



**EXAMPLE**

**\*COMPLETION**

**OF**

**RECAPTURE NOTIFICATION**

**AND**

**MORTGAGOR'S AFFIDAVIT\***

**(Form 211/3-11)**

## Procedures for Completing the Recapture Notification and Mortgagor's Affidavit (Form 211/3-11)

Mortgagor(s) completes this form which is required for IRS compliance purposes. The form must be accurately completed in its entirety. *No revisions to the form are permitted.*

Original form is submitted with the post-closing loan file after it is reaffirmed at title closing.

Applicant(s) to complete the following sections on the form:

### a. Top of Page 1

SONYMA Loan Number

Lender's Name

Mortgagor(s) Name(s)

Property Seller Name(s)

Number of total persons (including children) expecting to occupy the residence

### b. PART II - GENERAL INFORMATION

At the top of page 2, list the mortgagor(s) name(s) and if the mortgagor(s) is applying for: (A) a mortgage loan or (B) an MCC.

Item 2: "X" the appropriate line to indicate if the property is (A) an existing one unit dwelling; (B) a newly constructed one unit dwelling; (C) a newly constructed or existing two unit dwelling, located in a Target Area, OR an existing two unit dwelling not located in a Target Area; or (D) an existing 3- or 4-unit dwelling. If the property is a 3- or 4-family unit dwelling, the number of units must be circled.

Item 5: If the property is a 2- to 4-family home, circle the number of rental units.

Item 9: "X" the appropriate line concerning ownership interest in a principal home during the 3 year period immediately prior to loan closing or issuance of the MCC. *Please note this information is used for IRS reporting purposes. It is based on their definition of first-time homebuyer which differs from SONYMA's definition.*

If Item "B2" is checked, submit an executed Military Veteran's Eligibility Affidavit (SONYMA Form 243).

Item 9(C): This section must be completed by: Mortgagors purchasing a Residence in a Non-Target Area and all Achieving the Dream, Habitat for Humanity, and Home of Your Own Program Mortgagors. Eligible Military Veterans **do not** need to complete Section 9(C).

"X" the appropriate line or lines which indicate the type of Federal Tax returns filed by the Mortgagor(s) during the previous 3 years.

"X" the appropriate line if Federal income tax returns were filed via Telefile. Indicate date and location filed.

If the last line is "X", indicate the name(s) of the Mortgagor(s) and the tax year in which returns were not required to be filed.

c. PART III - ACQUISITION COST OF THE RESIDENCE

Enter the following:

- Line 1: Purchase Price of Existing or Newly Constructed Home. Cost of Construction, if New Construction, and if land was obtained from a person or entity other than the contractor building the residence. Subtract out the amount of any subsidy/grant amount(s) used for down payment.
- Line 1(a): For Cooperatives, enter the unit's pro-rata portion of the underlying Mortgage (total number of shares allocated to unit divided by total shares in the project, multiplied by the outstanding balance of underlying Mortgage).
- Line 2: Subsidy Amount for down payment, including any DPAL amount, if applicable.
- Line 3: Cost to complete any unfinished areas of the residence whether or not the cost of completing construction is being financed by the SONYMA loan. Provide a contractor's estimate or an appraiser's comments to support this amount. If the borrower is utilizing the SONYMA Own it, Fix it New York! Home Mortgage Option, the repair cost (Line B7 of the Maximum Mortgage Worksheet) must be entered on line 3.

Purchase Price of Land, if New Construction, and if land was purchased within the last 2 years immediately preceding the loan application date.

Do not include the value of land that was gifted or land purchased more than 2 years ago.

If financed land and the original loan term exceeds 2 years, do not include. The IRS considers payoff of a loan with a term greater than 2 years as a refinance. SONYMA cannot lend for refinance loans. [Purchaser(s) would be required to pay off and satisfy land loans from an acceptable source of funds as of the closing date of the SONYMA loan.] The value of the land would not be included in the Purchase Price/Acquisition Cost Limits in this instance.

- Line 4: Cost of fixtures such as lights and wall-to-wall carpeting not included on Lines 1, 2, or 3 above.
- Line 5: Any amounts paid by Purchaser(s) on behalf of the property seller such as property taxes, settlement, and financing costs that are in excess of the Purchaser(s) usual and customary expenses.

Line 6: Any personal property such as appliances, not permanently attached to the Eligible Property, and itemized and attributed a value in the sales contract.

Line 7: Total Acquisition Cost: Add lines 1 through 5 and subtract any amount on line 6.

**Note: If the amount on line 7 exceeds the current applicable SONYMA program Purchase Price/Acquisition Cost Limits, at either the time of application or loan closing, the Mortgagor(s) are not eligible for this program. Also, this amount must equal the figure indicated in Item 2 on the Property Seller's Affidavit.**

#### d. PART IV - INCOME ELIGIBILITY

Enter on the appropriate lines, in the column entitled "At Loan Application" only, the current gross monthly income of all Household Member(s). Household Member(s) are considered to be any person that will occupy the financed property, age 18 or older, regardless of whether they are a Mortgagor(s). *The IRS requires SONYMA to use current income for this calculation and the below listed guidelines should in no way be construed as guidelines to determine a potential Applicant(s) creditworthiness.* Please see Section 3.1 of the Seller's Guide for credit underwriting requirements.

SONYMA uses the following guidelines/calculations to determine if Mortgagor(s) meet income limit eligibility requirements. Not all sources of income are listed in the text of this list; the sources referred to are the ones most commonly submitted by SONYMA Mortgagor(s).

**Basic Income Calculation:** Obtain year-to-date (YTD) gross income from current paystub. If Borrower(s) does not receive computer-generated paystubs, Lender may obtain a Verification of Employment (VOE). Deductions for pre-tax income (e.g., 401k, 457b contributions, health benefits, etc.) are **not** allowed. Divide YTD income by number of weeks and/or pay periods elapsed in the current year and multiply by 52 weeks and/or 24/26 pay periods, respectively, to obtain annual income.

**Overtime, Bonuses, and Commissions:** Must be included in the YTD income calculation, as above. If the paystubs from application date to current date do not reflect this type of pay, it may be removed from the YTD income calculation as stated above, but the amount must be added back to the total income.

Overtime, bonus and commission income may be excluded completely if paystubs from application date to current date do not reflect this type of pay and it can be demonstrated that there is no history (in prior years) of receiving this type of income.

SONYMA will require a letter from the applicant's employer, stating that the overtime, bonus, or commission will not continue for the remainder of the year, or that the payment was a result of a one-time occurrence/special need of the employer. In a situation where the applicant received a hiring bonus, the dollar amount of the bonus is reflected on the paystub, but an explanation regarding the bonus is not stated, SONYMA will require a letter from the employer explaining the

circumstances. If acceptable, SONYMA will allow the lender to deduct the hiring bonus from the applicant's income.

**Self-Employed Borrower(s):** Obtain YTD Profit and Loss Statement prepared by a tax preparer on his/her letterhead and the previous year's Federal tax return, with all schedules. Corporate Federal tax returns, Partnership Federal tax returns and K-1's may be required. Adjusted gross income, after business expenses, will be used to calculate annual income. Any disbursements or distributions received will be added to annual income. Divide YTD income by number of months represented and multiply by 12 to obtain annual income. Any major deviations in income from the previous year must be explained in writing. SONYMA will accept a P&L from the Borrower(s) if they prepare their own returns. The P&L must state that these numbers are true and accurate and must be notarized. **Note:** SONYMA will not require a P&L for the first quarter of the new year but will accept the previous year's Federal tax returns to determine the Borrower(s) income for the current year. If the Borrower(s) has not yet filed a Federal tax return for the previous year, then SONYMA will require a P&L for that tax year. Any major deviations in income from the previous year must be explained in writing.

**Salary/Job Changes:** If Borrower(s) receives an increase/decrease in pay due to a job change, promotion, or terms of a new employment contract, the new salary will be treated as though it was received the entire year. For example, a teacher obtains his/her new contract in June for a pay increase that is effective in September. The lender must use the September's rate of pay when determining if the applicant is within the program income limits. Obtain employment letter or copy of contract and current paystub or VOE.

**Retroactive Pay:** Income received in the current year that was earned in a prior year(s) can be excluded as long as there is no continuous history of receiving this type of income and such income will not reoccur.

