



State of New York Mortgage Agency

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January 13, 2010

**RE: Down Payment Assistance Loan and Tax Credit Advance Loan Updates
Seller's Guide Bulletin #1-2010**

Dear Participating Lender:

This letter serves as follow-up to the State of New York Mortgage Agency ("SONYMA") announcements of October 30, 2009 and December 9, 2009, wherein the Down Payment Assistance Loan ("DPAL") and Tax Credit Advance Loan ("TCAL") products, respectively, were introduced. The information and the attachments that follow will clarify issues that have arisen since the announcement of these initiatives. All previously announced terms, conditions, and requirements of the DPAL and TCAL will remain in effect except as stated in this letter.

Lender Online Available to Accept TCAL Reservations

Effective immediately, Lender Online (LOL) is now ready to accept reservations for loans with TCALs. As a reminder, when reserving a loan with a TCAL, lenders must select one of the currently available Programs that IS NOT associated with a DPAL. For example, select "Low Interest Rate Program" and not "Low Interest Rate Program with DPAL/CCAL." Upon selection of the program, a second page will open requesting whether the applicant wishes to also apply for a TCAL. If the lender clicks on the TCAL link, a new section will appear on the main loan reservation screen requiring additional second mortgage information.

Please note that SONYMA will treat the TCAL as a separate mortgage and will assign a second SONYMA loan number beginning with a prefix of 990.

Lender Compliance with Federal Disclosure Laws of DPALs and TCALs

SONYMA does not provide guidance on regulatory issues as it relates to DPALs or TCALs. Lenders must make their own determination in this regard.

Disclosure of the DPALs and TCALs on the Loan Application (1003)

In our TCAL announcement, we stated that the TCAL amount should be listed as a subordinate mortgage on the borrower's 1003. The DPAL announcement, however, was silent on the matter. For DPALs, SONYMA will accept the DPAL amount to be entered in the "Details of Transaction" section as either: (i) "Subordinate Financing", or (ii) "Other Credit". If any amount of a DPAL or TCAL is being used to pay closing costs and/or pre-pays, lender must provide a breakdown of the amount being used for down payment and the amount being used for closing costs.

Verification of Correct SONYMA Assistance Product; Use of Proper Forms

To verify that a loan has been registered correctly, lenders should access LOL to ensure the data fields reflect the appropriate assistance product. Please use the below table as a reference and to ensure that the proper forms associated with each product are being appropriately used:

Product	Effective Use Date	LOL Field	Relevant Forms to be Used
DPAL	Reservations dated on or after 1/1/10	DPAL field in the Loan Status tab has an amount entered	<ol style="list-style-type: none"> 1. DPAL Recapture Notification (Form D4/9-09) 2. Interest Rate Option Form (Form D3/9-09) 3. DPAL Enforcement Note and Mortgage (Form D1/9-09 Rev.) 4. DPAL Cooperative Enforcement Note and Security Agreement (Form D2/9-09 Rev.)
TCAL	Reservations dated on or after 1/1/10	Second mortgage fields will have entries	<ol style="list-style-type: none"> 1. TCAL Federal Recapture Tax Notification and Disclosure Form (Form T5/12-09) 2. Interest Rate Option Form (Form D3/9-09) 3. TCAL Mortgage (Form T1/12-09) 4. TCAL Note (Form T2/12-09) 5. TCAL Cooperative Security Agreement (Form T3/12-09) 6. TCAL Cooperative Note (Form T4/12-09)
CCAL	Reservations dated prior to 1/1/10	CCAL field in the Loan Status tab has an amount entered	<ol style="list-style-type: none"> 1. CCAL Recapture Notification (Form C4/10-05) 2. CCAL Interest Rate Option Form (Form C9/10-08) 3. CCAL Request for Disbursement Form (Form C6/5-08) 4. CCAL Rider to FNMA/FHLMC Mortgage (Form C1/10-05) 5. CCAL Rider to FNMA/FHLMC Note (Form C2/10-05) 6. CCAL Rider to Cooperative Security Agreement (Form C7/10-05) 7. CCAL Rider to Cooperative Loan Note (Form C8/10-05)

Form Revisions

Several forms have been revised as described below. As with TCALs, DPALs will be funded with the proceeds of tax-exempt bonds. As such, the DPAL amount will be subject to the Federal recapture tax and the Recapture Notification and Mortgagor’s Affidavit (Form #211) has been modified to incorporate the relevant disclosure language. As a reminder, SONYMA will reimburse any borrower who pays a

Federal recapture tax to the IRS. For more information on the reimbursement process, please [click here](#). The other revisions are self-explanatory.

<u>Form Name and Number</u>	<u>Required Effective Date</u>	<u>Comments</u>
• Recapture Notification and Mortgagor's Affidavit (Form #211/1-10)	Required for any loan reservation taken on or after 2/15/10	Incorporates DPAL into Federal recapture disclosure language.
• SONYMA Down Payment Assistance Loan Enforcement Note and Mortgage (Form #D1/9-09 Rev.)	Required for any mortgage loan with a DPAL	Corrects minor errors in the original version.
• SONYMA Down Payment Assistance Loan Cooperative Enforcement Note and Security Agreement (Form #D2/9-09 Rev.)	Required for any cooperative share loan with a DPAL	Corrects minor errors in the original version.
• Pre-Closing Application File Checklist (Form #225/12-09)	Required for any reservation made on or after 1/1/10	Incorporates the above forms and all DPAL and TCAL requirements.
• Post-Closing File Checklist (Form #223/12-09)	Required for any reservation made on or after 1/1/10	Incorporates the above forms and all DPAL and TCAL requirements.
• Post-Closing Cooperative Share Loan File Checklist (Form #224/12-09)	Required for any reservation made on or after 1/1/10	Incorporates the above forms and all DPAL and TCAL requirements.

Lenders will be able to access the above referenced forms on both Lender Online as well as on our website (www.nyhomes.org).

Assignments of DPAL and TCAL Mortgages; Submission of HUD-1

Lenders are reminded that SONYMA requires a second Assignment of Mortgage for each DPAL and TCAL closed. Lenders may use the same form that SONYMA requires for its first mortgages – Form 202/9-99. *Be advised that Section 2412 of the Public Authorities Law provides that the fee to record the Assignment of Mortgage on behalf of SONYMA is waived.* For cooperatives, the Assignment of Loan (Exhibit 5/4-99) should be used. Further, SONYMA will require a separate HUD-1 for each DPAL and TCAL.

Mortgage Recording Tax and Recording Fees Required on DPALs and TCALs

Lenders are also reminded that the mortgage recording tax must be collected on the DPAL and TCAL loan amounts.

If you have any additional questions, please contact Gail Kresge at (917) 576-8250 or gkresge@nyhomes.org or Lynn Morris at (917) 613-1465 or lmorris@nyhomes.org.

Sincerely,



George M. Leocata
Senior Vice President
Single Family Programs

Enclosures

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 # _____

Mortgage Lender Name: _____

Mortgagor(s) or MCC Beneficiary(ies): _____

Property Seller(s): _____

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

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, _____ and _____ 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).

____(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.

____(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.

____(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.

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) or (B) 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 any 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) 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) is to be completed only if the Mortgagor(s) is purchasing a Residence in a Non Target Area:

(C) Following is a list of all the residences in which (I/we) have lived during the **three-year period immediately prior to the closing of the Mortgage Loan** or the issuance of the MCC and the names and addresses of the owners thereof:

M/C*	Address of Residence	Dates Purchasers Resided There	Names and Addresses of Owners of Residence
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

M/C*	Address of Residence	Dates Purchasers Resided There	Names and Addresses of Owners of Residence
_____	_____	_____	_____
_____	_____	_____	_____

*M = Mortgagor C= Co-Mortgagor

[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

_____ (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 _____ [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.

_____ (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.

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.

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)	\$ _____
(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	\$ _____

*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.

(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	\$ _____	\$ _____
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	\$ _____	\$ _____
10. Sick Pay	\$ _____	\$ _____
11. Public Assistance	\$ _____	\$ _____
12. Alimony, Child Support or Separate Maintenance Income	\$ _____	\$ _____
13. Any Other Income	\$ _____	\$ _____
14. Total Monthly Gross Income	\$ _____	\$ _____
Multiply by 12	_____ x12	_____ x12
<u>B. Total Annualized Gross Income</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 $1.34 \times \$23,000 = \$30,822$.)

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].

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

Record and Return to:

**SONYMA Down Payment Assistance Loan
ENFORCEMENT NOTE AND MORTGAGE**

Dated as of: _____, 20__

This instrument affects realty situated in the State of New York, in the County of _____.

THIS ENFORCEMENT NOTE AND MORTGAGE ("**Note and Mortgage**") made as of the ___ day of _____, 20__, between _____, an individual residing at _____ ("**Borrower**") and _____, a _____ having its principal place of business at _____ ("**Mortgagee**").

Borrower hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("**SONYMA**"), a public benefit corporation with offices at 641 Lexington Avenue, New York, New York 10022, and the Mortgagee, Mortgagee has furnished Borrower with a Down Payment Assistance Loan ("**DPAL**") in the amount of the Recapture Obligation (as defined in Paragraph 1 of this Note and Mortgage) as funds to be held in trust and to be used solely in connection with the acquisition of the Property (as defined in Paragraph 2 of this Note and Mortgage) ("**DPAL Funds**") and that this Note and Mortgage shall be subject to the trust fund provisions of Section 13 of the New York Lien Law. Borrower understands that the amount of the Recapture Obligation represents a portion of the cost of the purchase price, and if applicable closing costs, of the Property and agrees to the recapture of such amount of the Recapture Obligation as required herein as the purchaser of the Property.

1. For value received, Borrower promises to pay to Mortgagee the sum of _____ Dollars (\$_____) (the "**Recapture Obligation**"), payable according to and in the manner provided in Paragraphs 5, 11, 12 and 13.

2. The Borrower hereby mortgages to the Mortgagee all right, title and interest of the Borrower in and to the Property described in Schedule A annexed hereto and hereby made a part hereof, located at _____
[Street]

_____, New York _____
[City, Town or Village] [Zip Code]

("Property"); together with:

- (a) the buildings and improvements on the Property.
- (b) all of the Borrower's right, title and interest in and to any land lying in the bed of the streets in front of and adjoining the Property to the center lines of such streets.
- (c) all fixtures which now are or which later may be attached to or used or useful in connection with the Property. This does not include any personal property.
- (d) all condemnation awards for any taking by a government or agency of the whole or part of the real Property or any easement in connection with the Property. This includes awards for changes of grades of streets.
- (e) all right, title and interest but not obligation, of the Borrower in and to all leases and other agreements affecting the use or occupancy of the Property or any common area appurtenant thereto.
- (f) any right, title and interest of the Borrower in and to any common areas appurtenant thereto.

3. Borrower will fulfill the Recapture Obligation at the time and in the manner provided herein. If the Borrower fails to make any payment required pursuant to this Note and Mortgage, the lien created by this Note and Mortgage will remain a lien on the Property to secure payment of the unpaid portion of the Recapture Obligation.

4. The Borrower and Mortgagee hereby acknowledge that the Property is subject to the lien of a first loan (the "**First Mortgage Loan**") made by _____ (the "**Lender**"). The parties hereto agree that all terms and provisions of this Note and Mortgage are subject and subordinate to the first priority lien of the Lender, pursuant to the terms of the first mortgage note and first mortgage pertaining to such First Mortgage Loan ("**First Mortgage Loan Documents**"). If any action or proceeding of foreclosure is instituted by the Lender, the Borrower will immediately upon service thereof, deliver to the Mortgagee a true copy of each notice, petition, summons or papers howsoever designated, served in such action or proceeding or in any such action or proceeding.

5. Subject to the provisions of the First Mortgage Loan Documents, the Recapture Obligation secured by this Note and Mortgage will become immediately due and payable if any one or more of the following occurs (each, a "**Default**"):

- (a) Borrower: (i) does not occupy the Property as his home and principal place of residence within sixty (60) days of the date of this Note and Mortgage; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Property as Borrower's principal residence throughout the Required Owner Occupancy Period (as defined herein), or (B) rents, sells, conveys any interest in or otherwise vacates the Property during the Required Owner Occupancy Period; or (C) pays the full amount of the sums secured by the First Mortgage Loan Documents ("**Sums Secured**");
- (b) Borrower fails to: (i) make any payment due on any of the Sums Secured within thirty (30) days after the date that such payment was due pursuant to the terms of the First Mortgage Loan Documents; or (ii) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Borrower under the First Mortgage Loan Documents or this Note and Mortgage (collectively, the "**Loan Documents**"); or
- (c) Any misrepresentation, fraud, or other default exists or occurs under the DPAL Eligibility Documentation (as defined herein), in connection with any of the Sums Secured, or otherwise under the Loan Documents.

Any Default existing or occurring under the First Mortgage Loan Documents will constitute a default under this Note and Mortgage.

