

DC Housing Finance Agency

First Time Homebuyer and Income Application Declaration

I/we, the undersigned, hereby declare as follows for the purpose of inducing the District of Columbia Housing Finance Agency ("DCHFA") to finance a mortgage loan (the "Mortgage Loan") in connection with my/our purchase of the house located at _____, Washington, District of Columbia (the "Residence"). I/we understand that I/we must meet certain requirements in order to be eligible for financing pursuant to DCHFA's single family mortgage revenue bond program (the "Program").

1. I/we are the Applicant/Co-Applicant/Non-Qualifying Spouse for the DCHFA Mortgage Loan to which this Declaration relates.
2. Check one or more of the following, as applicable (at least one must be applicable):
 - During the three (3) years before the date of this Declaration, I/we have not had a present ownership interest in any real property, including a mobile home permanently attached to a foundation, which I/we occupied as my/our primary residence. I/we have provided a copy/copies of my/our federal income tax return(s) as signed and filed with the Internal Revenue Service for the past year or other documentation acceptable to DCHFA evidencing my/our status as first-time homebuyers.
 - The Residence being purchased is located in a Targeted Area.
3. The number of persons who will live in the Residence is _____. For purposes of determining family size, the following persons may be considered:
 - the undersigned Applicant(s)
 - persons residing in the Residence and related by blood marriage or law
 - "dependent" (and claimed as such for federal income tax purposes) children and adults who are residing in the Residence. Under certain circumstances, family members who are "dependent" students attending school away from home may be considered to reside in the Residence if such Residence is their "principal" Residence. Whether or not a Residence is the "principal" Residence of a student will be determined on a case by case basis to the extent evidence is submitted to the NIFA documenting the relevant facts.
 - all other persons intending to permanently reside in the Residence.
4. My/our current annual family income, calculated in accordance with the Program and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code") and related IRS regulations and rulings, is \$ _____, which does not exceed the maximum allowable income for household size and property location in compliance with the Program. I/We do not expect my/our Total Family Income to increase prior to the time I/we close my/our Mortgage Loan. [My/our total family income accurately reflects the information contained in Attachment 1 with respect to the undersigned and all individuals 18 years or older who are expected to live in the Residence being financed.] I/We have disclosed all income sources to the Participating Lender and have provided evidence of such required and applicable income documentation to the Participating Lender executed by the undersigned within the four-month period ending on the date of the closing of my/our Mortgage Loan. Such income information is true and correct.
5. The total amount I/we am/are paying, or anyone is paying on my/our behalf, for the Residence does not exceed \$ _____, which is the maximum allowable acquisition cost for property type and location in compliance with the Program. A true, correct and complete copy of the purchase agreement between the undersigned and the seller of the Residence has been provided to DCHFA. The purchase price of the Residence to be paid by me/us does not exceed the purchase price set forth in the purchase agreement. The purchase price of the Residence as set forth in the purchase agreement has been established in an arm's-length transaction between unrelated parties (or, in the case of a related buyer and seller, reflects at least the appraised value of the Residence). The Residence is a completed residential unit. I/we understand that the purchase price of the Residence is the cost of acquiring the Residence from the seller as a completed residential unit. The cost of acquiring the

Residence includes: (a) all amounts paid by me/us (or a related party or for my/our benefit), either in cash or in kind to the seller (or a related party or for my/our benefit) as consideration for the Residence; (b) if the Residence is incomplete, the reasonable cost of completing the Residence whether or not the cost of completing construction is to be financed with proceeds of the Mortgage Loan; and (c) if the Residence is purchased subject to a ground rent, the capitalized value of the ground rent. The cost of acquiring the Residence does not include: (x) the usual and reasonable settlement or financing costs (I/we understand that if I/we pay any portion of the real estate broker commission, other than that portion which is customarily paid by a purchaser, such amount so paid must be included in the acquisition cost for purposes of this Affidavit and has, if applicable, been included in the Purchase Price of the Residence set forth above); (y) the value of services performed by my/our family in completing the Residence (for purposes of the preceding sentence, the family of an individual includes only the individual's brothers and sisters (whether by whole or half-blood), spouse, ancestors, and lineal descendants); or (z) the cost of land which has been owned by me/us for at least two years prior to the date on which construction of the Residence begins.