**Income Earned in Prior Year, Paid in Current Year:** If Borrower(s) YTD income includes pay for time worked in the prior calendar year, such income may be excluded from the YTD income if Borrower(s) can provide evidence of this. For example, if Borrower(s) first paystub of the year includes income earned from December 23 through January 5, the income earned from days worked in December may be excluded from Borrower's YTD pay.

**Seasonal Income:** If Borrower(s) is working at time of application but anticipates lay off, calculate income as described in Item 1 above. If Borrower(s) provides letter from employer stating that lay off will occur, SONYMA will allow the previous year's unemployment income to be added to YTD income (current year). The total should be annualized and Lender should determine if the total income matches previous year's income and work history.

**Non-taxable Income (Social Security or Disability):** Do not gross up income (net check is same as gross check). Income received for a child's benefit must be included if the income is being used for the child's living expenses.

**Proposed Rental Income:** Do not include proposed rental income anticipated from the purchase of a 2- to 4-unit property,

**Child Support/Alimony Paid by Borrower(s):** Cannot be deducted from income.

**Child Support/Alimony Received by Borrower(s):** Must be included in income.

**Note:** If the Borrower(s) can demonstrate that he/she has not received child support and/or alimony payments for the three months immediately prior to the loan application date and through the current date, this income can be excluded from the compliance income calculation. SONYMA will require the Borrower(s) to submit a minimum of three month's bank statements and a notarized affidavit verifying non-receipt of the payments. In the event a Borrower(s) consistently receives less than the court ordered child support, the total YTD support may be annualized to determine child support for compliance income calculation. SONYMA will require the Borrower(s) to provide evidence of the amount of support received year to date.

**Relocation Allowance:** This income may be excluded completely if paystubs from application date to current date do not reflect this type of pay and it can demonstrated that there is no history (in prior years) of receiving this type of income.

**Clothing Allowance:** Must be included in income.

**Car Allowance:** Must be included in income.

**Military Housing and Food Allowance:** Must be included in income.

**Unreimbursed Business Expenses for Salaried Employee (Union Dues, Safety Equipment, Business Equipment, etc):** Cannot be deducted. *However*, if an individual receives 1099 income and pays self-employment tax, business deductions are allowed.

**Foster Care Income:** Payments received as consideration for foster care duties with respect to children in the Borrower(s) care are not considered income for this purpose and should not be included in the income calculation.

**Employer Reimbursements:** Income for travel, tuition or medical reimbursements may be excluded if the Borrower(s) can document via a letter from their employer that they are being reimbursed for expenses incurred while traveling on company business, or for tuition or medical expenses, as applicable.

Note: If Mortgagor(s) household income exceeds the applicable SONYMA program Income Limits, at either the time of application or loan closing, the Mortgagor(s) is not eligible for this program.

e. PART VI - CERTIFICATION

All Mortgagor(s) must execute the document on Page 9. This document cannot be signed by a power-of-attorney.

1. Obtain Notary Public signature and affix notary stamp and/or seal; notary must complete the entire section.
2. Ensure that the Notary Public commission has not expired prior to execution of this document.
3. Original Reaffirmation at Title Closing section. Leave this section blank until the closing. Submit the original reaffirmed document in the closed loan file.
4. Recapture Tax Calculation Attachment(s) must be provided to Applicant(s) at time of application.

**STATE OF NEW YORK MORTGAGE AGENCY**  
(A MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION OF NEW YORK STATE)  
**RECAPTURE NOTIFICATION AND MORTGAGOR'S AFFIDAVIT**

*(TO BE COMPLETED AND EXECUTED BY ALL PURCHASERS AND  
GUARANTORS AT LOAN APPLICATION AND AGAIN AT TITLE CLOSING)*

IT MAY BE A FEDERAL OFFENSE PUNISHABLE BY A MAXIMUM OF A \$5,000 FINE, TWO YEARS IMPRISONMENT, OR BOTH, TO KNOWINGLY MAKE A FALSE STATEMENT IN THIS AFFIDAVIT (TITLE 18 UNITED STATES CODE, SECTION 1014). IF (I/WE), THE BELOW MORTGAGOR(S), ARE MAKING AN APPLICATION FOR A MORTGAGE CREDIT CERTIFICATE, THE PENALTY FOR MAKING A FRAUDULENT STATEMENT IS (1) REVOCATION OF THE MORTGAGE CREDIT CERTIFICATE AND (2) A \$10,000 PENALTY PURSUANT TO 26 U.S.C.S. SECTION 6709. READ THIS AFFIDAVIT CAREFULLY TO BE SURE THE INFORMATION IN IT IS TRUE AND COMPLETE BEFORE SIGNING THIS FORM. PLEASE BE ADVISED THAT THE STATE OF NEW YORK MORTGAGE AGENCY HAS A POLICY OF INDEPENDENTLY VERIFYING THE INFORMATION YOU PROVIDE.

SONYMA # 910ABC099999

Mortgage Lender Name: ABC BANK

Mortgagor(s) or MCC Beneficiary(ies): JOHN P DOE MARY S DOE

Property Seller(s): JOSEPH BROWN

Total persons expecting to occupy the Residence (including children): 3

**PART I - RECAPTURE NOTIFICATION**

A home purchase financed with a mortgage loan (the "Mortgage Loan") made available by the State of New York Mortgage Agency (the "Agency" or "SONYMA") is generally made at an interest rate below what is usually charged in the marketplace. A down payment assistance loan ("Down Payment Loan"), also made available by SONYMA and used in conjunction with a Mortgage Loan, assists Mortgagors by providing funds for the down payment on the purchase of a home. Alternatively, a home purchase assisted by a Mortgage Credit Certificate ("MCC") enables a Mortgagor to convert a portion of their home mortgage interest deduction into a Federal tax credit. Whether the Mortgagor receives a Mortgage Loan, Down Payment Loan, or an MCC from SONYMA, the Internal Revenue Code of 1986, as amended (the "Code") requires a payment to the Federal government of certain gain (I/we) realize on the sale or transfer of (my/our) home. This gain which must be paid, called the "recapture amount," is due in connection with (my/our) Federal income tax return for the year the house is sold. This provision applies to any disposition of (my/our) home within nine (9) years of the date (I/we) acquire it with certain limited exceptions. The recapture amount will (i) increase during the first five years of ownership with full "recapture" occurring if (I/we) sell (my/our) house at the end of the fifth year following the date of the Mortgage Loan (and, if applicable, the Down Payment Loan) or the issuance date of the MCC and (ii) decrease ratably to zero with respect to a sale occurring in years six through nine. The recapture amount may not exceed the LESSER of (i) 50 percent of the gain (I/we) realize by the sale of (my/our) home or (ii) 6.25 percent of (my/our) original loan amount. (I/We) will not have to pay part or all of the recapture if (my/our) income, at the time of the sale of (my/our) home is less than a prescribed amount. NEVERTHELESS, THE CODE REQUIRES THAT (I/WE) FILE FORM 8828 (OR A SUCCESSOR) TITLED "RECAPTURE OF FEDERAL MORTGAGE SUBSIDY" WHEN (I/WE) SELL OR TRANSFER TITLE EVEN IF I/WE REALIZED NO GAIN ON THE SALE OR TRANSFER OR IF MY/OUR INCOME IS LESS THAN THE PRESCRIBED AMOUNT. The information (I/we) will need to compute the recapture amount will be provided to (me/us) at the time (my/our) Mortgage Loan is made or (my/our) MCC is issued.

For additional information, please consult the following attachments to this Recapture Notification and Mortgagor's Affidavit. YOU SHOULD MAINTAIN THIS INFORMATION FOR YOUR RECORDS.

- Attachment 1 - Determining Your Recapture Tax
- Attachment 2 - Example of How to Compute the Recapture Amount
- Attachment 3 - Sample Table
- Attachment 4 - Recapture Worksheet





**PART II - GENERAL INFORMATION**

I, JOHN P DOE and MARY S DOE as Purchaser(s) or Mortgagor(s) of a residence (the "Residence") am/are applying for **(Check One)**:

\_\_\_\_(A) a **Mortgage Loan**, OR

\_\_\_\_(B) an **MCC**,

either of which will be provided by the Agency. As such, (I/we) do hereby represent and warrant as follows:

1. The information in the Mortgage Loan or MCC application is true, accurate and complete.

**2. The Residence is located within the State of New York and is a (Check One):**

(A) Existing one dwelling unit residence (including condominium or cooperative units, and manufactured homes permanently affixed to real property).

**OR**  (B) Newly constructed one dwelling unit residence (including new condominium or cooperative units, and manufactured homes permanently affixed to real property) completed as of the Mortgage Loan closing date or MCC issuance date to the extent that occupancy is permitted under local law.