6. Borrower will keep the improvements on the Property insured against loss by fire and other risks as required by Lender and the Mortgagee.

7. Borrower will keep the Property in reasonably good repair.

8. The Recapture Obligation secured hereby will not require the payment of installments and will be a standing obligation which will be without interest.

9. Borrower represents and warrants that:

- (a) Borrower has, as necessary, read, completed, signed, executed and submitted to Mortgagee the following documents: this Note and Mortgage, Down Payment Assistance Loan Recapture Notification, and any additional documentation required by the Mortgagee in connection with the DPAL ("**DPAL Eligibility Documentation**");
- (b) Such DPAL Eligibility Documentation contains no misrepresentation or misinformation;
- (c) Borrower lawfully owns the Property and that the Borrower has the right to and does mortgage all right, title, and interest of the Borrower in and to the Property to the Mortgagee. In addition, the Borrower gives Mortgagee a general

warranty of title. Borrower agrees to comply with all the requirements of the Loan Documents. Borrower further represents and warrants that Borrower is eligible to receive the DPAL Funds, and keep and observe all of the terms, covenants and conditions hereof;

- (d) Borrower understands that the amount of the DPAL Funds represents a reduction in the Borrower's cash outlay for down payment, and if applicable, closing costs associated with the acquisition of the Property and that the DPAL Funds are repayable, subject to the terms of this Note and Mortgage, in the amount of the Recapture Obligation as determined by SONYMA; and
- (e) In return for the benefit of the DPAL Funds, Borrower understands that he or she is required to own and occupy the Property as his or her principal place of residence for the Required Owner Occupancy Period (as defined herein), and the failure to comply with this subparagraph (e) shall cause the Recapture Obligation to become due and payable.

10. In addition to the covenants and agreements made hereinabove, Borrower further agrees, covenants and promises as follows:

- (a) Borrower will own and occupy the Property as his principal place of residence for a period of ten (10) years commencing on the date hereof (the "**Required Owner Occupancy Period**"); and
- (b) As the purchaser, owner, and occupant of the Property and the beneficiary of the DPAL Funds provided with respect to the Property, Borrower agrees to pay the amount of the Recapture Obligation as required herein. Borrower agrees to provide to the Mortgagee any documents required by SONYMA with respect to SONYMA's determination of the amount of the Recapture Obligation.

11. The amount to be repaid by and recaptured from Borrower will be the amount of the Recapture Obligation, as determined by SONYMA pursuant to this Note and Mortgage, payable upon the date of the earliest occurrence of the following: (a) Borrower's failure to occupy the Property as Borrower's principal place of residence (subject to the provisions of Section 5(a) of the Note and Mortgage); or (b) any other Default, if any, as defined in Section 5 of this Note and Mortgage; or (c) payment in full of the Sums Secured; or (d) any refinancing of the Sums Secured; or (e) any sale or conveyance of the full ownership interest in the Property, during the applicable Required Owner Occupancy Period.

12. If the Recapture Obligation initially becomes due and payable as provided in Section 11(a), (b) or (c) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, will equal the entire amount of the DPAL Funds but reduced by 1/120th thereof for each full and complete month that Borrower has owned and occupied the Property as Borrower's principal residence and the First Mortgage Loan remains outstanding (the "**Remaining DPAL Funds**").

13. If the Recapture Obligation becomes due and payable as provided in Section 11(d) or (e) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, shall be the Remaining DPAL Funds, except that, if the Remaining DPAL Funds are greater than Net Profit, as defined in this Section 13, then the amount of the Recapture Obligation to be repaid by the Borrower shall be the Net Profit. The “**Net Profit**” is the amount equal to the total proceeds of any sale or conveyance of the full ownership interest in the Property, or in the event of any refinancing of the Sums Secured, the current appraised value of the Property, less the sum of the following: (a) repayment due on the outstanding balance of the principal and accrued interest payable on the First Mortgage Loan and other components of the Sums Secured (exclusive of the initial amount of the Recapture Obligation); and (b) Borrower’s initial down payment made on the Property (the initial cash portion of the purchase price exclusive of the initial amount of the Recapture Obligation); and (c) costs of any capital improvements paid or incurred by Borrower with respect to the Property; and (d) closing costs paid or incurred by Borrower with respect to any refinancing or sale or conveyance of the full ownership interest in the Property of the Sums Secured (but not including any costs: (x) associated with a refinance loan obtained by the Borrower, such as appraisal fees, title insurance fees, etc., or (y) any “seller concessions” which are paid by the Borrower to enhance the sale of the Property). If the Net Profit is zero or less, no Recapture Obligation will be due. Notwithstanding the above, if Borrower owns and occupies the Property as his principal place of residence in compliance with the terms of the Note and Mortgage for the Required Owner Occupancy Period and the First Mortgage Loan remains outstanding after the expiration of such Required Owner Occupancy Period, the Recapture Obligation will be reduced to zero and extinguished and Borrower will not be required to repay any portion of the DPAL Funds.

14. If the Mortgagee incurs any costs in collecting the Recapture Obligation secured by this Note and Mortgage, including but not limited to reasonable attorney's fees, such costs will be added to the Recapture Obligation and will also be secured by this Note and Mortgage.

15. Any notices, demands, certifications, requests, communications or the like (“**Notices**”) required or permitted to be given under this Note and Mortgage, unless otherwise specifically provided in this Note and Mortgage, will be in writing and will be delivered personally or given by regular, certified, or registered mail, correct postage prepaid, to the addresses first set forth above, or such other addresses as the parties may for themselves designate in writing for the purpose of receiving Notices hereunder. Notices to the Mortgagee will be marked “Attention: Vice President, Single Family Programs.” Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or an official United States post box. If any action or proceeding of foreclosure is instituted with respect to the Property, Borrower will immediately upon service thereof, deliver to SONYMA, whose address appears on the first page of this Note and Mortgage, a true copy of each notice, petition, summons or papers howsoever designated, served in such action or proceeding or in any such action or proceeding, in addition to any obligation to notify any party set forth in the First Mortgage Loan Documents.

16. The terms, covenants and conditions of this Note and Mortgage will in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

17. This Note and Mortgage may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

18. The Borrower warrants and represents that the Borrower (and the undersigned representatives of the Borrower, if any) has full power, authority and legal right to execute and deliver this Note and Mortgage and to mortgage all right, title and interest of the Borrower in and to the Property pursuant to the terms hereof and to keep and observe all of the terms, covenants and conditions of this Note and Mortgage on the Borrower's part to be performed.

19. If there is more than one Borrower, each will be separately liable. The words "Borrower" and "Mortgagee" will include their heirs, executors, administrators, successors, and permitted assigns. If there are more than one Borrower or Mortgagee, the words "Borrower" and "Mortgagee" used in this Note and Mortgage will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the sense of the sentence requires. Borrower and Mortgagee agree that each party and its counsel have reviewed this instrument and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

20. This Note and Mortgage may be executed in one or more duplicate originals bearing the same date.

21. Provided that the Borrower has complied with all the terms of the Loan Documents, this Note and Mortgage will be deemed of no further force and effect at the expiration of the Required Owner Occupancy Period and as of such date ("**Fulfillment Date**") neither Borrower nor Mortgagee will have any further rights or obligations under Note and Mortgage against each other, except that, if the Borrower has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Loan Documents, then the security interest created by this Note and Mortgage will continue irrespective of the Fulfillment Date until the date upon which the amount of the Recapture Obligation plus all costs of collection payable under the terms of the Note and Mortgage have been discharged by the Borrower (such date hereinafter referred to as the "**Extended Fulfillment Date**"). On or after the Extended Fulfillment Date, if the Borrower has complied with all of the requirements of this Note and Mortgage, the Mortgagee will, at Borrower's sole cost and expense and upon written request by Borrower, execute and furnish Borrower with a satisfaction of mortgage solely with respect to and only affecting this Note and Mortgage ("**Release**"). Upon discharge of this Note and Mortgage, the first priority lien created by the First Mortgage Loan Documents shall continue in force and effect except as expressly provided therein.

22. All of the terms, covenants and conditions hereof run with the land and will apply to, bind, and inure to the benefit of Borrower and Mortgagee and their respective heirs, personal representatives, successors and assigns and all subsequent holders of this Note and Mortgage, and all subsequent owners, encumbrancers, tenants and subtenants of the Property or any part thereof or interest therein, except to the extent expressly provided to the contrary herein.

The Borrower states that the Borrower(s) has read this Note and Mortgage, received a completed copy of same, and has duly signed this Note and Mortgage as of the date at the top of the first page.

Borrower(s)

Borrower(s)

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) 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 names(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:

STATE OF NEW YORK)
) 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 names(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:

SCHEDULE A
LEGAL DESCRIPTION

**SONYMA Down Payment Assistance Loan
COOPERATIVE ENFORCEMENT NOTE AND SECURITY AGREEMENT**

This Cooperative Enforcement Note And Security Agreement ("**Agreement**") is made as of the ____ day of _____, 20____, between _____ ("**Shareholder**") and _____, a _____ having its principal place of business at _____ ("**Lender**").

1. Description of the Unit. As of the date of this Agreement, the Shareholder (a) acquired ____ shares (the "**Shares**") of capital stock of _____ (the "**Apartment Corporation**"), which Shares are allocated to Unit _____ (the "**Unit**") in the building located at _____, pursuant to the Apartment Corporation's By-Laws; and (b) entered into a proprietary lease for the Unit ("**Proprietary Lease**") by and between the Shareholder, as lessee, and the Apartment Corporation, as lessor.

2. Description of Down Payment Assistance Loan. Shareholder hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("**SONYMA**"), a public benefit corporation having its principal place of business at 641 Lexington Avenue, New York, New York 10022, and the Lender, Lender has furnished Shareholder with a Down Payment Assistance Loan ("**DPAL**") in the amount of the Recapture Obligation (as defined in Paragraph 4 of this Agreement) as funds ("**DPAL Funds**") to be held in trust and to be used solely in connection with the acquisition of the Unit. Shareholder understands that the amount of the Recapture Obligation represents a portion of the cost of the purchase price, and if applicable closing costs, of the Unit and agrees to the recapture of such amount of the Recapture Obligation as required herein as the purchaser of the Unit.

3. Representations, Covenants and Warranties. The Shareholder represents and warrants that:

- (a) Shareholder has, as necessary, read, completed, signed, executed and submitted to Lender the following documents: this Agreement, Down Payment Assistance Loan Recapture Notification, and any additional documentation required by the Lender in connection with the DPAL ("**DPAL Eligibility Documentation**");
- (b) Such DPAL Eligibility Documentation contains no misrepresentation or misinformation;

- (c) The Shareholder warrants and represents that Shareholder has good title to the Shares and to the leasehold granted under the Proprietary Lease, and that the Shareholder has full power, authority and legal right to execute and deliver this Agreement, to grant the security interest granted by this Agreement, and to fulfill the Shareholder's obligations under this Agreement. The Shareholder represents and warrants that the Shareholder is eligible to receive the benefit of the DPAL described above;
- (d) Shareholder understands that the amount of the DPAL Funds represents a reduction in the Shareholder's cash outlay for down payment, and if applicable, closing costs associated with the acquisition of the Unit and that the DPAL Funds are repayable, subject to the terms of this Agreement, in the amount of the Recapture Obligation as determined by SONYMA; and
- (e) Shareholder acquired the Unit for use as the Shareholder's principal residence and (if Shareholder has not already done so) the Shareholder shall promptly move into and occupy the Unit as the Shareholder's principal residence.
- (f) In return for the benefit of the DPAL Funds, Shareholder understands that he or she is required to own and occupy the Unit as his or her principal place of residence for the Required Owner Occupancy Period (as defined herein), and the failure to comply with this subparagraph (f) shall cause the Recapture Obligation to become due and payable.

Shareholder further agrees, covenants and promises as follows:

- (g) Shareholder will own and occupy the Unit as his principal place of residence for a period of ten (10) years commencing on the date hereof (the "**Required Owner Occupancy Period**"); and
- (h) As the purchaser, owner, and occupant of the Unit and the beneficiary of the DPAL Funds provided with respect to the Unit, Shareholder agrees to pay the amount of the Recapture Obligation as required herein. Shareholder agrees to provide to the Lender any documents required by SONYMA with respect to SONYMA's determination of the amount of the Recapture Obligation.
- (i) Shareholder will keep the improvements on or at the Unit insured against loss by fire and other risks as required by the Prior Lender and the Lender.
- (j) Shareholder will keep the Unit in reasonably good repair.

4. Promise to Pay. For value received, the Shareholder promises to pay to the order of Lender, United States funds in the amount _____ Dollars (\$ _____) (the "**Recapture Obligation**"), payable according to provisions set forth in Paragraphs 7 and 9. The Recapture Obligation will not require the payment of installments and will be a standing obligation which will be without interest. If the Shareholder comprises more than one individual, they shall be jointly and severally liable for the repayment of the Recapture Obligation and for the fulfillment of Shareholder's other obligations under this Agreement.

