



## UTAH HOUSING CORPORATION LOAN APPLICATION DISCLOSURE

UHC Loan Program: \_\_\_\_\_ (must be completed prior to requesting a UHC loan commitment)

Residence Address or Legal Description: \_\_\_\_\_  
 Applicant: \_\_\_\_\_  
 Co-Applicant: \_\_\_\_\_  
 Lender: \_\_\_\_\_

### LOAN APPLICATION CERTIFICATION

The purpose of the loan application is to obtain mortgage money under the Utah Housing Corporation (“UHC”) Single Family Mortgage Program (the “Program”) for the purchase of the residence identified above (the “Residence”). Completion of the attached application or this Certification does not entitle nor ensure that the Applicant and/or Co-Applicant (individually or collectively the “Applicant”) will be granted a mortgage loan under the Program (“Mortgage Loan”) or that Program funds will be available at the rate for which application is made.

In order to obtain funds to make the Mortgage Loan, the Lender named above (the “Lender”) must request that UHC reserve funds for the Applicant, for a specific amount and for the Residence (the “Request”). When the Request is made, the Lender must deliver to UHC such documents as UHC specifies, at which time a Mortgage Purchase Agreement (“MPA”) will be issued to the Lender. Failure to deliver such documents will make the Request ineligible. Should Lender fail to deliver a closed loan file for Applicant and Residence, Lender must pay a \$400 non-delivery fee to UHC. Lender may collect this fee from Applicant at the time of Application, but must refund it when Mortgage Loan closes. UHC reserves the right to refuse changes in mortgage amount, Residence or Lender. Any Applicant for whom more than one Request is made will be deemed ineligible for a Mortgage Loan under the Program.

The UHC Final Delivery Date (interest rate lock deadline) may be extended as shown in this chart:

Initial Final Delivery Date	Additional Time	Extension Fee	Total Rate Lock Period	Total Extension Fee
One month at no cost	Additional one month	\$400	Two months	\$400

ANY APPLICANT, WHOSE REQUEST IS CANCELLED OR EXPIRES FOLLOWING EXECUTION OF THE MPA, WILL BE INELIGIBLE TO PARTICIPATE IN UHC PROGRAMS FOR A PERIOD OF TWO MONTHS FROM THE DATE OF CANCELLATION OR EXPIRATION.

**Authorization:** I hereby authorize UHC to: (1) Order one or more consumer credit reports, as needed, (2) Verify other information, including but not limited to bank account and past and present employment information, and (3) Communicate with the Lender regarding the servicing and collection activities on my mortgage. This authorization will be effective until my UHC loan is paid in full. It is further understood that a copy of this form will also serve as authorization.

**APPLICANT UNDERSTANDS THE MORTGAGE LOAN IS SUBJECT TO CERTAIN CONDITIONS AND THAT AFFIDAVITS MUST BE EXECUTED AT CLOSING STATING:**

1. Any false statements made in connection with the Mortgage Loan application or in connection with the receipt of Mortgage Loan proceeds shall constitute a default and may result in the Mortgage Loan balance becoming immediately due and payable.
2. The Residence is a single-family residence located in the State of Utah to be occupied by only one household.
3. The Applicant must occupy the Residence as his/her principal residence as long as the Mortgage Loan is outstanding.
4. Rental of all or any portion of the Residence is prohibited as long as the Mortgage Loan is outstanding.
5. Not more than 15% of the total area of the Residence may be used primarily in a trade or business.
6. The Purchase Price of the Residence shall not exceed the limits for the mortgage Program as shown on the UHC website.
7. Annual Qualifying Income shall not exceed the limits shown in the chart posted on the UHC website for a HomeAgain Loan and a Score Loan. Annual Qualifying Income is the income the underwriter calculates to approve the Mortgage Loan.
8. The Mortgage Loan may not be used to refinance an existing loan (except a construction-type temporary, initial loan with a term of 24 months or less) and the Applicant may not have had any prior interest in the Residence.



9. The Mortgage Loan may be assumed only under certain conditions and only with UHC's prior written approval.
10. If Applicant obtains a UHC Subordinate Mortgage the Applicant is aware that the Subordinate Mortgage will not be subordinated to any other mortgage as long as the Mortgage Loan remains unpaid, except if refinancing through UHC Refinance program.

**For FirstHome Loan Program Only**

A FirstHome Loan Applicant:

- May not have had an ownership interest in any principal residence (including factory built housing permanently affixed to real property) during the immediate 3 years prior to Closing.
- Current Annual Household Income shall not exceed the limits as shown in the chart posted on the UHC website for a FirstHome Loan for the twelve month period beginning either: (1) the date of Application, if Closing occurs within four months of the date of Application; or (2) the date of Closing, if Closing occurs more than four months after the date of Application.

**Recapture Summary (Reimbursement) Disclosure (FirstHome Loans only)**

**Utah Housing will Reimburse You for Recapture Payments.**

Recapture\*, a term used in connection with Utah Housing First Home loans, is often misunderstood or misrepresented. It is a federal tax that affects borrowers only **if all of the following** conditions are satisfied:

1. Your household income must rapidly increase, and
2. Your home must be sold within nine years of the closing of the Mortgage Loan, and
3. You must make a net profit on the sale of your home.

UHC has eliminated the worry of recapture tax for those borrowers who may owe this tax by reimbursing them for recapture tax paid or for the reduction in their tax refund due to recapture taxes (the "Recapture Amount").

UHC's reimbursement is effective for Mortgage Loans receiving UHC commitments after July 23, 2003 and is subject to the following requirements:

1. Your UHC Mortgage Loan must be outstanding at time of sale. If your UHC mortgage has been refinanced, no reimbursement will be made.
2. UHC will only reimburse the Recapture Amount and will not reimburse you for fees, interest, expenses or penalties incurred.
3. UHC will not calculate the Recapture Amount, if any, upon sale or disposition of the residence. If you need assistance, consult your personal tax advisor or the IRS.
4. A written request to UHC must be received by July 15<sup>th</sup> of the calendar year after the residence is sold and include the following items:
  - IRS Form 4506 (or its equivalent) completed and signed by each borrower to enable UHC to obtain a copy of each borrower's federal tax return.
  - Copy of the signed Closing Disclosure from the sale or disposition of the property.
  - Any other documentation UHC may need to approve the reimbursement.

\*For a complete description of Recapture and its calculation, obtain from a Participating Lender the most recent UHC Form 048 (Recapture Notice).

**For All Loan Programs:**

The undersigned Applicant(s) certifies that he/she has read and understands above requirements and has received a copy of this Loan Application Certification/Recapture Summary (Reimbursement) form. The undersigned Applicant(s) hereby authorizes the Lender to make a Request as described above.

Applicant \_\_\_\_\_

Co-Applicant \_\_\_\_\_

Date \_\_\_\_\_