**OR**  (C) 1) Newly constructed or existing two dwelling unit residence (i) located in a target area, (ii) completed as of the Mortgage Loan closing date or MCC issuance date to the extent occupancy is permitted under local law, and (iii) one unit of which will be used by (me/us) as (my/our) principal residence.

**OR**

2) Existing two dwelling unit residence not located in a target area where at least one unit has been occupied as a residence for at least the five years immediately preceding the date hereof, provided, that any unit may have been vacant during such period if the unit was, to the best of (my/our) knowledge, from the time previously occupied as a residence, continuously held out for residential use and not occupied for any portion of such period in connection with a commercial or business use.

**IF APPLICABLE**

(D) Existing **(3, 4) (Circle number of units)** dwelling unit residence where at least one unit has been occupied as a residence for at least the five years immediately preceding the date hereof, provided, that any unit may have been vacant during such period if the unit was, to the best of (my/our) knowledge, from the time previously occupied as a residence, continuously held out for residential use and not occupied for any portion of such period in connection with a commercial or business use.

For purposes of the above, the term "existing residence" means units or dwellings which have been previously occupied or used, as a residence, and the term "newly constructed residence" means units or dwellings which have not been previously occupied or used as a residence.

2a. If (C) or (D) is checked, (I/we) have no present intention of increasing the number of units in the Residence beyond four dwelling units.

3. (I/We) intend to occupy the Residence as (my/our) principal and permanent place of residence within 60 days after the closing of the Mortgage Loan or the issuance of the MCC, and thereafter, will not use the Residence as a recreational or seasonal residence. If (I/we) (am/are) an MCC Beneficiary, (I/we) must immediately notify SONYMA, in writing, at 641 Lexington Avenue, New York, New York 10022, if the Residence is no longer (my/our) principal residence. If (I/we) (am/are) an MCC Beneficiary, (I/we) understand that revocation of an MCC occurs when the Residence ceases to be my/our principal residence and no MCC Beneficiary will be permitted to take the

Federal tax credit. If (I/we) am/are the beneficiary of a Mortgage Loan, (I/we) understand that if for a continuous period of one year or more, the Residence is not the principal residence of at least *one* Mortgagor, no Mortgagor will be permitted to take a deduction for his/her interest expense with respect to the Mortgage Loan in determining (his/her) Federal income tax liability. Under the terms of the Technical and Miscellaneous Revenue Act of 1988 (I/we) may be permitted to take a deduction for interest expense with respect to the Mortgage Loan, in determining (my/our) Federal income tax liability which accrues on and after the date such Residence is again the principal residence of at least one of us. (I/We) understand that the United States Treasury Department (the "Treasury") is authorized to waive such penalty in certain instances where the application of the penalty would result in undue hardship and the failure to meet the principal residence requirement resulted from circumstances beyond the Mortgagor's control. (I/We) understand that seeking such a waiver from the Treasury is (my/our) sole responsibility, that the Agency will not provide any assistance to (me/us) in seeking such a waiver, and that (I/we) should consider consulting (my/our) own attorneys when considering seeking such a waiver.

4. Other than as described in this Recapture Notification and Mortgagor's Affidavit, (I/we) have no present intent, understanding or agreement (i.e. other than a mere expectation or possibility) to lease, sell, assign or transfer any interest in the Residence to another party and have not entered into any agreement, understanding or other arrangement to lease, sell, assign or transfer the Residence.

5. (I/We), for the entire term of the Mortgage Loan or MCC, (i) will not use, nor will any other person use, other than in connection with the rental of (1, 2 or 3) unit (or units) **circle number of rental units**, more than 15 percent of the Residence for business or income producing purposes [as determined on Line 3 of IRS Form 8829 (or a successor form) of my Federal tax return(s), or other documents as requested by SONYMA] or permit the Residence to be occupied by more families than is allowed under the applicable certificate of occupancy or its equivalent, (ii) will not subdivide or attempt to subdivide the land containing the Residence and encumbered by the Mortgage Loan or assisted by the MCC, and (iii) will not construct another dwelling on the land containing the Residence that could be used as another residence.

6. (I/We) will not, nor will anyone else, use the Residence as investment property and will not receive any income from the Residence or the land with the exception of rental income incidental to a two-to-four unit residence.

7. All of the land being purchased with the Residence reasonably maintains the basic livability of the Residence and will not have more land appurtenant to it than as follows:

(A) If the Residence is located in an area where local zoning exists, the maximum amount of land is 5 acres. If the property contains more than 5 acres, (I/we) will provide SONYMA with a letter from the appropriate local municipal authority stating that the Residence is not subdividable and/or any additional lots are not buildable. If the property is more than 5 acres, is subdividable, and/or any of the additional lots are buildable, (I/we) understand that prior to my/our Mortgage Loan closing or date of issuance of the MCC, the additional lot(s) or land must be subdivided and that SONYMA will not finance any portion of the additional lot(s) or land not containing the dwelling.

(B) If the Residence is located in a rural area where local zoning does not exist, the maximum amount of land is 5 acres. If the Residence contains more than 5 acres, but not more than 10 acres, (I/we) will provide SONYMA with a letter from the local municipal authority stating that the Residence can only be used for residential purposes and not for business, commercial or agricultural uses. If the municipality cannot or will not provide such a letter, (I/we) understand that prior to (my/our) Mortgage Loan closing or date of issuance of the MCC, the Residence must be subdivided or parceled so that SONYMA's Mortgage Loan will only encumber the parcel containing the dwelling and no more than 5 acres of land.

**EXAMPLE**

**of**

**COMPLETING SECTION 9 (c)  
(PAGES 4 & 5)**

**\*APPLICANT FILED**

**1040 (LONG FORM)**

**FEDERAL TAX RETURNS**

**for ALL YEARS\***

No map which subdivides such land has been recorded and (I/we) have no intention of seeking any variance from applicable zoning, minimum lot size or set-back requirements for such purposes.

8. (I/We) will not use any part of the Mortgage Loan (or in the case of an MCC, the mortgage loan) proceeds to acquire or replace an existing loan, except a construction loan, bridge loan, or similar temporary initial financing with an initial term not exceeding 24 months.

**9. Please check either (A), (B1), or (B2) below:**

(A) (I/We) have not had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at any time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC.

**OR**

(B1) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however the Residence which (I/we) (am/are) attempting to purchase is located in a target area.

**OR**

(B2) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however at least one of the undersigned is a United States military veteran providing an executed Military Veteran's Eligibility Affidavit (SONYMA Form 243).

(I/we) understand that "present ownership interest" includes the following types of interest: a fee simple interest; a joint tenancy; a tenancy in common or tenancy by the entirety; the interest of a tenant-stockholder in a cooperative; a life estate; a land contract; or an interest in a trust established by (myself/ourself) or some other person.

(I/We) further understand that a "present ownership interest" is not created by: a remainder interest; an ordinary lease, with or without an option to purchase; or a mere expectancy to inherit an interest in a principal residence; or the interest that a purchaser of a residence acquires on the execution of a purchase contract; or an interest in other than a principal residence during the previous three years, such as a vacation home, vacant land, commercial or industrial property; or prior ownership in the Residence.

**The following Section 9(C) must be completed by: Mortgagors purchasing a Residence in a Non Target Area and all Achieving the Dream, Habitat for Humanity, and Home of Your Own Program Mortgagors. Eligible Military Veterans do not need to complete Section 9(C).**

**(C) [Select all appropriate responses.]**

Attached hereto are true, correct, and complete copies of (my/our) signed Federal income tax returns Form 1040 and all Schedules for one or more of the last three years as filed by mail or electronically with the Internal Revenue Service ("IRS"); or

**OR**

(I/We) filed Form 1040A or 1040 EZ for one or more of the last three years and have either attached hereto a copy of such form that was filed with the IRS or a statement by the IRS that such form was filed; or

**OR**

\_\_\_\_\_ (I/We) filed Federal income tax returns via Telefile. The returns were filed on \_\_\_\_\_  
\_\_\_\_\_ **[enter date(s) filed]** in the IRS located at \_\_\_\_\_  
\_\_\_\_\_ **[enter IRS office location(s)]**. (My/our) Federal  
income tax returns that were filed via Telefile did not contain any deductions for home mortgage interest  
and/or real estate taxes.