5. Security Interest. The Shareholder hereby grants to Lender, as security for the Shareholder's obligation under this Agreement, a security interest in collateral ("**Collateral**") consisting of (a) the Shares, including thereby any additional or replacement Shares that may be issued to the Shareholder in connection with the Unit; (b) the Shareholder's interest under the Proprietary Lease, including thereby any supplementary or replacement agreement whereunder the Shareholder may acquire any right to possession of the Unit; and (c) proceeds of the foregoing, including without limitation, proceeds of the sale or other disposition of the Shares and/or proceeds, and/or of the subletting or reletting of the Unit.

6. Prior Security Interests. Lender acknowledges that its security interest in the Collateral, and Lender's rights under this Agreement, are subject and subordinate to (a) a security interest held by _____ (the "**Prior Lender**"), to secure funds that were loaned to the Shareholder (the "**First Loan**") pursuant to a first-position security agreement and first-position note (the "**First Security Agreement and First Note**"); and (b) extensions, renewals and replacements of such security interest (any such extensions, renewals or replacements, along with the First Security Agreement and First Note, the "**First Loan Documents**") without regard to the amount secured, provided only that Lender's security interest shall not be subordinate to more than one such security interest at any time. The holder of such superior security interest is called the Prior Lender, even though such security interest may be held by a successor to the Prior Lender or by another lender entirely. Lender acknowledges that its security interest is and will also be subordinate to a security interest afforded to the Apartment Corporation to secure fulfillment of the Shareholder's obligations under the Proprietary Lease.

7. When Recapture Occurs. The Recapture Obligation shall become immediately due and payable in any one or more of the following events (each, a "**Default**"):

- (a) Shareholder: (i) does not occupy the Unit as his home and principal place of
- (b) residence within sixty (60) days of the date of this Agreement; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Unit as

Shareholder's principal residence throughout the Required Owner Occupancy Period (as defined herein), or (B) rents, sells, conveys any interest in or otherwise vacates the Unit during the Required Owner Occupancy Period; or (C) pays the full amount of the sums secured by the First Loan Documents ("**Sums Secured**");

- (c) Shareholder fails to: (i) make any payment due on any of the Sums Secured within thirty (30) days after the date that such payment was due pursuant to the terms of the First Loan Documents; or (ii) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Shareholder under the First Loan Documents or this Agreement (collectively, the "**Loan Documents**");
- (d) the Proprietary Lease is terminated (and such termination is not reinstated within thirty (30) days after such termination) for any reason, including without limitation, action by the Apartment Corporation, the Shareholder's voluntary cancellation of the Shares or expiration of the term of the Proprietary Lease; or
- (e) Any misrepresentation, fraud, or other default exists or occurs under the DPAL Eligibility Documentation (as defined herein), in connection with any of the Sums Secured, or otherwise under the Loan Documents.

Any default existing or occurring under the First Loan Documents will constitute a Default under this Agreement.

8. Notices To Be Given. The Shareholder shall promptly give notice to Lender of (a) Prior Lender's acceleration of the debt secured by its security interest, or of the commencement of any action to foreclose such security interest, or (b) any attempt by the Apartment Corporation to terminate the Proprietary Lease.

9. Amount of Recapture Obligation To Be Repaid.

- (a) The amount to be repaid by and recaptured from Shareholder will be the amount of the Recapture Obligation, as determined by SONYMA pursuant to this Agreement, payable upon the date of the earliest occurrence of the following: (i) Shareholder's failure to occupy the Unit as Shareholder's principal place of residence (subject to the provisions of Paragraph 7(a) of this Agreement); or (ii) any other Default, if any, as defined in Paragraph 7 hereinabove; or (iii) payment in full of the Sums Secured; or (iv) any refinancing of the Sums Secured; or (v) any sale or conveyance of the full ownership interest in the Unit, during the applicable Required Owner Occupancy Period.

- (b) If the Recapture Obligation initially becomes due and payable as provided in Paragraph 9(a)(i), (ii) or (iii) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, will equal the entire amount of the DPAL Funds but reduced by 1/120th thereof for each full and complete month that Shareholder has owned and occupied the Unit as Shareholder's principal residence and the First Loan remains outstanding (the "**Remaining DPAL Funds**").
- (c) If the Recapture Obligation becomes due and payable as provided in Paragraph 9(a)(iv) or (v) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, shall be the Remaining DPAL Funds, except that, if the Remaining DPAL Funds are greater than Net Profit (as defined herein), then the amount of the Recapture Obligation to be repaid by the Shareholder shall be the Net Profit. The "**Net Profit**" is the amount equal to the total proceeds of any sale or conveyance of the full ownership interest in the Unit, or in the event of any refinancing of the Sums Secured, the current appraised value of the Unit, less the sum of the following: (i) repayment due on the outstanding balance of the principal and accrued interest payable on the First Loan and other components of the Sums Secured (exclusive of the initial amount of the Recapture Obligation); and (ii) Shareholder's initial down payment made on the Unit (the initial cash portion of the purchase price exclusive of the initial amount of the Recapture Obligation); and (iii) costs of any capital improvements paid or incurred by Shareholder with respect to the Unit; and (iv) closing costs paid or incurred by Shareholder with respect to any refinancing or sale or conveyance of the full ownership interest in the Unit of the Sums Secured (but not including any costs: (x) associated with a refinance loan obtained by the Shareholder, such as appraisal fees, title insurance fees, etc., or (y) any "seller concessions" which are paid by the Shareholder to enhance the sale of the Unit). If the Net Profit is zero or less, no Recapture Obligation will be due. Notwithstanding the above, if Shareholder owns and occupies the Unit as his principal place of residence in compliance with the terms of this Agreement for the Required Owner Occupancy Period and the First Loan remains outstanding after the expiration of such Required Owner Occupancy Period, the Recapture Obligation will be reduced to zero and extinguished and Shareholder will not be required to repay any portion of the DPAL Funds.
- (d) If the Lender incurs any costs in collecting the Recapture Obligation secured by this Agreement, including but not limited to reasonable attorney's fees, such costs will be added to the Recapture Obligation and will also be secured by this Agreement.

10. Documentation. The Shareholder, at Shareholder's expense, shall execute, deliver and (where applicable) pay the cost of recording or filing such instruments as Lender may require from time to time to evidence or confirm the Shareholder's obligations under this Agreement and/or to evidence or perfect Lender's security interest in the Collateral. Such instruments may include without limitation Uniform Commercial Code ("**UCC**") Financing Statements.

11. Release. Provided that the Shareholder has complied with all the terms of the Loan Documents, this Agreement will be deemed of no further force and effect at the expiration of the Required Owner Occupancy Period and as of such date ("**Fulfillment Date**") neither Shareholder nor Lender will have any further rights or obligations under this Agreement against each other, except that, if the Shareholder has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Loan Documents, then the security interest created by this Agreement will continue irrespective of the Fulfillment Date until the date upon which the amount of the Recapture Obligation plus all costs of collection payable under the terms of this Agreement have been discharged by the Shareholder (such date hereinafter referred to as the "**Extended Fulfillment Date**"). On or after the Extended Fulfillment Date, if the Shareholder has complied with all of the requirements of this Agreement, the Lender will, at Shareholder's sole cost and expense and upon written request by Shareholder, execute and furnish Shareholder with a termination statement or other appropriate documentation of such release solely with respect to and only affecting this Agreement ("**Release**"). Upon discharge of this Agreement, the first priority lien created by the First Loan Documents shall continue in force and effect except as expressly provided therein.

12. Compliance with Proprietary Lease. The Shareholder shall fulfill the Shareholder's obligations under the Proprietary Lease, including without limitation those relating to payment of maintenance charges and maintenance of the Unit.

13. Notices. Any notices, demands, certifications, requests, communications or the like ("**Notices**") required or permitted to be given under this Agreement, unless otherwise specifically provided in this Agreement, shall be in writing and shall be delivered personally or given by regular, certified or registered mail, correct postage prepaid, to the parties hereto and to SONYMA. Notices shall be directed to the addresses set forth herein, or to such other addresses as any addressee may designate in writing from time to time upon notice to the others. Notices to SONYMA shall be marked "Attention: Vice President, Single Family Programs". Notices shall be deemed given when actually personally delivered and receipted, or when deposited with a Post Office registry clerk or in an official United States post box.

14. Governing Law. The terms, covenants and conditions of this Agreement shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

15. Successors and Assigns. All the terms, covenants and conditions of this Agreement shall apply, bind and inure to the benefit of the Shareholder, Lender, and their respective heirs, personal representative, successors and permitted assigns, all subsequent holders of this Agreement, and all subsequent owners, encumbrances, tenants and subtenants of the Shares of the Unit, except to the extent expressly provided to the contrary herein.

16. Modifications. This Agreement may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

17. Counterparts. This Agreement may be executed in one or more duplicate originals bearing the same date.

18. Construction. If there is more than one Shareholder each will be separately liable. The words "Shareholder" and "Lender" will include their heirs, executors, administrators, successors, and permitted assigns. If there are more than one Shareholder or Lender the words "Shareholder" and "Lender" used in this Agreement will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the sense of the sentence requires. Shareholder and Lender agree that each party and its counsel have reviewed this instrument and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

The Shareholder(s) state(s) that he, she or they have read this Agreement, and that he, she or they duly signed this Agreement as of the date first set forth above.

Shareholder(s):

State of New York)
)ss.:
County of)

On the _____ day of _____, before me personally appeared _____, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he/she duly acknowledged to me that he/she executed the same as his or her free act and deed.

Notary Public

State of New York)
)ss.:
County of)

On the _____ day of _____, before me personally appeared _____, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he/she duly acknowledged to me that he/she executed the same as his or her free act and deed.

Notary Public



SONYMA Loan Pre-Closing Application File Checklist

SONYMA requires that this checklist and each of the listed documents, as applicable, be submitted with each loan application file sent for approval under the below-named program. **This checklist should not be used for Mortgage Credit Certificate (MCC) applications.** Strict adherence to this checklist will reduce the possibility of a suspended loan file. Be reminded, however, that this checklist is an IRS compliance checklist and should not in any way be construed as a checklist for credit underwriting SONYMA loans. Information in brackets [] is for SONYMA use.

General Information

SONYMA Reservation #: _____ Loan Amount: \$ _____

Borrower(s) Name: _____

Property Address: _____

Lender Name: _____

Lender Contact: _____ Telephone #: _____

Lender Contact E-Mail Address: _____ Date: _____

Program: Low Interest Rate Construction Incentive ATD Other: _____

Please check if the following applies:

- Closing Cost Assistance Loan Down Payment Assistance Loan Tax Credit Advance Loan
- ENERGY STAR® Labeled Home Homes for Veterans Program Loan Community Land Trust

Automated Underwritten Loan: Yes No **Expanded Approval (EA-1 or A-Minus):** Yes No

1. SONYMA Loan Transmittal (#213/8-09) [A0]

- Original or photocopy of the completed form submitted to SONYMA? [A01]
- Boxes 1 through 65 legibly and fully completed, with items not applicable marked "N/A" and items to be determined marked "TBD"?
- If a Project Set-Aside loan is being submitted, has the number assigned by SONYMA been entered in Item #40, "Construction Code / Project Set-Aside No."?
- If property is located in a Target Area, has the appropriate Census Tract Number been entered in Item #20 and the corresponding Target Area Number been entered in Item #39?

2. Residential Loan Application (Fannie Mae Form 1003) and Uniform Underwriting Form Transmittal Summary (Fannie Mae Form 1008) [J]

- Photocopy of original signed and dated application **and** verified application completed in full? [J01/J02]
- Is application date on or after the date the sales contract was fully executed and same as the date provided at time of the loan reservation? [J07/J08]
- Is the completed Fannie Mae Form 1008 attached? [J04/J05]
- Does the 1003 and 1008 reflect the correct interest rate and term (30/40 year) locked with SONYMA? [J09]
- If Borrower(s) is requesting a CCAL, DPAL or TCAL, has it been added to the Details of Transaction section? [J06]
- If Borrower(s) is receiving gift funds and/or subsidies, has it been added to the Assets or Details of Transaction section? [J10] [J11]
- Original 1003 Signed and dated by all Borrower(s)? [J03]
- Is the "Title will be held in what names and manner in which title will be held" completed on the 1003? [J12][J13]

3. Executed Contract of Sale [H]

Note: Lenders are permitted to reserve loans with a fully executed binder in lieu of a formal sales contract. If a binder was used to reserve a loan with SONYMA, a copy of the binder must also be submitted.

