
(initial)

- OR-

12b. The undersigned has had a present ownership interest in my principal residence at some time during the three-year period preceding the closing date for this mortgage loan. _____
(initial)

12c. Veteran's status – initial if applicable

The undersigned is a veteran, or an unmarried surviving spouse or civil union partner of an eligible veteran who died as a result of military service or service-connected disability. [Note: A veteran is a person who served in the U.S. Armed Forces, and who was discharged or released therefrom under conditions other than dishonorable.] _____
(initial)

13. The Acquisition Cost of the Residence (including land whether or not separately purchased) and the cost of the rehabilitation of the Residence in the case of a Qualified Rehabilitation Mortgage Loan is \$ _____ excluding the amount for any personal property which is not a fixture under Connecticut law. The Acquisition Cost stated above is the sum total of all of the following:
(a) the amount paid, in cash or kind by the Borrower or any other person for the benefit of the Seller for the Residence;
(b) the amount paid for fixtures (light fixtures, wall to wall carpeting) if not part of the price;
(c) the cost to complete the dwelling if it is incomplete;
(d) the capitalized value of the ground rent (if applicable);
(e) and any settlement or financing costs in excess of the usual and reasonable costs.

14. The undersigned certify that the value of my labor or the non-compensated labor of any family member in the completion of the Residence or rehabilitation in the case of a Qualified Rehabilitation Mortgage Loan is not included in the purchase price and cost of rehabilitation figure in item 13. However, the cost of material, if any, needed for the completion of the Residence is included.

IF THE CHFA LOAN IS NOT A QUALIFIED REHABILITATION MORTGAGE, THE UNDERSIGNED CERTIFY THE FOLLOWING:

15a. The proceeds of the mortgage loan which the undersigned will receive on the date of the closing of the mortgage loan will be used to acquire the Residence.

15b. The proceeds are not being used or will not be used to replace an existing mortgage or debt for which the undersigned are liable or incurred on behalf of the undersigned, other than a construction period loan or similar temporary financing which has a term of twenty-four months or less.

15c. The undersigned do not have or have not previously had a mortgage loan on the Residence, other than a construction period loan or similar temporary financing.

16a. The undersigned understand that any transfer of possession or title of the Residence may cause the entire balance of the loan to be declared due and payable, or at the option of the Lender, cause the interest rate charged on the mortgage loan to be raised to fair market levels. The undersigned understand and agree that the mortgage may be assumed only under certain conditions and with the approval of the Authority.

16b. The undersigned agree to notify the Lender and the Authority in advance of any contemplated sale, rental or other transfer affecting the property.

- 16c. The undersigned further agree to notify the Lender and the Authority immediately in the event I should vacate the property and to keep the Lender and the Authority informed of my current mailing address.
- 17. The undersigned do not foresee circumstances that would impair my ability to meet the monthly mortgage loan payments.
- 18. The undersigned are not now entertaining proposals for the sale of the Residence to third persons.

IF THE CHFA LOAN IS A QUALIFIED REHABILITATION MORTGAGE, THE UNDERSIGNED CERTIFY THE FOLLOWING:

- 19. The undersigned will be the first resident(s) of the Residence after completion of the Qualified Rehabilitation for which the proceeds of this Qualified Rehabilitation Mortgage Loan are to be applied.
- 20. At least 20 years have elapsed between the date on which the Residence was first used and the date on which physical work on the rehabilitation will begin. (The 20-year period includes periods during which the residence was vacant or devoted to use in a trade or business and is calculated without regard to the number of owners or the identity of owners during the period.)
- 21. At least 75% of the existing external walls (including the area of windows and doors) of the Residence will be retained in place as external walls in the rehabilitation process.
- 22. The expenditures for the Qualified Rehabilitation will be 25% or more of the undersigned's adjusted basis in the Residence (which includes the land on which the Residence is located).
- 23. The undersigned have not expended within the past year or will not expend funds prior to the date of closing of the mortgage loan, or, if applicable, prior to the final construction disbursement, regardless of source, for additional items of rehabilitation over and above the approved Qualified Rehabilitation.

24. All the proposed Family Members who will occupy the Residence **(including Borrowers)** are:

Name	Relationship to Borrower:	<u>Age</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- 25. The household income of the undersigned borrower(s) does not exceed the applicable income limit.
- 26. All the information provided in this Borrower Certificate is true and complete to the best of the undersigned's knowledge. The undersigned understand that if the undersigned knowingly make any false statement of any material fact or submit fraudulent evidence in connection with this Borrower Certificate, the loan is subject to becoming immediately due and payable.
- 27. All income received by undersigned, whether taxable or not, has been disclosed and complete and accurate documentation has been provided.
- 28. All of the information, including any and all materials and documents, provided to the Authority or Lender in conjunction with the undersigned's mortgage loan application is true and complete to the best of the undersigned's knowledge.
- 29. False statements made herein are punishable under the Penalty for False Statement set out in Connecticut General Statutes Section 53a-157b.

FIRST-GENERATION HOMEBUYER

The following information is being requested to assist CHFA in ensuring it is meeting the needs of communities and neighborhoods, especially traditionally underserved communities. Your answer will not affect your eligibility for the loan for which you are applying, and you are under no obligation to provide the information.

A First-Generation Homebuyer is a homebuyer whose parents have not had an ownership interest in a home in the past 3 years, a homebuyer that has aged out of foster care, or a homebuyer that became emancipated.

Please indicate below if you are considered a first-generation homebuyer as defined above:

Borrower:

- Yes, I am a first-generation homebuyer
- No, I am not a first-generation homebuyer
- I do not wish to disclose this information

Co-Borrower:

- Yes, I am a first-generation homebuyer
- No, I am not a first-generation homebuyer
- I do not wish to disclose this information

Borrower

Date

Co-Borrower

Date

Lender: _____

NMLS ID: _____

Loan Originator: _____

NMLS ID: _____