**OR**

\_\_\_\_\_ (I/We) hereby affirm that (I/we) did not file Federal income tax returns for the below years because  
such filing was not required under Federal law **[fill in appropriate names and years]**.

| <u>M/C*</u> | <u>Name(s)</u> | <u>Year(s)</u> |
|-------------|----------------|----------------|
| _____       | _____          | _____          |
| _____       | _____          | _____          |
| _____       | _____          | _____          |

\*M = Mortgagor C= Co-Mortgagor

10. (I/We) understand that as matter of Federal tax law the Mortgage Loan cannot be assumed unless all of the relevant restrictions of the Code are met. In addition, the Mortgage Loan cannot be assumed without the prior written consent of the Agency. If (I/we) (am/are) applying for an MCC, (I/we) understand and agree that the certificate is not transferable.

11. If (I/we) (am/are) applying for an MCC, no portion of the mortgage loan financing was obtained from the proceeds of a qualified mortgage bond, through SONYMA (since SONYMA is the only New York State entity that could provide such financing).

12. If (I/we) (am/are) applying for an MCC, (I/we) were able to select a Mortgage Lender of (my/our) choice. Further, no person related to (me/us) has, and does not expect to have, an interest as a creditor in the mortgage loan financing.

**EXAMPLE**

**of**

**COMPLETING SECTION 9 (c)  
(PAGES 4 & 5)**

**\*CO-APPLICANT WAS NOT**

**REQUIRED TO FILE**

**FEDERAL TAX RETURNS**

**IN 2007\***

No map which subdivides such land has been recorded and (I/we) have no intention of seeking any variance from applicable zoning, minimum lot size or set-back requirements for such purposes.

8. (I/We) will not use any part of the Mortgage Loan (or in the case of an MCC, the mortgage loan) proceeds to acquire or replace an existing loan, except a construction loan, bridge loan, or similar temporary initial financing with an initial term not exceeding 24 months.

**9. Please check either (A), (B1), or (B2) below:**

(A) (I/We) have not had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at any time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC.

**OR**

(B1) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however the Residence which (I/we) (am/are) attempting to purchase is located in a target area.

**OR**

(B2) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however at least one of the undersigned is a United States military veteran providing an executed Military Veteran's Eligibility Affidavit (SONYMA Form 243).

(I/we) understand that "present ownership interest" includes the following types of interest: a fee simple interest; a joint tenancy; a tenancy in common or tenancy by the entirety; the interest of a tenant-stockholder in a cooperative; a life estate; a land contract; or an interest in a trust established by (myself/ourselves) or some other person.

(I/We) further understand that a "present ownership interest" is not created by: a remainder interest; an ordinary lease, with or without an option to purchase; or a mere expectancy to inherit an interest in a principal residence; or the interest that a purchaser of a residence acquires on the execution of a purchase contract; or an interest in other than a principal residence during the previous three years, such as a vacation home, vacant land, commercial or industrial property; or prior ownership in the Residence.

**The following Section 9(C) must be completed by: Mortgagors purchasing a Residence in a Non Target Area and all Achieving the Dream, Habitat for Humanity, and Home of Your Own Program Mortgagors. Eligible Military Veterans do not need to complete Section 9(C).**

(C)

**[Select all appropriate responses.]**

Attached hereto are true, correct, and complete copies of (my/our) signed Federal income tax returns Form 1040 and all Schedules for one or more of the last three years as filed by mail or electronically with the Internal Revenue Service ("IRS"); or

**OR**

(I/We) filed Form 1040A or 1040 EZ for one or more of the last three years and have either attached hereto a copy of such form that was filed with the IRS or a statement by the IRS that such form was filed; or

**OR**

(I/We) filed Federal income tax returns via Telefile. The returns were filed on \_\_\_\_\_  
\_\_\_\_\_ **[enter date(s) filed]** in the IRS located at \_\_\_\_\_  
\_\_\_\_\_ **[enter IRS office location(s)]**. (My/our) Federal  
income tax returns that were filed via Telefile did not contain any deductions for home mortgage interest  
and/or real estate taxes.

**OR**

(I/We) hereby affirm that (I/we) did not file Federal income tax returns for the below years because  
such filing was not required under Federal law **[fill in appropriate names and years]**:

**Complete if Federal income tax returns were not filed (during any of the previous three years), as applicable.**

| <u>M/C*</u> | <u>Name(s)</u>    | <u>Year(s)</u> |
|-------------|-------------------|----------------|
| <u>C</u>    | <u>Mary S Doe</u> | <u>2007</u>    |
| <u> </u>    | <u> </u>          | <u> </u>       |
| <u> </u>    | <u> </u>          | <u> </u>       |

\*M = Mortgagor C= Co-Mortgagor

10. (I/We) understand that as matter of Federal tax law the Mortgage Loan cannot be assumed unless all  
of the relevant restrictions of the Code are met. In addition, the Mortgage Loan cannot be assumed without the  
prior written consent of the Agency. If (I/we) (am/are) applying for an MCC, (I/we) understand and agree that the  
certificate is not transferable.

11. If (I/we) (am/are) applying for an MCC, no portion of the mortgage loan financing was obtained from  
the proceeds of a qualified mortgage bond, through SONYMA (since SONYMA is the only New York State entity that  
could provide such financing).

12. If (I/we) (am/are) applying for an MCC, (I/we) were able to select a Mortgage Lender of (my/our)  
choice. Further, no person related to (me/us) has, and does not expect to have, an interest as a creditor in the  
mortgage loan financing.



**EXAMPLE**

**of**

**COMPLETING SECTION 9 (c)  
(PAGES 4 & 5)**

**FEDERAL TAX RETURNS:**

**\* BORROWER FILED 1040 (LONG  
FORM for LAST THREE YEARS\***

**\*CO-BORROWER FILED 1040A  
(SHORT FORM) in 2010, FILED by  
TELEFILE in 2009, and WAS NOT  
REQUIRED TO FILE FEDERAL  
TAX RETURNS IN 2008\***

No map which subdivides such land has been recorded and (I/we) have no intention of seeking any variance from applicable zoning, minimum lot size or set-back requirements for such purposes.

8. (I/We) will not use any part of the Mortgage Loan (or in the case of an MCC, the mortgage loan) proceeds to acquire or replace an existing loan, except a construction loan, bridge loan, or similar temporary initial financing with an initial term not exceeding 24 months.

**9. Please check either (A), (B1), or (B2) below:**

(A) (I/We) have not had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at any time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC.

**OR**

(B1) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however the Residence which (I/we) (am/are) attempting to purchase is located in a target area.

**OR**

(B2) (I/We) have had a present ownership interest in a principal residence, including a manufactured home permanently affixed to the land, at some time during the three-year period immediately prior to the closing of the Mortgage Loan or the issuance of the MCC, however at least one of the undersigned is a United States military veteran providing an executed Military Veteran's Eligibility Affidavit (SONYMA Form 243).

(I/we) understand that "present ownership interest" includes the following types of interest: a fee simple interest; a joint tenancy; a tenancy in common or tenancy by the entirety; the interest of a tenant-stockholder in a cooperative; a life estate; a land contract; or an interest in a trust established by (myself/ourselves) or some other person.

(I/We) further understand that a "present ownership interest" is not created by: a remainder interest; an ordinary lease, with or without an option to purchase; or a mere expectancy to inherit an interest in a principal residence; or the interest that a purchaser of a residence acquires on the execution of a purchase contract; or an interest in other than a principal residence during the previous three years, such as a vacation home, vacant land, commercial or industrial property; or prior ownership in the Residence.

**The following Section 9(C) must be completed by: Mortgagors purchasing a Residence in a Non Target Area and all Achieving the Dream, Habitat for Humanity, and Home of Your Own Program Mortgagors. Eligible Military Veterans do not need to complete Section 9(C).**

(C) **Select all appropriate responses.]**

Attached hereto are true, correct, and complete copies of (my/our) signed Federal income tax returns Form 1040 and all Schedules for one or more of the last three years as filed by mail or electronically with the Internal Revenue Service ("IRS"); or

**OR**

(I/We) filed Form 1040A or 1040 EZ for one or more of the last three years and have either attached hereto a copy of such form that was filed with the IRS or a statement by the IRS that such form was filed;

OR

(I/We) filed Federal income tax returns via Telefile. The returns were filed on April 10, 2009 [enter date(s) filed] in the IRS located at Anytown, NY [enter IRS office location(s)]. (My/our) Federal income tax returns that were filed via Telefile did not contain any deductions for home mortgage interest and/or real estate taxes.