- Photocopy of document being submitted? [H01]
- Is the contract or binder dated on or prior to the loan application date? [H09]

- All terms and conditions of the sale stated within? [H02/H03]
- If personal property is being deducted from the Acquisition Cost, are the items and their value individually listed in the contract or binder? [H04/H05/H06]
- Signed by all Purchaser(s) and sellers? [H07/H08]
- All riders attached and signed? [H10]
- Is the Property Condition Disclosure Form attached, or does the contract indicate the \$500 borrower credit? [H11/H12]

4. **Appraisal Report (Fannie Mae/Freddie Mac Form) (see Seller's Guide Section 3.104 or 3.110 for appropriate forms) [N]**

- Photocopy of Appraisal Report with computer- or laser-produced photographs of the front, back, and street scene being submitted? [N01/N02/N03]
- Date of appraisal less than 6 months old? [N04, N05]
- Is the Census Tract # indicated on appraisal? [N06/N07]
- If the subject property is from an attached housing project, does appraiser indicate the total units owned in the project, the total number of units sold, and the total units owned by non-occupying investors?
- If the subject unit is from a Cooperative Project, does the appraiser indicate the unit's pro-rata share of the underlying mortgage or the total number of shares, shares for the unit, and mortgage balance? [N08/N09/N10/N11]
- If property contains any outbuildings, barns, or other structure, does appraiser adequately describe the current usage and interior of such structure and are photographs included (interior and exterior)? [N12/N13/N14]

Any of the following items, depending how answered, may require further discussion with SONYMA:

- Does the property comply with local zoning ordinances? [N15/N16]
- Does the lot size conform to SONYMA's requirements per page 4 of the Pre-Closing Application File Training Module? [N15/N17]
- Does the property show any evidence of a prior or current business or commercial use? [N15/N18]
- Does the property contain more kitchens than the number of housing units? (provide photo of kitchen and surrounding areas). [N15/N19]

5. **Recapture Notification and Mortgagor's Affidavit (#211/1-10) [S]**

- Photocopy of document being submitted? [S01]
- Mortgage Lender name completed? [S02]
- Mortgagor(s) name(s) completed? [S03]
- Property Seller(s) name(s) completed? [S04]
- Total persons expecting to occupy the residence (including children) completed? [S06]

PART II - GENERAL INFORMATION

- Mortgagor(s) name(s) appears in first paragraph? [S07]
- Mortgagor(s) has checked that he/she is applying for a SONYMA Mortgage Loan and not an MCC? [S52/S53]
- Item 2 is completed? [S08]
- If property is a three- or four-family dwelling, number of units is circled in item 2(D)? [S09/S10]
- If two-to-four family, item 5 completed? [S11]
- Item 9(A), (B1), or (B2) completed? [S12]
- If Non-Target Area loan, item 9(C) completed in full including section marked "Select all appropriate responses"? [S13/S14/S15]
- Is copy of documentation enclosed to verify income of all Household Member(s) (age 18 and older)? [S42/S43]

PART III - ACQUISITION COST OF THE RESIDENCE

- For existing property, Purchase Price indicated on line 1? (Subtract out any subsidy amount(s) for down payment, including any DPAL or TCAL, if applicable). [S16]
- For newly constructed property, construction contract price indicated on line 1? [S19/S20]
- If a Cooperative, the Pro Rata Share of the Underlying Mortgage is correctly stated in 1(a)? [S17/S18]
- If applicable, dollar amount of subsidy/grant (including any DPAL or TCAL) applied towards down payment of property indicated on line 2? [S24]
- If land has been purchased within the last 2 years, the price of the land is indicated on line 3? [S21/S22/S23]
- If the property contains unfinished living space, is the estimated cost to finish the space included on Line 3? (SONYMA requires a contractor's estimate or the appraiser's comments to support this amount.) [S47/S48]
- If the Purchaser(s) is paying closing costs normally paid by the seller, is the amount of the concession

stated in the sales contract included on Line 5? [S49]

- If personal property is listed and given a value in the contract of sale, amount has been deducted on line 6? [S25/S26/S27]
- Total acquisition cost has been indicated on line 7? [S28]
- Acquisition Cost within appropriate SONYMA Purchase Price Limit?

PART IV - INCOME ELIGIBILITY

- Part A completed in column entitled "At Loan Application" only? [S29/S30]
- Column entitled "At Loan Closing" is not completed? [S31/S32]
- Line 14 completed using current monthly income and includes income for all "Household Member(s) (age 18 and older)" in accordance with Section 5d of the Pre-Closing Application File Training Module? [S33/S34]
- Part B shows annualized current gross income? [S35]
- Household Member(s) (age 18 and older) Income within appropriate SONYMA Income Limit?

PART VI - CERTIFICATION

- Signed by all Mortgagor(s) in section entitled at "Execution at Time of Loan Application" only? [S36/S37]
- Not signed by a Power of Attorney? [S45/46]
- Notary section fully completed? [S38]
- Notary stamp and/or seal affixed and notary commission not expired? [S39]
- Section entitled "Reaffirmation at Title Closing" is not completed? [S40/S41]

6. Military Veteran's Eligibility Affidavit (#243/5-09) [if applicable and only required if Veteran(s), Veteran's spouse and/or Veteran's Co-Borrower(s) are not a First-Time Home Buyer] [Q]

- Original or a photocopy of the document being submitted? (*If a copy of the document is provided, the original document must be submitted with the post-closing loan file.*) [Q01]
- Top of form fully completed? [Q02]
- Veteran(s) Borrower(s) name and the property address being financed completed in the first paragraph? [Q03/Q04]
- Document signed by Veteran(s) Borrower(s)? [Q05]
- Form is duly notarized and notary commission has not expired? [Q06/Q07]
- Copy of DD Form 214, Certificate of Release or Discharge from Active Duty attached? [Q08/Q09]

7. PMI Certificate (if applicable) [F]

- Photocopy of document submitted when primary insurance is applicable? [F01]
- Lender named as the insured? [F02]
- Loan amount and LTV accurate? [F03]
- Borrower(s) name and property address accurate? [F06]
- Coverage amount (percent) accurate as required in the Seller's Guide? [F07/F08/F09]

8. Pool Insurance Certificate (if applicable) [E]

- Photocopy of document submitted? [E01]
- SONYMA named as the insured? [E02]
- Loan amount and LTV accurate? [E03]
- SONYMA loan number correctly stated? [E04]
- Borrower(s) name and property address accurate? [E06]

9. Signed Federal Income Tax Returns for All Programs (Not Required if Property is Located in Target Area or for eligible military veterans)[O]

- Photocopies of last three (3) years' Federal returns with all schedules for all Borrowers submitted? [O01/O02/O03]
- Are all returns signed by all Borrower(s)?** [O04]
- If Form 1040 is submitted and Borrower(s) has itemized deductions, is Schedule A attached? [O05/O06]
- If Schedule A shows deductions taken for real estate taxes and/or home mortgage interest, has a notarized affidavit been submitted to satisfactorily explain why the deductions have been taken? [O07/O08/O09/O10]
- If an IRS produced transcript has been submitted in lieu of tax returns, has it been submitted for Form 1040A or 1040EZ only (not acceptable for Form 1040 unless the transcript clearly indicates that no deductions were taken for real estate taxes and/or home mortgage interest)? [O11/O12/O13/O14]
- If Borrower(s) filed their Federal tax return(s) via Telefile, in addition to the form itself, did the Borrower(s) complete the appropriate response in Section 9(c) of Part II of the Recapture Notification and Mortgagor's Affidavit (Form 211)?
- If Applicant(s) filed Schedule C – Profit or Loss from Business and used his/her primary residence as

the business address, is Line 30 of Schedule C completed? If an amount is entered on Line 30 of Schedule C, IRS Form 8829 – Expenses for Business Use of House must be attached to the return. Borrower(s) is eligible if no amount is entered on Line 30 of Schedule C or if Line 3 of Form 8829 does not exceed 15%. *Notwithstanding this, SONYMA, at its sole discretion, may deny a loan application if it has reason to believe that more than 15% of the property will be used for a commercial or business use.*

10. Computer-Generated Paystubs for Most Recent 30 Days or equivalent [L]

- Photocopy of documents for all Household Member(s) (age 18 and older) submitted? [L01/L02]
- If computerized paystubs are not applicable, is Verification of Employment(s) or equivalent documentation as described in Item 5d. of Seller's Guide Appendix III submitted? [L03/L04]
- If a Household Member(s) (age 18 or older) has no income, does the file contain a notarized affidavit indicating such. [(if the Household Member(s) is not a Borrower(s), the affidavit must be signed by the Borrower(s)]. [O19/O20]

11. Verification of Deposit(s) (Fannie Mae/Freddie Mac Form) or equivalent [M]

- Photocopy of document submitted? [M01]

12. Residential Mortgage Credit Report(s) or Equivalent [K]

- Photocopy of document submitted? [K01]

13. Automated Underwriting Findings Report/Feedback Certificate, (if applicable) [M3]

- Photocopy of findings report/feedback certificate and accompanying reports submitted? [M31/M32]
- Copies of supporting documentation required by the findings report/feedback certificate submitted? [M33/M34]

14. FEMA Standard Flood Hazard Determination (FEMA Form 81-93, dated Dec. 05) [W]

- Photocopy of completed form submitted? [W01]

15. Closing Cost Assistance Loan Recapture Notification (#C4/10-05) (if applicable) [T1]

- Original or a copy of the document being submitted? *(If a copy of the document is provided, the original document must be submitted with the post-closing loan file.)* [T10]
 - Lender and Mortgagor(s) names completed at top of loan document? [T12]
 - Document executed by all Mortgagor(s) [T13]
- [This form must only be used for loan reservations made through 12/31/2009.]***

16. Down Payment Assistance Loan Recapture Notification (#D4/9-09) (if applicable) [T5]

- Original or a copy of the document being submitted? *(If a copy of the document is provided the original document must be submitted with the post-closing loan file.)* [T51, T52]
 - Lender and Mortgagor(s) names completed at top of loan document? [T53]
 - Document executed by all Mortgagor(s) [T54]
- [This form must only be used for loan reservations made on or after 1/1/2010.]***

17. Tax Credit Advance Loan Federal Recapture Tax Notification and Disclosure Form (#T5/12-09) (if applicable) [T6]

- Original or a copy of the document being submitted? *(If a copy of the document is provided the original document must be submitted with the post-closing loan file.)* [T61, T62]
 - Lender and Mortgagor(s) names completed at top of loan document? [T63]
 - Bottom of page 1 initialed by all Mortgagor(s)? [T64]
 - Document executed by all Mortgagor(s)? [T65]
- [This form must only be used for loan reservations made on or after 1/1/2010.]***

18. CCAL Interest Rate Option Form (#C9/10-08) [R1]

- Original or a copy of the document being submitted? *(If a copy of the document is provided, the original document must be submitted with the post-closing loan file.)* [R10]
 - Loan amount indicated? [R18]
 - Lender and Borrower(s) name and property address completed at the top of the document? [R11, R12]
 - Applicable boxes checked, regarding CCAL option selected? [R13]
 - Document executed and dated by all Borrower(s) [R17]
- [This form must only be used for loan reservations made through 12/31/2009.]***

19. Interest Rate Option Form (#D3/9-09), for reservations on or after January 1, 2010 [R9]

- Original or a copy of the document being submitted? *(If a copy of the document is provided,*

the original document must be submitted with the post-closing loan file.?) [R10]

- Loan amount indicated? [R18]
- Lender and Borrower(s) name and property address completed at the top of the document? [R11, R12]
- Applicable boxes checked, regarding DPAL option selected? [R19]
- Document executed and dated by all Borrower(s) [R17]

[This form must only be used for loan reservations made on or after 1/1/2010.]

20. Subsidy (other than DPAL, TCAL or CCAL) Documentation (if applicable) [I]

- If a subsidy(ies), other than any DPAL, TCAL or CCAL subsidy, is being utilized in this transaction, is there a photocopy of documentation in the file (i.e., award letter) verifying the subsidy provider(s), subsidy amount(s), and how funds are being distributed? [I01/I02/I03]

21. Condominium or Cooperative Project Questionnaire (if applicable) [X05]

- If property is a Condominium or a Cooperative, is a photocopy of the applicable Condominium or Cooperative Project Questionnaire submitted? [X06/X07]
- Does the form contain all information as described in Section 3.108(i)(x) or 3.109(vii)(J), as applicable, of the Seller's Guide? [X08/X09]

[Current versions of all SONYMA documents may be downloaded from our website. (www.nyhomes.org/home/index.asp?page=110)]



Post-Closing File Checklist

SONYMA requires that this checklist be completed and submitted with each closed document loan file. Each document listed must be included in the file and checked against this checklist for accuracy and completeness.

General Information

SONYMA Reservation #: _____ **Date:** _____

Borrower(s) Name: _____

Property Address: _____

Lender Name: _____

Lender Contact: _____ **Telephone #:** _____

Lender Contact E-Mail Address: _____

Program: Low Interest Rate Construction Incentive ATD Other: _____

Please check if the following applies:

- Closing Cost Assistance Loan Down Payment Assistance Loan Tax Credit Advance Loan
- ENERGY STAR® Labeled Home Homes for Veterans Program Loan Community Land Trust

1. Property Data [39, 39A/39B]

The following data is required for all loans if not submitted at time of loan application. Upon submission of the closed loan file, the Lender is required to specify in the space provided the appropriate information. Please answer each category. If the information is not available, mark the category "N/A". Please see Section 2.703 of the Seller's Guide for conventions.