6. The Residence is a single family residence located in the District of Columbia at the address set forth above and I/we intend to occupy the Residence as my/our primary residence within 60 days of the closing of the Mortgage Loan to which this Declaration relates. The Residence consists of no more than four separate family dwelling units. Except as provided in the following sentence, if the Residence consists of two or more units, the property was initially completed and occupied as a residence at least five years before the execution of the Mortgage Loan. If the Residence consists of two separate dwelling units and is located in a Targeted Area and the Program eligibility income of the undersigned does not exceed the DCHFA limits, the foregoing sentence with respect to the five year requirement does not apply
7. The Residence will not be used as an investment property, a vacation or second home. No more than 15% of the total living area of the Residence will be used in a trade or business conducted on any part of the land or improvements (i.e., use which would qualify for a deduction for expenses for federal income tax purposes under Section 280A of the Internal Revenue Code). All land on which the Residence is located is necessary to maintain basic livability and does not provide, other than incidentally, a source of income to me/us.
8. No part of the Mortgage Loan will be used to refinance an existing mortgage loan. I/we did not have a mortgage loan (whether or not paid off) on the Residence at any time prior to the execution of the Mortgage Loan (except that I/we may have had a construction period/bridge loan or temporary initial financing, in each case of 24 months or less, with respect to the Residence and may use the proceeds of the Mortgage Loan to repay such financing.).
9. I/We will not permit any person to assume my/our obligations under the Mortgage Loan (and related Mortgage Note) unless such person satisfies the requirements in this Affidavit (including the limits on purchase price and income) and so states under oath. I/We understand that the purchase price limitation, which is dictated by federal law, may be a lower number at the time of the assumption than that which was in effect at the time of my/our purchase.
10. Neither the undersigned nor any "related person" within the meaning of Section 147(a)(2) of the federal Internal Code shall, pursuant to any arrangement, formal or informal, purchase NIFA bonds the proceeds of which were used to provide financing for my/our Mortgage Loan, in an amount related to the amount of my/our Mortgage Loan.
11. I/We understand that if there is a continuous period of at least one year during which the Residence is not the principal residence of at least one of the undersigned, then no deduction of interest on the Mortgage Loan is allowed in computing taxable income for interest on or after the date such one-year period began.
12. I/We understand that the financial institution originating my/our Mortgage Loan will determine my/our eligibility to receive my/our Mortgage Loan and that NIFA is not involved in the credit underwriting process.

13. I/we acknowledge that DCHFA is relying upon the information and certifications herein and in the other documentation and certifications provided by me/us to determine if this loan qualifies for the Program.

I/we do hereby declare, swear and affirm, under penalty of perjury, that the statements in this Declaration are true and correct and that all information, documentation and/or certifications provided by me/us to induce DCHFA to make the Mortgage Loan are accurate, true, correct and complete in all material respects. I/We understand that DCHFA is relying upon the information and certifications herein and in the other documentation and certifications, including the Mortgage Loan application, provided by me/us to the lender in connection with the Mortgage Loan for the Residence. I/We recognize and understand that a material misstatement negligently or falsely made in this Declaration may constitute a default under the Mortgage Loan, and DCHFA, the lender or the servicer may exercise any remedy under the Mortgage Loan, including, but not limited to, accelerating the Mortgage Loan, at which time I/we must immediately repay the Mortgage Loan; and that such false statement may constitute fraud punishable in accordance with the laws of the United States and the District of Columbia.

Applicant:

Date: _____

Co-Applicant/Non-Qualifying Spouse:

Date: _____