OR

(I/We) hereby affirm that (I/we) did not file Federal income tax returns for the below years because such filing was not required under Federal law **(fill in appropriate names and years):**

**Complete if Federal income tax returns were not filed (during any of the previous three years), as applicable.**

| M/C* | Name(s)    | Year(s) |
|------|------------|---------|
| C    | Mary S Doe | 2007    |
|      |            |         |
|      |            |         |

\*M = Mortgagor C= Co-Mortgagor

10. (I/We) understand that as matter of Federal tax law the Mortgage Loan cannot be assumed unless all of the relevant restrictions of the Code are met. In addition, the Mortgage Loan cannot be assumed without the prior written consent of the Agency. If (I/we) (am/are) applying for an MCC, (I/we) understand and agree that the certificate is not transferable.

11. If (I/we) (am/are) applying for an MCC, no portion of the mortgage loan financing was obtained from the proceeds of a qualified mortgage bond, through SONYMA (since SONYMA is the only New York State entity that could provide such financing).

12. If (I/we) (am/are) applying for an MCC, (I/we) were able to select a Mortgage Lender of (my/our) choice. Further, no person related to (me/us) has, and does not expect to have, an interest as a creditor in the mortgage loan financing.

13. (I/We) understand that (my/our) Mortgage Loan or MCC application is subject to the approval of the Agency. If (I/we) (am/are) applying for a Mortgage Loan, (I/we) understand that the Mortgage Loan application is also subject to the approval of the Agency's pool insurer.

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\*STANDARD**

**PURCHASE**

**TRANSACTION\***

**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

|  |                      |
|--|----------------------|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | \$ <u>150,000.00</u> |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | + \$ _____           |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .  | + \$ _____           |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .   | + \$ _____           |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | + \$ _____           |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | + \$ _____           |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | - \$ [ _____ ]       |
| 7. Total Acquisition Cost . . . . .  | \$ <u>150,000.00</u> |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\* STANDARD**

**PURCHASE**

**TRANSACTION**

**with a**

**DOWN PAYMENT**

**SUBSIDY/GRANT \***  
**(Including DPAL Funds)**

**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

|  |                            |
|--|----------------------------|
|  | Sales Contract = \$150,000 |
|  | Subsidy/Grant = \$7,000    |
|  | DPAL = \$4,500             |
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | \$ <u>138,500.00</u>       |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | +\$ _____                  |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . . <b>Includes any DPAL amount</b> . . .  | +\$ <u>11,500.00</u>       |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .   | +\$ _____                  |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | +\$ _____                  |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | +\$ _____                  |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | -\$[ _____ ]               |
| 7. Total Acquisition Cost . . . . .  | \$ <u>150,000.00</u>       |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\* NEW CONSTRUCTION**

**(Land purchased separately by mortgagor,  
within the previous two years)\***



**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

New Construction Sales Contract = \$150,000  
 Separate Land Purchase (less than 2 years ago) = \$25,000

|  |                      |
|--|----------------------|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | \$ <u>150,000.00</u> |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | +\$ _____            |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .  | +\$ _____            |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .   | +\$ <u>25,000.00</u> |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | +\$ _____            |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | +\$ _____            |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | -\$ [ _____ ]        |
| 7. Total Acquisition Cost . . . . .  | \$ <u>175,000.00</u> |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\*NEW CONSTRUCTION**

**(Land was gifted or purchased separately  
by mortgagor, more than two years ago)\***

**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

New Construction Sales Contract = \$150,000  
 Gifted Land (or Purchased more than 2 years ago) = \$25,000

|  |  |
|--|--|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | \$ <u>150,000.00</u>   |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | + \$ _____   |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .  | + \$ _____   |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . . . .   | + \$ <u>0.00</u><br>(zero if gift or if purchased more than 2 years ago) |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | + \$ _____   |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | + \$ _____   |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | - \$ [ _____ ]   |
| 7. Total Acquisition Cost . . . . .  | \$ <u>150,000.00</u>   |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\* OWN IT, FIX IT NY! HOME**

**MORTGAGE OPTION \***

**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

Sales Contract = \$150,000

Own it, Fix it NY! Home Mortgage Amount = \$25,000

|   |                      |
|---|----------------------|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . .                                      | \$ <u>150,000.00</u> |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .   | +\$ _____            |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .   | +\$ _____            |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .<br>(repair cost for the SONYMA Own it, Fix it New York! Home Mortgage, from line B7 of the Maximum Mortgage Worksheet) | +\$ <u>25,000.00</u> |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .   | +\$ _____            |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .   | +\$ _____            |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .  | -\$ [ _____ ]        |
| 7. Total Acquisition Cost . . . . .   | \$ <u>175,000.00</u> |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\*COOPERATIVE**

**PURCHASE**

**TRANSACTION\***

## Determining the Pro-rata Share for Cooperatives

- Number of Shares Allocated to the Subject Unit = 418
- Number of Shares in the Project = 36,521
- Outstanding Balance of Underlying Mortgage = \$1,536,000
- Calculation:

$$(418 / 36,521) \times 1,536,000.00 = \$17,580.24$$

### Individual Cooperative Interest Appraisal Report

|   |  |
|---|--|
| Number of shares issued and outstanding for the Cooperative Corporation <b>36,521</b> Number of shares attributable to the subject unit <b>418</b>  |  |
| Pro rata share of the project blanket financing attributable to the subject unit <b>17,580.24</b> Pro rata share of each lien attributable to the subject unit <b>NA</b>  |  |
| Monthly Maintenance Fee (or Monthly Assessment Unit Charge) <b>\$ 737</b> x 12 Months = <b>\$ 8,844</b> per year  |  |
| Annual maintenance fee (or assessment charge) divided by the square foot of gross living area for the subject unit = <b>\$10.63</b>   |  |
| Is the Sponsor/Developer in Control of the Cooperative Corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |  |
| Is the Sponsor/Developer offering any types of sales or financing concessions (such as a maintenance fee rebate or credit. Etc.) with the transfer of units in the project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      If Yes describe _____  |  |
| Is the project subject to a ground rent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      If Yes \$ _____ per year (describe terms and conditions) _____  |  |
| Are any of the project facilities leased to or by the Cooperative Corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      If Yes, describe which facilities and note any fees for their use.  |  |
| Is the project property the recipient of any tax abatements or exemptions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      If Yes note the remaining terms, provisions for escalation of real estate taxes and the dollar amount.  |  |
| Are any of the units in the project subject to a stock transfer fee (such as waiver of options fees, flip taxes, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      If Yes describe <b>\$1.50/SHARE</b>  |  |
| How many owners in the project are two or more months delinquent in the payment of their financial obligations to the Cooperative Corporation? <b>NO</b>  |  |
| Does any single entity (the same individual, investor group, partnership, or corporation, as well as the developer or sponsor) own more than 10% of the stock or shares in the Cooperative Corporation and the related occupancy rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      If Yes describe _____ |  |
| I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the cooperative project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.) or why the analysis was not performed. <b>THE BUDGET WAS NOT MADE AVAILABLE TO THE APPRAISER.</b>          |  |
|   |  |
|   |  |
|   |  |

| Lien Priority                              | First  | Second  | Other (                      )  |
|--|--|---|---|
| Lien type (Mortgage, Line of Credit, etc.) | Mortgage   |   |   |
| Mortgage Balance                           | \$ 1,536,000   | \$  | \$  |
| Balloon Mortgage                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No              | <input type="checkbox"/> Yes <input type="checkbox"/> No              | <input type="checkbox"/> Yes <input type="checkbox"/> No              |
| Remaining Term                             | 7/2023   |   |   |
| Monthly Payment                            | \$ 14,741.19   | \$  | \$  |
| Interest Rate                              | 8%   | %   | %   |
| Fixed/Variable Rate                        | <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate | <input type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate | <input type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate |
| Lien Holder                                | ANY BANK   |   |   |

## CONVENTIONAL COOPERATIVE QUESTIONNAIRE

### Project Information

|  |   |  |                      |                  |
|--|---|--|----------------------|------------------|
| Shares assigned to<br>The Subject Unit<br>- <u>418</u> | Total Units <u>77</u>                       | Ownership & Occupancy                      | # of Units           | % of the Project |
|  | Unit Sold to Date<br>- In Project <u>73</u> | Owner Occupied or 2 <sup>nd</sup> Home     | 73                   | 95%              |
| Total Shares in<br>The Project<br>- <u>36,521</u>      |   | Unit Retained by<br>- The Sponsor <u>4</u> | Sponsor Held -Vacant | /                |
|  | Sponsor Held-Tenant (Market Rent)           |  | 4                    | 5%               |
|  | Sponsor Held-Tenant (Regular Rent)          |  | /                    |                  |
|  | Investor-Vacant                             |  | /                    |                  |
|  | Investor-Vacant (Market Rent)               |  | /                    |                  |
|  | Investor-Vacant (Regular Rent)              |  | /                    |                  |
|  | Total                                       |  | 77                   | 100%             |