- A. Tax Map Parcel Number (Section/Block/Lot) _____ [39J]
- B. Taxing Municipality Type (please check the appropriate item) [39K]
County (NYC Only) ____ City ____ Town ____ Village ____
- C. Taxing Municipality Name: _____ [39L]

2. Mortgage Note (Fannie Mae/Freddie Mac Form 3233 - 1/01) [45]

- a. Original document and a photocopy submitted? [45A]
- b. Date in upper left-hand corner corresponds with the date of the Mortgage? [45B]
- c. Property address and city is correctly stated? [45C]
- d. Item 1 specifies Mortgage amount and Lender's name? [45D, 45E]
- e. Item 2 reflects correct loan interest rate (according to the appropriate Weekly Availability of Funds and Notice of Terms Bulletin or Closing Interest Rate Calculator)? [45F]
- f. Item 3 (A) reflects the correct initial payment date, maturity date, and location as to where monthly payments are to be made? [45G/45H, 45I/45J]
- f1. Item 3 (B) reflects the correct monthly principal & interest payment? [45K]
- g. Item 6(A) is completed? [45L]
- h. Document is signed by all Mortgagor(s) and Guarantor(s) (if applicable)? [45P]
- i. Endorsement without recourse to SONYMA is reflected and executed by an authorized officer of the Lender? (An Allonge to the Note is an acceptable alternative.) [45N/45O]
- j. SONYMA CCAL Rider to New York FNMA/FHLMC Fixed Rate Note (Form C2/10-05), if applicable [61]
- j1. Signed original and a photocopy of this document submitted? [61A]
- j2. Borrower(s) name(s) is correctly stated? [61B]
- j3. Property address is correctly stated? [61D]
- j4. The Mortgage closing date is correctly specified? [61F]
- j5. Lender's name is correctly specified? [61G]

- j6. Item 3a correctly reflects the recapture obligation (CCAL loan amount) approved by SONYMA immediately prior to loan closing and agrees with Item 4a of the CCAL Rider to the FNMA/FHLMC Mortgage (Form C1)? [61I/61J]
- j7. All Borrower(s) executed the document? [61K]

3. Recorded Mortgage (Fannie Mae/Freddie Mac Form 3033 - 1/01) with SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (Form 230/12-00) attached) [46]

- a. Signed duplicate original of unrecorded Mortgage submitted, if recorded instrument is not available? DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [461, 46C]
 - a1. Original recorded document (if available) and a photocopy submitted? [46A]
 - b. Item A corresponds with the date of the Mortgage Note? [46D]
 - c. Item B shows all Borrower(s)? [46E]
 - d. Item C shows Lender's full name and other required information? [46F]
- Note:** If Lender is an approved MERS Member (see Seller's Guide Appendix IV) and names MERS as the nominee, the applicable MERS as Original Mortgagee ("MOM") language must be incorporated into the Mortgage instrument. Please see Appendix IV for more details.
- e. Item D shows date of the Mortgage Note, the Mortgage amount and maturity date? [46G/46H, 46I]
- f. Item H shows all riders attached as applicable?
- g. Under the "Description of Property" section, item A accurately states the correct property address? [46K, 46L]
 - g1. Property legal description (Schedule "A") matches that of the Title Policy? [46M/46N/46O]
 - h. Is appropriate box checked in Section 25? [47Z]
 - i. All Mortgagor(s) duly executed document? [46P]
 - j. Notary Public's proper execution and stamp and/or seal affixed on document? [46Y]
 - k. County Clerk's recording stamp affixed? [46Z]
 - l. SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (Form 230/12-00) [462]
 - l1. Signed duplicate original document submitted? [46W/46X]
 - l2. Borrower(s) name(s) accurately specified? [46E]
 - l3. Mortgage date and name of Lender specified? [46D, 46F]
 - l4. All Mortgagor(s) duly executed document? [47G]
 - m. Planned Unit Development Rider (Fannie Mae/Freddie Mac Form 3150 1/01), if applicable [463]
 - m1. If the property is a PUD, signed duplicate original submitted? [46T]
 - m2. The Mortgage date is correctly specified? [46I]
 - m3. The name of the Lender is correctly stated? [46F]
 - m4. The property address is correct? [46K]
 - m5. The name of the Declaration is correctly specified? [466]
 - m6. The name of the Planned Unit Development is correctly stated? [467]
 - m7. All Mortgagor(s) executed document? [47G]
 - n. Condominium Rider (Fannie Mae/Freddie Mac Form 3140 1/01), if applicable [47]
 - n1. If the property is a Condo, signed duplicate original submitted? [47A]
 - n2. The Mortgage date is correctly specified? [47C]
 - n3. The name of the Lender is correctly stated? [47D]
 - n4. The property address is correctly stated? [47E]
 - n5. The name of the Condominium Project is correctly stated? [47F]
 - n6. All Mortgagor(s) executed the document? [47G]
 - o. 1-4 Family Rider (Fannie Mae/Freddie Mac Form 3170 1/01), if applicable [470]
 - o1. If the property is a two-to-four family property, signed duplicate original submitted? [47A]
 - o2. The Mortgage date is correctly specified? [47C]
 - o3. Lender's name is correctly stated? [47D]
 - o4. The property address is correctly specified? [47E]
 - o5. All Mortgagor(s) executed document? [47G]
 - p. SONYMA CCAL Rider to New York Single Family FNMA/FHLMC Mortgage (Form C1/10-05), if applicable [460]
 - p1. Signed duplicate original document submitted? [46C]
 - p2. Borrower(s) name accurately specified? [46E]
 - p3. Property address is correctly stated? [46K]
 - p4. Mortgage closing date and Lender's name specified? [46D, 46F]
 - p5. Item 4a - The dollar amount specified reflects recapture obligation (CCAL loan amount) in the amount approved by SONYMA immediately prior to loan closing and agrees with Item 3a of the CCAL Rider to the FNMA/FHLMC Note (Form C2)? [463, 464]
 - p6. All Mortgagor(s) executed the document? [46P]

Note: Some county clerks will not record Mortgage instruments with a CCAL unless a cover page is attached and recorded. Other county clerks require that language be added directly on the Mortgage. Some counties also require the Assignment of Mortgage and if applicable, CEMA, to be modified. To ensure that these documents are being recorded on a timely basis, SONYMA will accept instruments with the CCAL to be recorded with either of the following variations:

1. A cover page (Exhibit 10 of the CCAL Addendum to the Seller's Guide), completed in its entirety and recorded with the Mortgage or Assignment; or
2. The following language should be added to the margin next to subsection (D) "Note." on page 1 of the Mortgage:
"* together with Closing Cost Assistance Loan amount of \$ _____, making a total of \$ _____ for mortgage tax purposes."

An asterisk(*) must be placed after the dollar amount in subsection (D) "Note." on page 1 of the Mortgage.

4. Recorded Consolidation, Extension and Modification Agreement [Fannie Mae/Freddie Mac New York Single Family 3172 - 1/01 (rev. 5-01)], if applicable [06]

- a. Signed duplicate original of unrecorded Extension and Modification Agreement submitted, if recorded instrument is not available? DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [07, 07C]
- a1. Original recorded document (if available) and a photocopy submitted? [07A/07B]
- a2. All appropriate riders, as stated above and where applicable, are attached to recorded original and duplicate original? [08R/08S]
- a3. SONYMA CCAL Rider(s) to FNMA/FHLMC Note and/or Mortgage completed and attached to the recorded and duplicate original CEMA, if applicable? [076/077/ 078]

Note: See note under "Mortgage" regarding recording a CEMA with a CCAL.

- b. Item (A) - Date specified agrees with closing date? [07E]
- c. Item (B) – Borrower(s) name and previous address accurately stated? [07F, 07G]
- d. Item (C) - Lender's name, laws it exists under and address accurately stated? [07H]
- e. Item (G) - Property address and location accurately stated? [07G]
- f. Item #1 - Total unpaid principal balance of Notes specified and amount advanced on the closing date is accurately stated? [070/07P]
- g. Item #X - The second box is checked off? [081]
- h. All Borrower(s) have executed the document? [07X]
- i. Lender's authorized officer has executed the document? [07Y/07Z]
- j. Borrower(s) signature properly notarized with Notary Public execution and stamp and/or seal appropriately affixed? [08F, 08G]
- k. Lender's authorized bank's officer signature properly notarized with Notary Public execution and stamp and/or seal appropriately affixed? [08F, 08G]
- l. Exhibit "A" accurately reflects the Mortgage information and recording information of the construction Note and Mortgage and if applicable, the gap Mortgage and Note? [082/083/084]
- m. Exhibit "B" shows the property description (Schedule A)? [085]
- n. Exhibit "C" completed and executed in the manner described on the form's instructions? [086]
- o. Exhibit "D" completed and executed in the manner described on the form's instructions? [087]

Note: If Lender is an approved MERS Member (see Seller's Guide Appendix IV) and has named MERS as the nominee on the Mortgage, the applicable MERS as Original Mortgagee ("MOM") language must be incorporated into the CEMA. Please see Appendix IV for more details.

5. Original Building Note, if applicable [02]

- a. Original document and a photocopy submitted? [02A/02B]

6. Recorded Building Mortgage, if applicable [05]

- a. Original document and a photocopy submitted? [05D/05E]

7. Recorded Assignment of Mortgage (Form 202/9-99) [09]

- a1. Signed duplicate original of unrecorded Assignment of Mortgage submitted, if recorded instrument is not available? DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [10, 10C]
- a2. Original recorded document (if available) and a photocopy submitted? [10A/10B]
- b. Lender's name as Assignor and address specified? [10E]

Note: If Lender is an approved MERS Member (see Seller's Guide Appendix IV) and has named MERS as the nominee on the Mortgage, SONYMA requires the Assignment of Mortgage (Form 202) to be executed and recorded in the appropriate county clerk's office. The Assignment of Mortgage must come from MERS to SONYMA and must be executed by a MERS certifying officer. Please see Appendix IV for more details.

- c. Borrower(s) name correctly stated? [10H]

- d. Mortgage date, recording information and amount of loan specified? [10I, 10J/10K]
- e. Property address specified? [10L]
- f. Document dated and executed by an authorized bank representative and witnessed? [10S/10T]
- g. Notary Public's execution and stamp and/or seal affixed? [10V]
- h. County Clerk's recording stamp affixed? [10W]
- i. Date and recording information of Consolidation/Extension/Modification Agreement cited (if applicable)? [10X/10Y]

Note: See second note under "Mortgage" (Item #3) regarding recording an Assignment of Mortgage with a CCAL.

8. Recorded DPAL Enforcement Note and Mortgage (Form D1/9-09 Rev.) [05M]

- a. Signed duplicate original of unrecorded document and a photocopy of this document submitted? DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [05N]
- b. The mortgage closing date is correctly specified? [05O]
- c. Property county is correctly stated? [05P]
- d. Borrower's name and current address are correctly stated? [05Q]
- e. Mortgagee (Lender) name and address are correctly specified? [05R]
- f. Item 1 reflects correct DPAL Amount (Recapture Obligation? [05S]
- g. Item 2 reflects full property address? [05T]
- h. Item 4 reflects Lender's name? [05U]
- i. All Borrower(s) executed the document? [05V]
- j. Notary Public's execution and stamp and/or seal affixed? [05W]
- k. County Clerk's recording stamp affixed? [05X]
- l. Property legal description (Schedule "A") matches that of the Title Policy? [05Y]

9. Recorded Assignment of DPAL Enforcement Note and Mortgage (Form 202/9-99) [13M]

- a1. Signed duplicate original of unrecorded Assignment of Mortgage submitted, if recorded instrument is not available? : DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [13N, 13O]
- a2. Original recorded document (if available) and a photocopy submitted? [13P]
- b. Lender's name as Assignor and address specified? [13Q]
- c. Borrower(s) name correctly stated? [13R]
- d. Mortgage date, recording information and amount of loan specified? [13S, 13T]
- e. Property address specified? [13U]
- f. Document dated and executed by an authorized bank representative and witnessed? [13V]
- g. Notary Public's execution and stamp and/or seal affixed? [13W]
- h. County Clerk's recording stamp affixed? [13X]

10. Tax Credit Advance Loan (TCAL) Note (Form T2/12-09) [02K]

- a. Original document and a photocopy submitted? [02L]
- b. Date in upper left-hand corner corresponds with the date of the TCAL Mortgage? [02M]
- c. Street address and city is correctly stated? [02N]
- d. Item 1 specifies TCAL amount, Lender's name and address, and First Mortgage Loan Amount? [02O/02P]
- e. Item 2 reflects correct TCAL interest rate percentage that is 1% higher than the closing rate of the SONYMA first mortgage? [02Q]
- f. Item 3 reflects the correct TCAL payment amount? [02R]
- g. Document is signed by all Mortgagor(s) and Guarantor(s) (if applicable)? [02S]
- h. Endorsement without recourse to SONYMA is affixed and executed by an authorized officer of the Lender? [02T/02U]

11. Recorded Tax Credit Advance Loan (TCAL) Mortgage (Form T1/12-09) [03K]

- a. Signed duplicate original of unrecorded document and a photocopy of this document submitted? DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [03L]
- b. Item A2 reflects correct Borrower(s) name? [03M]
- c. Item A4 reflects correct Lender name, state Lender is organized under, and address? [03N,03O]
- d. Items A7, A8 and C3 reflect the correct mortgage closing date? [03P]
- e. Item A8 reflects correct TCAL Amount? [03Q]
- f. Item B reflects correct property address? [03R]
- g. Item C3 reflects correct first mortgage payment amount? [03S]
- h. All Borrower(s) executed the document? [03T]

- i. Notary Public's execution and stamp and/or seal affixed? [03U]
- j. County Clerk's recording stamp affixed? [03V]
- k. Property legal description (Schedule "A") matches that of the Title Policy? [03W]

12. Recorded Assignment of TCAL Mortgage (Form 202/9-99) [09D]

- a1. Signed duplicate original of unrecorded Assignment of Mortgage submitted, if recorded instrument is not available? : DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "COPY OR CERTIFIED TRUE COPY". [09E, 09F]
- a2. Original recorded document (if available) and a photocopy submitted? [09G]
- b. Lender's name as Assignor and address specified? [09H]
- c. Borrower(s) name correctly stated? [09I]
- d. Mortgage date, recording information and amount of loan specified? [09J, 09K]
- e. Property address specified? [09L]
- f. Document dated and executed by an authorized bank representative and witnessed? [09M]
- g. Notary Public's execution and stamp and/or seal affixed? [09N]
- h. County Clerk's recording stamp affixed? [09O]

13. Executed subordinate lienholder's Mortgage and Note from Government subsidized program (if applicable) [12/13]

- a. Photocopy of executed documents submitted? [13A/13B]
- b. Total amount of subsidy(ies) corresponds to amount(s) approved by SONYMA, as stated on the HUD-1? [13H/13I]

14. Mortgage Title Insurance Policy (ALTA Loan Policy 2006) [14]

NOTE: SONYMA will not accept the Short Form Title Policy.

If a Preliminary Title Report or Certificate of Title [15] is being submitted:

- a. Original or photocopy of Preliminary Title Report or Certificate of Title submitted? [15, 15C/15D]
- a1. Title recertified in Borrower(s) name, if preliminary report is dated prior to the closing date? [150]
- b. Insured amount matches amount on Mortgage and Note? [15H]
- b1. For loans with a CCAL, is the CCAL amount included in policy coverage amount? [15H]
- c. Date of issue (closing date) accurately stated? [15V/15W]
- d. "State of New York Mortgage Agency" **or** "*Lender, its Successors and/or Assigns*" specified as insured? [15I/15J]
- e. Does Schedule A of the policy show the following? [14V/14W]
- e1. If Mortgage is executed with MERS MOM language, does Sections 1 and 4 on Schedule A state MERS as nominee for the Lender? [14V/14W]
- e2. Mortgagor(s) reflected as having fee simple title to land? [14X]
- e3. Mortgage amount and/or data accurately stated? [15Y]
- e4. If CEMA is utilized and executed with MERS MOM language, does Section 4 on Schedule A state MERS as nominee for the Lender? [14Y/14Z]
- f. Is an itemized schedule of all endorsements to be included in the final title policy attached? [15E/15F]
- g. Description of property (Schedule "A") matches that of the Mortgage document? [15L/15M]
- h. Document shows marketable title with no liens, encumbrances, encroachments etc. that may adversely affect SONYMA's security? [MDC 117/118]
- i. Date and amount of DPAL Enforcement Note and Mortgage indicates a second lien position, as applicable? [MDC 160/161]
- j. Date and amount of Tax Credit Advance Loan (TCAL) Mortgage indicates a second lien position, as applicable? [MDC 162/163]
- k. Date and recording information of Consolidation/Extension/Modification Agreement cited (if applicable)? [MDC 126/127]

If the Final Title Insurance Policy [14] is being submitted:

- a. Original and a photocopy submitted? [14, 15A/15B]
- b. Is document validated by an authorized officer and/or agent of the title company? **A stamped, duplicate original, with an original signature is acceptable.** [15K]
- c. Insured amount matches amount on Mortgage and Note? [15H]
- c1. For loans with a CCAL, is the CCAL amount included in policy coverage amount? [15H]
- d. Date of issue (closing date or recording date) accurately stated? [15V/15W]
- e. "State of New York Mortgage Agency" **or** "*Lender, its Successors and/or Assigns*" specified as insured? [15I/15J]

- f. Does Schedule A of the policy show the following? [14V/14W]
- f1. If Mortgage is executed with MERS MOM language, does Sections 1 and 4 on Schedule A state MERS as nominee for the Lender? [14V/14W]
- f2. Mortgagor(s) reflected as having fee simple title to land? [14X]
- f3. Mortgage amount and/or data accurately stated? [15Y]
- f4. If CEMA is utilized and executed with MERS MOM language, does Section 1 and 4 on Schedule A state MERS as nominee for the Lender? [14Y/14Z]
- g. Description of property (Schedule "A") matches that of the Mortgage document? [15L/15M]
- h. Are the New York Standard Endorsement [15P], the Environmental Protection Endorsement [15T/15U], Residential Mortgage Endorsement (1-4 Family), and the Waiver of Arbitration Endorsement [MDC 119/120; 121] incorporated into the document?
- i. Is the applicable ALTA Endorsement(s) attached to the title policy (i.e., Condominium Endorsement, if applicable; Planned Unit Development Endorsement if applicable; and Manufactured Housing Unit and Manufactured Housing - Conversion Loan), attached? [MDC 122; 123; 124/125]
- j. Is the front and back cover pages of the policy citing the conditions and stipulations being submitted? [15Q]
- k. Date and amount of DPAL Enforcement Note and Mortgage indicates a second lien position, as applicable? [MDC 160/161]
- l. Date and amount of Tax Credit Advance Loan (TCAL) Mortgage indicates a second lien position, as applicable? [MDC 162/163]
- m. Date and recording information of Consolidation/Extension/Modification Agreement cited (if applicable)? [MDC 128/129]

Note: SONYMA will accept computerized signatures on any page of the title policy or title report. If a page calls for a counter signature, the page must be signed either by hand or electronically.

15. Reaffirmed Recapture Notification and Mortgagor's Affidavit (Form 211/5-08, 5-09, or 1-10, as applicable) [50/51]

- a. Original completed document and a photocopy submitted in file? [51A]
- b. Part IV - Income Eligibility
- b1. Total monthly and annual gross income earned is specified in section entitled "At Loan Closing?" [51F/51G]
- b2. Income is within SONYMA income limits in effect as of the loan reservation date? [51D/51E]
- c. Reaffirmation At Title Closing section is complete and executed by all Mortgagor(s) and Guarantor(s) [51B/51C]
- d. Document is not reaffirmed by a Power of Attorney? [51L/51M]

16. Property Seller's Affidavit (Form 210/3-07 or 5-09, as applicable) [832]

Note: This document is not required for: (1) foreclosed properties sold by the foreclosing lender or investor, or (2) new construction properties where the owner of the land and the builder are separate individuals/entities.

- a. Original completed document and a photocopy submitted? [833]
- a1. Applicant(s)/Purchaser(s) name(s) appears on Purchaser(s) line? [834]
- a2. Property Address of property being financed appears on Residence line? [835]
- a3. Acquisition cost exactly agrees with the amount inserted in Part III, Line 7 of the Recapture Notification and Mortgagor's Affidavit? [836/837]
- a4. Signed by all property sellers or POA, with a copy of POA submitted (recorded or unrecorded document acceptable)? [838]
- a5. Notary section fully completed? **(This document must always be duly notarized.)** [839]
- a6. Notary stamp and/or seal affixed and notary commission not expired? [839]

17. Military Veteran's Eligibility Affidavit (Form 243/5-09), if applicable [84]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [840]

18. Closing Cost Assistance Loan ("CCAL") Recapture Notification (Form C4/10-05), (if applicable) [86]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [860] **[This form must only be used for loan reservations made through 12/31/2009.]**

19. Down Payment Assistance Loan ("DPAL") Recapture Notification (Form D4/9-09), (if applicable) [861]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [862]
[This form must only be used for loan reservations made on or after 1/1/2010.]

20. Tax Credit Advance Loan Federal Recapture Tax Notification and Disclosure Form (Form T5/12-09), (if applicable) [863]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [864]
[This form must only be used for loan reservations made on or after 1/1/2010.]

21. CCAL Interest Rate Option Form (Form C9/10-08) [92]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [920]
[This form must only be used for loan reservations made through 12/31/2009.]

22. Interest Rate Option Form (Form D3/9-09) [92]

- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [920]
[This form must only be used for loan reservations made on or after 1/1/2010.]

23. Hazard and Flood Insurance Certificate (Form 216/1-05) [20]

- a. Original completed document submitted in file? [20A/20B]
 b. SONYMA Loan Number correctly stated?
 c. Title closing date correctly stated? [20D]
 d. Borrower(s) name specified? [20E]
 e. Property address correctly stated? [20F]
 f. Bank's representative signature and title affixed? [20G/20H]

24. Uniform Settlement Statement (HUD-1) for First Mortgage [19]

- a. Photocopy of Document submitted in file? [19A/19B]
 b. Borrower(s) name specified? [19D]
 c. Property address correctly stated? [19E]
 d. Purchase Price correctly stated and within SONYMA's Purchase Price Limits? [19I/19J]
 e. Loan amount specified? [19F]
 f. Correct points and equivalent monies specified? [19G/19H]
 g. Correct borrower fees collected (not to exceed SONYMA maximum allowable amount)? [19V]
 h. Secondary financing grant/subsidies stated and equal to the amount on the secondary Mortgage/Note? [19M/19N]
 i. Appropriate escrows for taxes, insurance, etc. have been collected? [19Q/19R]
 j. If applicable, is the Closing Cost Assistance Loan amount approved by SONYMA immediately prior to closing reflected? [19T]
 k. If applicable, is the Down Payment Assistance Loan amount reflected on lines 204-209? [19W]
 l. If applicable, is the Tax Credit Advance Loan amount reflected on lines 204-209? [19X]

25. Uniform Settlement Statement (HUD-1) for DPAL/TCAL Second Mortgage, if applicable [19]

- a. Photocopy of Document submitted in file? [19A/19B]
 b. Borrower(s) name specified? [19D]
 c. Property address correctly stated? [19E]
 d. Closing costs associated with the second mortgage correctly stated? [19Z]
 e. If applicable, is the Down Payment Assistance Loan amount reflected? [19W]
 f. If applicable, is the Tax Credit Advance Loan amount reflected? [19Y]

26. Satisfactory Completion Certificate (Fannie Mae/Freddie Mac Form), if applicable [2A0]

- a. SONYMA Loan Number, Borrower(s) name, and Lender's name accurately stated? [2A1]
 b. Original document and photocopy fully completed? [2A2]
 c. Original or computer generated photographs of completed dwelling submitted? [2A3/2A4]
 d. Form signed and dated by qualified property inspector/appraiser? [2A5/2A6]

27. Loan Funding Certification (Form 229/6-91) [41]

- a. Original document and photocopy submitted with file? [41K/41L]
 b. Lender's name, SONYMA Loan Number, Borrower(s), property address, and loan closing date accurately stated? [41A/41B]

- c. Is either 1, 2, or 3 checked as required? [41C/41D]
- d. If 2 is checked, did Lender previously provide SONYMA with a Certificate as to Unsecured Credit Agreement (see Seller's Guide)? [41E/41F]
- e. If 3 is checked, are the Warehousing Bank, the Purchase Price (loan amount), and the wire transfer instructions completed and accurately stated? (**Note:** If the wire transfer instructions differ from those previously received by SONYMA from the Lender, SONYMA will not purchase the Mortgage Loan until notified under separate cover of the change in writing by the Lender.) [41G/41H/41I/41J]
- f. Is the document executed by an authorized officer of Lender's institution and if 3 is checked, also executed by an officer of the Warehousing Bank? [41M/41N/41O]

[Current versions of all SONYMA documents may be downloaded from our website (www.nyhomes.org/home/index.asp?page=110).



Post-Closing Cooperative Share Loan File Checklist

SONYMA requires that this checklist be completed and submitted with each closed Cooperative share loan file. Each listed document and a legible photocopy must be included in the file and checked against this checklist for accuracy and completeness.