### Underlying Mortgage Financing

| Lien Information                                     | First        | Second | Other Financing |
|--|--------------|--------|-----------------|
| Type of Lien ( Mortgage, Line of Credit, Wraparound) | Mtg          |        |                 |
| Balance  | \$ 1,536,000 | \$     | \$              |
| Balloon  | Y or (N)     | Y or N | Y or N          |
| If Yes, Remaining Term to Balloon Reset              |              |        |                 |
| Remaining Term or Debt                               | 7/2023       |        |                 |
| Monthly Payment                                      | \$ 14,741.19 | \$     | \$              |
| Interest Rate  | 8%           | %      | %               |
| Fixed Rate or ARM                                    | FIXED        |        |                 |
| Name of Lien Holder                                  | Any Bank     |        |                 |
| Are Payments on the Obligation Current?              | (Y) or N     | Y or N | Y or N          |
| If No, how many month in arrears?                    | N/A          |        |                 |



**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

Sales Contract = \$150,000

Pro-rata Portion = \$17,580.24

|  |                      |
|--|----------------------|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | \$ <u>150,000.00</u> |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | +\$ <u>17,580.24</u> |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .  | +\$ _____            |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .   | +\$ _____            |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | +\$ _____            |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | +\$ _____            |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | -\$ [ _____ ]        |
| 7. Total Acquisition Cost . . . . .  | \$ <u>167,580.24</u> |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**EXAMPLE**

**of**

**COMPLETING PART III:  
ACQUISITION COST  
(PAGE 6)**

**\*COOPERATIVE**

**PURCHASE**

**TRANSACTION**

**with a**

**DOWN PAYMENT**

**SUBSIDY/GRANT\***

**(Including DPAL Funds)**

## Determining the Pro-rata Share for Cooperatives

- Number of Shares Allocated to the Subject Unit = 418
- Number of Shares in the Project = 36,521
- Outstanding Balance of Underlying Mortgage = \$1,536,000
- Calculation:

$$(418 / 36,521) \times 1,536,000.00 = \$17,580.24$$

### Individual Cooperative Interest Appraisal Report

|  |  |
|--|--|
| Number of shares issued and outstanding for the Cooperative Corporation <b>36,521</b>  | Number of shares attributable to the subject unit <b>418</b>           |
| Pro rata share of the project blanket financing attributable to the subject unit <b>17,580.24</b>  | Pro rata share of each lien attributable to the subject unit <b>NA</b> |
| Monthly Maintenance Fee (or Monthly Assessment Unit Charge) <b>\$ 737</b>  | <b>x 12 Months = \$ 8,844 per year</b>                                 |
| Annual maintenance fee (or assessment charge) divided by the square foot of gross living area for the subject unit = <b>\$10.63</b>  |  |
| Is the Sponsor/Developer in Control of the Cooperative Corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |  |
| Is the Sponsor/Developer offering any types of sales or financing concessions (such as a maintenance fee rebate or credit. Etc.) with the transfer of units in the project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes describe _____  |  |
| Is the project subject to a ground rent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes \$ _____ per year (describe terms and conditions) _____  |  |
| Are any of the project facilities leased to or by the Cooperative Corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe which facilities and note any fees for their use. _____  |  |
| Is the project property the recipient of any tax abatements or exemptions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes note the remaining terms, provisions for escalation of real estate taxes and the dollar amount. _____  |  |
| Are any of the units in the project subject to a stock transfer fee (such as waiver of options fees, flip taxes, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes describe <b>\$1.50/SHARE</b>  |  |
| How many owners in the project are two or more months delinquent in the payment of their financial obligations to the Cooperative Corporation? <b>NO</b>   |  |
| Does any single entity (the same individual, investor group, partnership, or corporation, as well as the developer or sponsor) own more than 10% of the stock or shares in the Cooperative Corporation and the related occupancy rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes describe _____ |  |
| I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the cooperative project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.) or why the analysis was not performed. <b>THE BUDGET WAS NOT MADE AVAILABLE TO THE APPRAISER.</b>     |  |
|  |  |
|  |  |
|  |  |

| Lien Priority                              | First  | Second  | Other ( )   |
|--|--|---|---|
| Lien type (Mortgage, Line of Credit, etc.) | Mortgage   |   |   |
| Mortgage Balance                           | \$ 1,536,000   | \$  | \$  |
| Balloon Mortgage                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No              | <input type="checkbox"/> Yes <input type="checkbox"/> No              | <input type="checkbox"/> Yes <input type="checkbox"/> No              |
| Remaining Term                             | 7/2023   |   |   |
| Monthly Payment                            | \$ 14,741.19   | \$  | \$  |
| Interest Rate                              | 8%   | %   | %   |
| Fixed/Variable Rate                        | <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate | <input type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate | <input type="checkbox"/> Fixed <input type="checkbox"/> Variable Rate |
| Lien Holder                                | ANY BANK   |   |   |

## CONVENTIONAL COOPERATIVE QUESTIONNAIRE

### Project Information

|  |   |  |                      |                  |
|--|---|--|----------------------|------------------|
| Shares assigned to<br>The Subject Unit<br>- <u>418</u> | Total Units <u>77</u>                       | Ownership & Occupancy                      | # of Units           | % of the Project |
|  | Unit Sold to Date<br>- In Project <u>73</u> | Owner Occupied or 2 <sup>nd</sup> Home     | 73                   | 95%              |
| Total Shares in<br>The Project<br>- <u>36,521</u>      |   | Unit Retained by<br>- The Sponsor <u>4</u> | Sponsor Held –Vacant | /                |
|  | Sponsor Held-Tenant (Market Rent)           |  | 4                    | 5%               |
|  | Sponsor Held-Tenant (Regular Rent)          |  | /                    |                  |
|  | Investor-Vacant                             |  | /                    |                  |
|  | Investor-Vacant (Market Rent)               |  | /                    |                  |
|  | Investor-Vacant (Regular Rent)              |  | /                    |                  |
|  |   | Total                                      | 77                   | 100%             |

### Underlying Mortgage Financing

| Lien Information                                    | First        | Second | Other Financing |
|---|--------------|--------|-----------------|
| Type of Lien (Mortgage, Line of Credit, Wraparound) | Mtg          |        |                 |
| Balance   | \$ 1,536,000 | \$     | \$              |
| Balloon   | Y or (N)     | Y or N | Y or N          |
| If Yes, Remaining Term to Balloon Reset             |              |        |                 |
| Remaining Term or Debt                              | 7/2023       |        |                 |
| Monthly Payment                                     | \$ 14,741.19 | \$     | \$              |
| Interest Rate                                       | 8%           | %      | %               |
| Fixed Rate or ARM                                   | FIXED        |        |                 |
| Name of Lien Holder                                 | Any Bank     |        |                 |
| Are Payments on the Obligation Current?             | (Y) or N     | Y or N | Y or N          |
| If No, how many month in arrears?                   | N/A          |        |                 |

**PART III - ACQUISITION COST OF THE RESIDENCE**

The acquisition cost of the land and dwelling to be acquired by the Purchaser(s) from the property seller(s) is computed as follows:

Sales Contract = \$150,000  
 Pro-rata Portion = \$17,580.24  
 Subsidy/Grant = \$7,000

|  |   |
|--|---|
| 1. Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the property seller(s) or a related party to the property seller for the land and dwelling, (excluding usual and reasonable settlement and financing costs) and for completing unfinished portions of the dwelling (See Note below) . . . . . | DPAL = \$4,500<br>\$ 138,500.00           |
| (a) For cooperative units, the pro rata portion of the underlying mortgage allocable to the cooperative unit must be added to the cost of the shares of stock . . . . .  | +\$ 17,580.24                             |
| 2. Amount paid, in cash or in kind, by any other person to or for the benefit of the property seller(s) for the land and dwelling, and for completing unfinished portions of the dwelling . . . . .  | +\$ 11,500.00<br>Includes any DPAL amount |
| 3. Amount paid, in cash or in kind, by the Purchaser(s) to persons other than the property seller for completing the dwelling including any amount paid for the land not owned for at least two years and not included in 1 or 2 above . . .   | +\$ _____                                 |
| 4. Amount paid for fixtures such as light fixtures, curtain rods and wall to wall carpeting unless the amount paid for fixtures is part of the cost of the land and dwelling included in 1 or 2 above . . . . .  | +\$ _____                                 |
| 5. Amount paid not included in 1, 2, or 3 above for any purpose by the Purchaser(s) on behalf of the property seller(s) including property taxes in excess of the Purchaser(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs (See Note below) . . . . .                        | +\$ _____                                 |
| 6. The Fair Market Value of amounts, if any, included in 1 or 2 for items which are not fixtures including refrigerator, washer or dryer, etc. . . . .   | -\$[ _____ ]                              |
| 7. Total Acquisition Cost . . . . .  | \$ 167,580.24                             |

*Note: The acquisition cost of a Residence **does not** include:*

*(1) usual and reasonable settlement and financing costs: "settlement costs" include titling and transfer costs, title insurance, survey fees and other similar costs, and "financing costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Purchaser(s), or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid.*

*(2) the imputed value of services performed by the Purchaser or members of his/her family (which include only the Purchaser's brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in constructing or completing the Residence, or*

*(3) the cost of land which has been owned by the Purchaser(s) for at least two years before the date on which the construction of the structure comprising the Residence begins.*

**REMAINING**

**PAGES**

**7 - 13**

**of the**

**RECAPTURE NOTIFICATION**

**and**

**MORTGAGOR'S AFFIDAVIT**

(A) The Acquisition Cost of the Residence is set forth in line 7 above. (I/We) hereby certify that a true and correct copy of the purchase contract representing the entire transaction for the purchase of the Residence from the property seller, and all other contracts, agreements and understandings between (me/us) or anyone acting on (my/our) behalf, directly or indirectly, and the property seller or anyone acting on behalf of the property seller, directly or indirectly, or any other person, relating to the purchase of the Residence and any related real or personal property or fixtures, the furnishings of any services or the completion, addition or re-equipping of the Residence has been provided to the Mortgage Lender.

(B) Neither (I/we) nor anyone on (my/our) behalf has made any payment other than the amount indicated in line 7 above, except as stated in line 6 above, to the property seller or to any person on behalf of the property seller, nor have (I/we) canceled any debt of the property seller or any related person to the property seller.

(C) (I/We) have not entered into any agreement with the property seller, the developer, the contractor, or any other person to leave any portion of the Residence unfinished or omit or remove any fixtures or other architectural appointments from the Residence in order to reduce the Acquisition Cost.

(D) (I/We) certify that the information contained in this Part III is true and accurate and complete.

(E) (I/We) understand that if the Acquisition Cost of the Residence exceeds the Agency's current acquisition cost limits, the Agency shall not provide permanent financing for the Mortgage Loan or the MCC.

**PART IV - INCOME ELIGIBILITY**

(I/We) certify that the information contained in this Part IV is true and accurate and complete. The financial information requested in this Part IV must be provided by the Mortgagor(s) on behalf of all Household Members who expect to occupy the Residence and whose incomes at the time of title closing derives from sources described in A below. For purposes of compliance under the Agency's income limits, "Household Members" include the borrower, borrower's spouse, any person(s) signing the mortgage or note, and any other person who is 18 years or older at time of title closing who is expecting to occupy the Residence.

The information requested below must be provided in order to determine (my/our) eligibility under the income limits established for (my/our) region of the State. These limits have been established principally in response to requirements of the Code. The limits are used solely to determine (my/our) eligibility under the Code's income limit provisions and will not be used for mortgage loan underwriting purposes.

**Determination of the current Gross Income for All Household Members (as defined above). At application, Mortgagor must only complete the column entitled "At Loan Application". The column entitled "At Loan Closing" must be completed on the closing date.**

| <u>A. Sources of Current Monthly Income</u>         | <u>At Loan Application</u> | <u>At Loan Closing</u> |
|---|----------------------------|------------------------|
| 1. Gross Pay  | \$ 5,000.00                | \$ _____               |
| 2. Overtime, Part-time Pay and Temporary Employment | \$ _____                   | \$ _____               |
| 3. Bonuses, Commissions, and Tips                   | \$ _____                   | \$ _____               |
| 4. Dividends, Interest, Royalties & Trusts          | \$ _____                   | \$ _____               |
| 5. Business Activities or Investments               | \$ _____                   | \$ _____               |
| 6. Net Rental Income                                | \$ _____                   | \$ _____               |

|  | <u>At Loan Application</u> | <u>At Loan Closing</u> |
|--|----------------------------|------------------------|
| 7. Pension/Social Security Benefits                          | \$ _____                   | \$ _____               |
| 8. Veterans Administration Benefits                          | \$ _____                   | \$ _____               |
| 9. Unemployment Compensation                                 | \$ _____                   | \$ _____               |
| 11. Public Assistance  | \$ _____                   | \$ _____               |
| 12. Alimony, Child Support or<br>Separate Maintenance Income | \$ _____                   | \$ _____               |
| 13. Any Other Income   | \$ _____                   | \$ _____               |
| 14. <b>Total Monthly Gross Income</b>                        | \$ <u>5,000.00</u>         | \$ _____               |
| Multiply by 12   | _____ x12                  | _____ x12              |
| <b>B. Total Annualized Gross Income</b>                      | \$ <u>60,000.00</u>        | \$ _____               |

**Note to Mortgagors: If Total Annualized Gross Income for all Household Members is above the applicable limit at EITHER time of loan application or at title closing, the Mortgagor(s) will not be eligible for either a SONYMA Mortgage Loan or an MCC.**

**PART V - DISCLOSURE STATEMENT**

SONYMA requires information concerning personal finances, credit history and employment records from all Mortgage Loan or MCC applicants and co-applicants (collectively, the "Mortgagor"). In addition, SONYMA requires income and asset information regarding all members of the Mortgagor's household(s). This information is subject to outside verification, and may be reviewed by SONYMA, the Mortgage Lender, SONYMA's mortgage pool insurance company and the IRS.

In compliance with section 94(1) (d) of the New York State Public Officers Law, all personal information solicited and maintained by SONYMA is used to evaluate the individual's Mortgage Loan or MCC application or to provide information required by the IRS. Failure by the Mortgagor to submit requested information may result in rejection of the Mortgage Loan or MCC application.

SONYMA maintains records of the information submitted by all Mortgagors and all recipients of MCCs. In addition, SONYMA must report certain personal information regarding Mortgagors and all recipients of MCCs and their household(s) to the IRS. While SONYMA includes certain personal data in compiling general statistics of its mortgage loan or MCC portfolio for its own purposes, no name, number, symbol, mark or other identification is used to identify individual applicants unless personal information is required by law.

Each individual has the right to review personal information maintained by SONYMA, unless exempted by law. The official responsible for maintaining personal information at SONYMA is the Personal Privacy Compliance Officer, who is located in the Agency's offices at 641 Lexington Avenue, New York, NY 10022 and whose telephone number is (212) 688-4000. All requests to review personal information records should be addressed to the Personal Privacy Compliance Officer.

**PART VI - CERTIFICATION**

(I/We) have read the Recapture Notification as set forth in Part I hereof, and understand that (I/we) may be required to pay a recapture tax to the United States Treasury as a result of financing (my/our) home purchase with a Mortgage Loan from the Agency or as a result of (my/our) receipt of an MCC from the Agency.

If applying for a MCC, (I/we) are hereby advised to consult with a tax accountant to determine Federal tax consequences as a result of applying for this certificate and must not rely solely on any statements made by the Mortgage Lender or the Agency. (I/we) understand that use of the MCC will reduce my mortgage interest deduction for Federal tax purposes and that the MCC does not offer any New York State income tax credit.



(I/We) understand that if (I/we) have made any material misstatements in the foregoing representations or have omitted to state any of the information requested this (a) for a Mortgage Loan, will be considered an event of default under the Mortgage Loan and the outstanding principal balance of the Mortgage Loan together with accrued interest, upon direction of the Agency, will become immediately due and payable, and (b) for an MCC, could result in the revocation of the MCC by SONYMA.