General Information

SONYMA Reservation #: _____ **Date:** _____

Borrower(s) Name: _____

Property Address: _____

Lender Name: _____

Lender Contact: _____ **Telephone #:** _____

Lender Contact E-Mail Address: _____

Program: Low Interest Rate Construction Incentive ATD: Other: _____

Please check if the following applies:

- Closing Cost Assistance Loan Down Payment Assistance Loan Tax Credit Advance Loan
- ENERGY STAR® Labeled Home Homes for Veterans Program Loan

1. Property Data [39, 39A/39B]

The following is required for all loans if not submitted at time of loan application. Upon submission of the closed loan file, the Lender is required to specify in the space provided the appropriate information. For Cooperative share loans please provide this information for the building. If the information for a category is not available, mark it "N/A". Please see Section 2.703 of the Seller's Guide for conventions.

A. Tax Map Parcel Number (Section/Block/Lot) _____ [39J]

B. Taxing Municipality Type (please check the appropriate item) [39K]

County (NYC Only) _____ City _____ Town _____ Village _____

C. Taxing Municipality Name: _____ [39L]

2. Cooperative Loan Note (SONYMA Coop Exhibit 2/4-99) [21]

- a. Original document and a photocopy submitted with file? [21A/21B]
- b. SONYMA Loan Number accurate?
- c. Top left hand corner - loan amount accurate? [21D]
- d. Closing date correct? [21E]
- e. Property Address correct? [21F]
- f. Item (1) - Principal, Interest Rate and Lender's name accurate? [21D, 21G, 21J]
- g. Item (2) - Initial payment date, P&I constant (P&I), maturity date and location of where payments are to be made correct? [21K]
- h. Document executed by Borrower(s)? [21L]
- i. Notary Public's execution and stamp affixed? [21M, 21N]
- j. Endorsement without recourse to SONYMA affixed and executed by an authorized officer of the Lender? [21O, 21P/21Q]
- k. SONYMA CCAL Rider to Cooperative Loan Note (Form C8/10-05), if applicable [211]
- k1. Original document and a photocopy submitted? [212]
- k2. Borrower(s) name(s) is correctly stated? [213]
- k3. Property address is correctly stated? [214]
- k4. The loan closing date is correctly specified? [215]
- k5. Lender's name is correctly specified? [216]
- k6. Item 3a correctly reflects the recapture obligation (CCAL loan amount) approved by SONYMA

immediately prior to loan closing and agrees with Item 4a of the SONYMA CCAL Rider to Security Agreement (Form C7/10-05)? [217/218]

k7. All Borrower(s) executed the document? [219]

3. Security Agreement - Cooperative (SONYMA Coop Exhibit 8/4-99) [22]

- a. Original document and a photocopy submitted with file? [22A/22B]
- b. SONYMA loan number accurate?
- c. Right hand corner - Loan number, Apartment No. and location accurate?
- d. Closing date, Borrower(s) name(s) and property location accurate? [22D, 22E, 22F]
- e. Lender's name and location specified? [22G]
- f. Item 1 Loan amount accurate? [22H]
- g. Item 3 number of shares, Cooperative Corporation name, Apartment number and location specified? **This information must match the Stock Certificate.** [22I, 22J/22K]
- h. Document executed by all Borrower(s)? [22L]
- i. Notary Public's execution and stamp appropriately affixed? [22M, 22N]
- j. SONYMA CCAL Rider to Security Agreement (Form C7/10-05), if applicable [22Q]
- j1. Original document and a photocopy submitted? [22R]
- j2. Borrower(s) name(s) is correctly stated? [22S]
- j3. Property address is correctly stated? [22T]
- j4. The loan closing date is correctly specified? [22U]
- j5. Lender's name is correctly specified? [22V]
- j6. Item 4a correctly reflects the recapture obligation (CCAL loan amount) approved by SONYMA immediately prior to loan closing and agrees with Item 3a of the SONYMA CCAL Rider to Cooperative Loan Note (Form C8/10-05)? [22W/22X]
- j7. All Borrower(s) executed the document? [22Y]

4. Consent [provided and executed by Cooperative approving transfer/resale of shares between seller(s) and buyer(s) (if applicable)] (Document not required if a new Proprietary Lease is submitted) [23]

- a. Original document and a photocopy submitted with file? [23A/23B]
- b. Seller(s) [Assignor(s)] name accurate?
- c. Proprietary Lease date accurate? [23F/23G]
- d. Correct number of shares stated? [23H]
- e. Borrower(s) name(s) accurate? [23I]
- f. Proprietary rent and surcharges paid to date specified?
- g. Document executed by an authorized agent and/or party of the Cooperative Corporation? [23J/23K]

5. Acceptance of Assignment and Assumption of Lease (if applicable) upon transfer of shares between seller and buyer (SONYMA Coop Exhibit 3/4-99) (Document not required if a new Proprietary Lease is submitted) [24/25]

- a. Original document and a photocopy submitted with file? [25A/25B]
- b. SONYMA Loan number accurate?
- c. Borrower(s) name(s) accurate? [25D]
- d. Proprietary Lease date accurate? [25E/25F]
- e. Cooperative Corporation name accurate? [25G/25H]
- f. Apartment number and location referenced?
- g. Effective date of assignment in accordance with closing date? [25I]
- h. Notary Public's proper execution and stamp affixed? [25J, 25K]
- i. Executed by buyer(s)? [25L]

6. Proprietary Lease (provided by Cooperative Corporation) [26]

- a. Original document and a photocopy submitted? [26A/26B]
- b. Document appropriately reflects, Lease date, Lessee(s) name and correct number of shares? [26D, 26E, 26F]
- c. Cooperative Corporation (Lessor) and Lessee(s) executed document? [26I/26J, 26K]
- d. Notary Public's proper execution and stamp affixed? [26L, 26M]
- e. If an Occupancy Agreement is submitted in lieu of this document, is an affidavit executed by the mortgagor(s) attached affirming that the borrower will not interfere, terminate or refuse to extend the lease prior to the term of the loan? [26P/26Q/26R/26S]

7. **Assignment of Lease to Lender (SONYMA Coop Exhibit 4/4-99) [27]**

- a. Original document and a photocopy submitted? [27A/27B]
- b. SONYMA Loan number accurate?
- c. Loan amount correct? [27D]
- d. Cooperative Apartment number and location accurate?
- e. Borrower(s) dated and executed document as of the closing date? [27E]
- f. Notary Public's proper execution and stamp affixed? [27F, 27G]

8. **Assignment of Loan (SONYMA Coop Exhibit 5/4-99) [28]**

- a. Original document and a photocopy submitted? [28A/28B]
- b. Lender's name and address correct? [28D, 28K]
- c. Consideration amount specified? [28E]
- d. Date of Note accurate? [28F]
- e. Borrower(s) name accurate? [28G]
- f. Principal Loan amount accurate? [28H]
- g. Date of Lease, Apartment number and address specified? [28I/28J, 28K]
- h. Number of shares and name of Cooperative Corporation accurate? [28L]
- i. Stock Certificate number accurate? [28M]
- j. Security Agreement in accordance with date specified on Cooperative Note? [28F]
- k. Document dated and executed by an authorized officer of the Lender? [28N/28O]

9. **DPAL Cooperative Enforcement Note and Security Agreement (Form D2/9-09 Rev.), if applicable [38/381]**

- a. Original document and a photocopy of this document submitted? [382]
- b. The Mortgage closing date is correctly specified? [383]
- c. Shareholder (Borrower) name(s) is correctly stated? [384]
- d. Lender's name and address are correctly specified? [385]
- e. Number of shares, the cooperative corporation name, and the unit number and building address correctly stated? [386/387]
- f. Item 4 states the correct DPAL amount (Recapture Obligation)? [388]
- g. Lender's name is correctly specified? [385]
- h. All Shareholder(s) have executed the document? [389]
- j. Notary Public's execution and stamp and/or seal affixed? [390]

10. **Assignment of DPAL Loan (SONYMA Coop Exhibit 5/4-99), if applicable [27M]**

- a. Original document and a photocopy submitted? [27N]
- b. Lender's name and address correct? [27O]
- c. Consideration amount specified? [27P]
- d. Date of DPAL Cooperative Enforcement Note and Security Agreement accurate? [27Q]
- e. Borrower(s) name accurate? [27R]
- f. DPAL amount accurate? [27S]
- g. Date of Lease, Apartment number and address specified? [27T]
- h. Number of shares and name of Cooperative Corporation accurate? [27U]
- i. Stock Certificate number accurate? [27V]
- j. Security Agreement in accordance with date specified on DPAL Cooperative Enforcement Note and Security Agreement? [27W/27X]
- k. Document dated and executed by an authorized officer of the Lender? [27Y/27Z]

11. **Tax Credit Advance Loan (TCAL) Cooperative Note (Form T4/12-09), if applicable [18L]**

- a. Original document and a photocopy submitted? [18M, 18N]
- b. Date in upper left-hand corner corresponds with the date of the TCAL Cooperative Security Agreement? [18O]
- c. Street address and city is correctly stated? [18P]
- d. Item 1 specifies TCAL amount, Lender's name and address, and First Mortgage Loan Amount? [18Q]
- e. Item 2 reflects correct TCAL interest rate percentage that is 1% higher than the closing rate of the SONYMA first mortgage? [18R]
- f. Item 3 reflects the correct TCAL payment amount? [18S]
- g. Document is signed by all Mortgagor(s) and Guarantor(s) (if applicable)? [18T]
- h. Endorsement without recourse to SONYMA executed by an authorized officer of the Lender? [18U/18V]

12. **Tax Credit Advance Loan (TCAL) Cooperative Security Agreement (Form T3/12-09), if applicable** [17C]

- a. Original document and a photocopy of this document submitted? [17D]
- b. Item A2 reflects correct Borrower(s) name? [17E]
- c. Item A4 reflects correct Lender name, state Lender is organized under, and address? [17F/17G]
- d. Items A7, A8 and C3 reflect the correct mortgage closing date? [17H]
- e. Item A8 reflects correct TCAL Amount? [17I]
- f. Item B reflects correct number of shares, unit number, and building address? [17J/17K]
- g. Item C3 reflects correct first mortgage payment amount? [17L]
- h. All Borrower(s) executed the document? [17M]
- i. Notary Public's execution and stamp and/or seal affixed? [17N]

13. **Assignment of TCAL Loan (SONYMA Coop Exhibit 5/4-99), if applicable** [16M]

- a. Original document and a photocopy submitted? [16N]
- b. Lender's name and address correct? [16O]
- c. Consideration amount specified? [16P]
- d. Date of TCAL Cooperative Security Agreement accurate? [16Q]
- e. Borrower(s) name accurate? [16R]
- f. TCAL amount accurate? [16S]
- g. Date of Lease, Apartment number and address specified? [16T]
- h. Number of shares and name of Cooperative Corporation accurate? [16U]
- i. Stock Certificate number accurate? [16V]
- j. Security Agreement in accordance with date specified on TCAL Cooperative Security Agreement? [16W/16X]
- k. Document dated and executed by an authorized officer of the Lender? [16Y/16Z]

14. **Stock Certificate (provided and executed by Cooperative Corporation)** [29]

- a. Original document and a photocopy submitted? [29A/29B]
- b. Cooperative Corporation specified? [29D/29E]
- c. Borrower(s) name(s) accurate? [29F]
- d. Shares and Certificate number accurate? [29G, 29H/29I]
- e. Closing date specified? [29J]
- f. Document properly executed by Cooperative Corporation? [29K/29L]

15. **Stock Power (SONYMA Coop Exhibit 9/4-99)** [30]

- a. Original document and a photocopy submitted? [30A/30B]
- b. Top right hand corner - SONYMA Loan number accurate?
- c. Lender's name accurate? [30D]
- d. Cooperative Corporation, number of shares accurate, and attorney name indicated? [30E/30F, 30G]
- e. Document dated and executed by Borrower(s) as of the closing date? [30H]
- f. Document signed by witness at time of closing? [30J]

16. **Filed National UCC Financing Statement (Form UCC1) (Rev. 5/22/02)** [74]

- a. Original filed acknowledgment copy and a photocopy submitted? [741, 74J/74K/74L]
- b. Boxes # 1b and 1c – Borrower(s)/Debtor(s) exact full legal name and property address specified? [742/743]
- c. Boxes # 2b and 2c - Co-Borrower(s)/Co-Debtor(s) exact full legal name and property address specified? [744/745]
- d. Box # 3 State of New York Mortgage Agency and SONYMA's address specified as the secured party? [746/747]
- e. Box # 4 - Property address, apartment #, real property tax number, and number of shares of capital stock held with Cooperative Corporation specified? [748/749]
Example: Debtor(s) Interest in (insert #) shares of stock for (insert property address, unit #, city, state, zip) plus the Proprietary Lease with (insert Coop Corporation's name) and any replacement or additional Stock and any Lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.
If the Borrower(s) is not utilizing a SONYMA CCAL/DPAL/TCAL Loan, no additional language is required.
- f. Box # 6 checked? [74T]
- g. If more than **two Borrower(s)/Debtor(s)**, is Box 11b of the UCC Financing Statement Addendum (Form UCC1Ad) (Rev. 5/22/02) completed and is document attached to UCC1 submitted for filing? [74C/74D/74E]

- h. Is Box 12 of the UCC Financing Statement Addendum (Form UCC1Ad) (Rev. 5/22/02) completed with Lender's name and address in Boxes 12a and 12c, respectively? [74M/74N/74O]
- i. In Item 12, is the box "ASSIGNOR S/P's NAME" checked? [74Q/74R/74S]
- j. **If Borrower(s) is utilizing a SONYMA CCAL Loan:**
- j1. Does Box #4 on Form UCC1 with respect only to the UCC filing of the Share Loan include the following additional language?: [74W/74X/74Y and/or 803/804/805]

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "Security Agreement - Co-op", the security interest described herein is a coequal, first lien with another security interest of the Secured Party filed or to be filed in connection with the collateral described hereinabove.