**EXECUTION AT TIME OF LOAN APPLICATION**

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Guarantor

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_).ss:

COUNTY OF \_\_\_\_\_)

On the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_, before me, the undersigned, a notary public in and for said state, personally appeared \_\_\_\_\_ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public  
Commission expires:

**REAFFIRMATION AT TITLE CLOSING**  
**(To be completed at Title Closing Only)**

(I/We) as Purchaser(s) of the Residence indicated herein reviewed all of the foregoing representations and warranties made by (me/us) as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the title closing date).

(I/We) do hereby reaffirm all of the foregoing representations and warranties previously made.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Guarantor

**DETERMINING YOUR RECAPTURE TAX**

**(Note: The following is intended only to familiarize (me/us) with this requirement. (I/We) should obtain the applicable IRS forms and instructions or consult (my/our) tax advisor to actually compute (my/our) recapture tax.)**

1. To determine the recapture tax, first multiply the sum of (my/our) original loan amount, and any down payment assistance loan amount, which is \$ \_\_\_\_\_ by 6.25%. This is \$ \_\_\_\_\_ and is the "maximum recapture tax."
2. Next, determine if (I/we) are entitled to a "holding period adjustment." Multiply the appropriate percentage shown in Column 1 (holding period percentage) of Sample Table in Attachment 3, reflecting the year in which (I/we) sold (my/our) home times the dollar amount calculated in (1.) above.

This amount, \$ \_\_\_\_\_, is (my/our) "adjusted recapture tax."

3. Now determine if (I/we) are entitled to a "low-income reduction" or are excluded from paying any recapture tax. Look under column 2 of the Sample Table in Attachment 3 to determine the Adjusted Qualifying Income reflecting (my/our) family size at the time of sale. If (my/our) modified adjusted gross income (adjusted gross income from IRS Form 1040 plus tax-exempt income less the gain realized by the sale of this house) is less than the Adjusted Qualifying Income, (I/we) are excluded from paying any recapture tax. If (my/our) modified adjusted gross income exceeds the Adjusted Qualifying Income by more than \$5,000, (I/we) are not entitled to a "low-income reduction". If (my/our) income is within \$5,000 of the chart amount, the difference between (my/our) income and the chart amount is divided by \$5,000, and the resulting percentage is multiplied by the amount calculated in (2.) above. I/We now have computed the recapture tax. I/We are liable to pay the lesser of this amount or one-half of the gain on the sale of (my/our) home.

Note:The Income Limits in Attachment 3 are hypothetical amounts for illustration purposes only. At or subsequent to closing, (I/we) will be given the actual limits applicable to (me/us).

**EXAMPLE OF HOW TO COMPUTE THE RECAPTURE AMOUNT**

J, a single individual, purchases a home with a \$55,000 mortgage loan, and an \$3,000 down payment assistance loan, provided by (or in the case of an MCC, issued by) the State of New York Mortgage Agency. At the time of purchase, the applicable income limit for a single person is \$20,000. J marries S, and they have two children, E and M. They sell their home 6 years and 2 months later and realize a gain of \$12,000 on the sale of the home. In the year of sale, J and S's household income (adjusted gross income plus tax-exempt interest but not including any gain on the sale of this house) is \$32,000. Before adjustments, the maximum recapture amount would be \$3,625 ( $0.0625 \times \$58,000$ ).

However, because the home was held more than 5 years, the holding period adjustment reduces the recapture amount to \$2,175 (sale on or after the sixth anniversary of closing, but before the seventh anniversary of closing = 60% holding period percentage). The recapture amount is further reduced because J and S's household income (\$32,000) is \$3,822 less than the income eligibility limit of (\$30,822 plus \$5,000) or \$35,822.

The recapture amount is reduced by the income percentage which is the difference between J and S's household income (\$32,000) and the eligibility limit (\$30,822) divided by \$5,000. (\$32,000 is \$1,178 more than \$30,822 and \$1,178 divided by \$5,000 = 23.6%.  $\$2,175 \times 23.6\% = \$513.30$ ).

Since J and S realized a \$12,000 gain on the sale of their home, the 50% gain-on-sale limitation did not further reduce the \$513.30 recapture amount due. If the gain on sale had been \$200 instead of \$12,000, then the recapture amount would have been \$100, which is the lesser of the computed amount of \$513.30 or 50% of the gain on sale ( $\$200 \times 50\% = \$100$ ).

This example is modified from the Draft Report prepared by the United States General Accounting Office entitled "Home Ownership, Limiting Mortgage Assistance Provided to Owners with Rapid Income Growth" to reflect changes enacted by the Budget Reconciliation Act of 1990.

If \$20,000 was the applicable income limit for one-person household, \$23,000 would be the applicable 3-or-more person household limit ( $\$20,000 \times 115\%$ ). The \$23,000 amount is increased by 1.05 to the "nth" power, where "n" is the number of full years the home was owned, to \$30,822. ( $\$23,000 \times 1.05$  to the 6th power equals  $1.34 \times \$23,000 = \$30,822$ .)

**ATTACHMENT 3****SAMPLE TABLE**

[Note: The incomes provided in Column 2 of this table are merely examples to assist (me/us) in understanding the recapture calculation described in Attachment 2. Actual Income Calculations will be provided at or subsequent to Closing].

| Date that (I/we)<br>sell (my/our) home   | (Column 1)<br><b>Holding Period<br/>Percentage</b> | (Column 2)<br><b><u>Adjusted Qualifying Income</u></b>                        |                  |
|--|--|---|------------------|
|  |  | Number of Family Members<br>Living in Your Home<br><u>At The Time of Sale</u> |                  |
|  |  | <u>2 or less</u>  | <u>3 or more</u> |
| Before the first anniversary<br>of closing (See note above)  | 20%  | \$20,000  | \$23,000         |
| On or after the first anniversary<br>of closing, but before the<br>second anniversary of closing   | 40%  | \$21,000  | \$24,150         |
| On or after the second anniversary<br>of closing, but before the<br>third anniversary of closing   | 60%  | \$22,050  | \$25,357         |
| On or after the third anniversary<br>of closing, but before the<br>fourth anniversary of closing   | 80%  | \$23,152  | \$26,625         |
| On or after the fourth anniversary<br>of closing, but before the<br>fifth anniversary of closing   | 100%   | \$24,310  | \$27,957         |
| On or after the fifth anniversary<br>of closing, but before the<br>sixth anniversary of closing    | 80%  | \$25,526  | \$29,354         |
| On or after the sixth anniversary<br>of closing, but before the<br>seventh anniversary of closing  | 60%  | \$26,802  | \$30,822         |
| On or after the seventh anniversary<br>of closing, but before the<br>eighth anniversary of closing | 40%  | \$28,142  | \$32,363         |
| On or after the eighth anniversary<br>of closing, but before the<br>ninth anniversary of closing   | 20%  | \$29,549  | \$33,981         |

**RECAPTURE WORKSHEET**

- A. Calculate 50% of the gain on sale of the home.  
[Gain \$\_\_\_\_\_ x 50%] = \$\_\_\_\_\_.
- B. Home was sold or transferred during what year? \_\_\_\_\_ year  
Applicable % (See Attachment 3, Column 1) \_\_\_\_\_%.
- C. Sum of original mortgage loan amount and down payment assistance loan amount \$\_\_\_\_\_.
- D. Amount in C. x 6.25% (.0625) = \$\_\_\_\_\_ (Maximum Recapture Tax possible).
- E. [% shown in B.] x D. = \$\_\_\_\_\_.
- F. Maximum Federal income limit for (my/our) area, the year sold, and current family size (See Attachment 3, Column 2) = \$\_\_\_\_\_.
- G. Mortgagor(s) modified adjusted gross income for year in which house is sold.
- |  |         |
|--|---------|
| (adjusted gross income on Form 1040, 1040A, or 1040EZ) | \$_____ |
| (tax-exempt income) +                                  | \$_____ |
| (100% of gain on sale on home) -                       | \$_____ |
| (modified adjusted gross income) =                     | \$_____ |
- H. If F. is greater than or equal to the result in G., no recapture; stop here.
- I. If G. is greater than or equal to (F. + \$5,000), go to M.
- J. If G. is less than (F. + \$5,000), compute the difference between G. and F. here: \$\_\_\_\_\_.
- K. The amount in J. divided by \$5,000 = \_\_\_\_\_%.
- L. K. times E. = \$\_\_\_\_\_ (adjusted recapture tax). (Go to N.)
- M. The LESSER of (A.) or (E.) is the recapture amount owed  
\$\_\_\_\_\_.
- N. The LESSER of (A.) or (L.) is the recapture amount owed.  
\$\_\_\_\_\_.