- j2. Has a separate Form UCC1 been completed for the CCAL Loan? [80/801/802]
- j3. Does Box #4 of the Form UCC1, with respect only to the UCC filing of the Closing Cost Assistance Loan include the following additional language?: [74W/74X/74Y and/or 803/804/805]

Debtor (s) interest in (insert #) shares of stock for (insert property address, unit #, city, state, zip) plus Proprietary Lease with (insert Name of Coop Cooperation) and any replacement or additional Stock and any lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "SONYMA Closing Cost Assistance Loan Rider to Security Agreement - Co-op", the security interest described herein is a coequal, first lien with another security interest of the Secured Party filed or to be filed in connection with the collateral described hereinabove. [74W/74X/74Y and/or 803/804/805]

- k. **If Borrower(s) is utilizing a SONYMA DPAL loan:**
- k1. Does Box #4 on Form UCC1 with respect only to the UCC filing of the Share Loan include the following additional language?: [7A/7A1]

Pursuant to the terms of a certain agreement between the Debtor and the Secured Party entitled "Security Agreement - Co-op", the security interest described herein is a first-position lien.

- k2. Has a separate Form UCC1 been completed for the DPAL Loan? [7A2]
- k3. Does Box #4 of the Form UCC1, with respect only to the UCC filing of the Down Payment Assistance Loan include the following additional language?: [7A3/7A4/7A5]

Debtor (s) interest in (insert #) shares of stock for (insert property address, unit #, city, state, zip) plus Proprietary Lease with (insert Name of Coop Cooperation) and any replacement or additional Stock and any lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "Down Payment Assistance Loan Cooperative Enforcement Note and Security Agreement", the security interest described herein is a second lien which is subordinate to a first-position security interest of the Secured Party filed or to be filed in connection with the collateral described hereinabove.

- l. **If Borrower(s) is utilizing a SONYMA TCAL loan:**
- l1. Does Box #4 on Form UCC1 with respect only to the UCC filing of the Share Loan include the following additional language?: [7A/7A1]

Pursuant to the terms of a certain agreement between the Debtor and the Secured Party entitled "Security Agreement - Co-op", the security interest described herein is a first-position lien.

- l2. Has a separate Form UCC1 been completed for the TCAL Loan? [7A6]
- l3. Does Box #4 of the Form UCC1, with respect only to the UCC filing of the Tax Credit Assistance Loan include the following additional language?: [7A7/7A8/7A9]

Debtor (s) interest in (insert #) shares of stock for (insert property address, unit #, city, state, zip) plus Proprietary Lease with (insert Name of Coop Cooperation) and any replacement or additional Stock and any lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "Tax Credit Advance Loan Cooperative Security Agreement", the security interest described herein is a second lien which is subordinate to a first-position security interest of the Secured Party filed or to be filed in connection with the collateral described hereinabove.

17. **Filed New York UCC Financing Statement Cooperative Addendum (Form UCC1CAAd) (Rev. 6/14/01)** [75/750]

- a. Original filed acknowledgment copy and a photocopy submitted? [751/752/753]
- b. Box # 19a or 19b checked? [754]
- c. Box # 20b completed exactly as stated in Box # 1b of the UCC1? [755/756]
- d. Box # 21a accurately reflects State of New York Mortgage Agency's name , exactly as stated in Box #3a of the UCC1? [757/758]
- e. Box # 22 appropriately checked? [759]
- f. Box # 23 checked as "Residential"? [760]
- g. Boxes # 24a through # 24h accurately completed? [761/762]
- h. Box # 25 shows complete name of the Cooperative Corporation as reflected on the stock certificate? [763/764/765]
- i. If Borrower(s) is utilizing a SONYMA CCAL/DPAL/TCAL loan, has a separate original filed acknowledgment copy and a photocopy securing the CCAL/DPAL/TCAL loan been submitted? [815/816/817]

18. **Recognition Agreement**

Aztech Form [331]

- a. Original document and a photocopy submitted? [33A/33B, 33W]
- a1. Property address and apartment number accurately stated on top of the form? [33T/33U]
- a2. Item #2 - Borrower(s)/ Lessee(s) names accurately stated? [33E]
- a3. Loan amount accurate? [33F]
- a4. Document executed by authorized officer of the Cooperative Corporation? [33P/33Q]
- a5. Document executed by authorized officer of the Lender? [33K/33L]
- a6. Document executed by all Shareholder(s)/Borrower(s)? [33M]

Blumberg Standard Form Recognition Agreement [332]

- b. Original document and a photocopy submitted? [33A/33B, 33W]
- b1. Item #1 - Cooperative Corporation's name and address specified? [33I/33J]
- b2. Item #2 - Borrower(s)/Shareholder(s) names accurately stated? [33E]
- b3. Item #4 - Lender's name and address specified? [33C]
- b4. Item #5 - Managing Agent's name and address specified? [33G/33H]
- b5. Item #6 - Number of shares completed and accurate? [33S]
- b6. Item #7 - Apartment number and address of building specified? [33T/33U]
- b7. Item #8 - Loan amount accurate? [33F]
- b8. Item #10 - Date of agreement is same as the closing date? [33D]
- b9. Document executed by authorized officer of the Cooperative Corporation? [33P/33Q]
- b10. Document executed by authorized officer of the Lender? [33K/33L]
- b11. Document executed by all Shareholder(s)/Borrower(s)? [33M]

19. **Lien Search of the Apartment (pertinent to Section 2.710(e) of Seller's Guide)** [36]

- a. Original document and a photocopy submitted with file? [36A]
- b. Search runs to Cooperative Corp., Seller(s) and Borrower(s)? [36C/36D/36E]
- c. Search done within sixty (60) days prior to the closing of loan? [36F/36G]

20. **No Lien Affidavit (SONYMA Coop Exhibit 7/4-99)** [37]

- a. Original document and a photocopy submitted? [37A/37B]
- b. Borrower(s) name(s) accurate? [37D]
- c. Lender's name specified? [37E]
- d. Loan amount accurate? [37F]
- e. Document executed by Borrower(s)? [37G]
- f. Notary Public's proper execution and stamp affixed? [37H, 37I]

21. **Reaffirmed Recapture Notification and Mortgagor's Affidavit (Form 211/5-08, 5-09, or 1-10, as applicable)** [50/51]

- a. Original completed document and a photocopy submitted in file? [51A]
- b. Part IV - Income Eligibility
- b1. Total monthly and annualized gross income earned is specified in section entitled "At Loan Closing?" [51F/51G]
- b2. Income is within SONYMA Income Limits in effect as of the loan reservation date? [51D/51E]

- c. "Reaffirmation At Title Closing" section is complete and executed by all Mortgagor(s) and Guarantor(s)? [51B/51C]
- d. Document is not reaffirmed by a Power of Attorney? [51L/51M]
22. **Military Veteran's Eligibility Affidavit (Form 243/5-09), if applicable** [84]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [840]
23. **Closing Cost Assistance Loan ("CCAL") Recapture Notification (Form C4/10-05), (if applicable)** [86]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [860]
[This form must only be used for loan reservations made through 12/31/2009.]
24. **Down Payment Assistance Loan ("DCAL") Recapture Notification (Form D4/9-09), (if applicable)** [861]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [862]
[This form must only be used for loan reservations made on or after 1/1/2010.]
25. **Tax Credit Advance Loan Federal Recapture Tax Notification and Disclosure Form (T5/12-09) (if applicable)** [863]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [864]
[This form must only be used for loan reservations made on or after 1/1/2010.]
26. **CCAL Interest Rate Option Form (Form C9/10-08)** [R1]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [R10]
[This form must only be used for loan reservations made through 12/31/2009.]
27. **Interest Rate Option Form (Form D3/9-09)** [92]
- a. Original of document submitted if photocopy was accepted by SONYMA at commitment? [920]
[This form must only be used for loan reservations made on or after 1/1/2010.]
28. **Property Seller's Affidavit (Form 210/ 3-07 or 5-09, as applicable)** [83, 830, 832]
Note: This document is not required for foreclosed properties being sold by the foreclosing lender or investor.
- a. Original completed document and a photocopy submitted? [833]
- a1. Applicant(s)/Purchaser(s) name(s) appears on Purchaser(s) line? [834]
- a2. Address of property being financed appears on Residence line? [835]
- a3. Acquisition cost exactly agrees with the amount inserted in Part III, Line 7 of the Recapture Notification and Mortgagor's Affidavit? [836/837]
- a4. Signed by all property sellers or POA and copy of POA (recorded or unrecorded document acceptable) submitted? [838]
- a5. Notary section fully completed? **(This document must always be duly notarized.)** [839]
- a6. Notary stamp and/or seal affixed and notary commission not expired? [839]
29. **Hazard and Flood Insurance Certificate (Form 216/1-05)** [20]
- a. Original completed document submitted in file? [20A/20B]
- b. SONYMA Loan Number correctly stated?
- c. Title closing date correctly stated? [20D]
- d. Borrower(s) name specified? [20E]
- e. Property address correctly stated? [20F]
- f. Bank's representative signature and title affixed? [20G/20H]
30. **Uniform Settlement Statement (HUD-1) for First Mortgage** [19]
- a. Photocopy of document submitted in file? [19A/19B]
- b. Borrower(s) name specified? [19D]
- c. Property address correctly stated? [19E]
- d. Purchase Price correctly stated and within SONYMA's Purchase Price Limits? [19I/19J]
- e. Loan amount specified? [19F]
- f. Correct points and equivalent monies specified? [19G/19H]
- g. Correct borrower fees collected (not to exceed SONYMA maximum allowable amount)? [19V]

- h. Secondary financing grant/subsidies stated and equal to the amount on the secondary Mortgage/Note? [19M/19N]
- i. Appropriate escrows for taxes, insurance, etc. have been collected? [19Q/19R]
- j. If applicable, is Closing Cost Assistance Loan amount approved by SONYMA immediately prior to loan closing reflected? [19T]
- k. If applicable, is Down Payment Assistance Loan amount reflected on lines 204-209? [19W]
- l. If applicable, is Tax Credit Advance Loan amount reflected on lines 204-209? [19X]

31. Uniform Settlement Statement (HUD-1) for DPAL/TCAL Second Mortgage, if applicable [19]

- a. Photocopy of document submitted in file? [19A/19B]
- b. Borrower(s) name specified? [19D]
- c. Property address correctly stated? [19E]
- d. Closing costs associated with the second mortgage correctly stated? [19Z]
- e. If applicable, is Down Payment Assistance Loan amount reflected? [19W]
- f. If applicable, is Tax Credit Advance Loan amount reflected? [19Y]

32. Satisfactory Completion Certificate (Fannie Mae/Freddie Mac Form), if applicable [2A0]

- a. SONYMA Loan Number, Borrower(s) name, and Lender's name accurately stated? [2A1]
- b. Original Document fully completed? [2A2]
- c. Original or computer generated photographs of completed dwelling submitted? [2A3/2A4]
- d. Form signed and dated by qualified property inspector/appraiser? [2A5/2A6]

33. Loan Funding Certification (Form 229/6-91) [41]

- a. Original document and a photocopy submitted with file? [41K/41L]
- b. Lender's name, SONYMA Loan Number, Borrower(s), property address and loan closing date accurately stated? [41A/41B]
- c. Is either 1, 2, or 3 checked as required? [41C/41D]
- d. If 2 is checked, did Lender previously provide SONYMA with a Certificate as to Unsecured Credit Agreement (see Seller's Guide)? [41E/41F]
- e. If 3 is checked, are the Warehousing Bank, the Purchase Price (loan amount), and the wire transfer instructions accurately stated? (**Note:** If the wire transfer instructions differ from those previously received by SONYMA from the Lender, SONYMA will not purchase the Mortgage Loan until notified of the change in writing by the Lender.) [41G/41H/41I/41J]
- f. Is the document executed by an authorized officer of Lender's institution and if 3 is checked by an officer of the Warehousing Bank? [41M/41N/41O]

[Current versions of all SONYMA documents may be downloaded from our website (www.nyhomes.org/home/index.asp?page=110)].