



UTAH HOUSING CORPORATION BORROWER AFFIDAVIT

For Utah Housing Corporation (UHC) FirstHome Loans only

STATE OF UTAH)
) SS Dated as of _____
COUNTY OF _____)

The undersigned, being first duly sworn, deposes and says, under penalty of perjury, (and in the case of the Borrower, penalty of the acceleration of the Mortgage Loan), that each and every one of the following statements is true and correct:

1. The address of all property ("Residence") financed with the proceeds of the mortgage loan ("Mortgage Loan") secured by a deed of trust ("Deed of Trust") of even date herewith, and executed by the Borrower is:

2. The borrower(s) ("Borrower") purchasing the Residence is:

3. The undersigned authorizes UHC, its agents or assigns and the mortgage lender or the servicer of the Mortgage Loan to conduct such investigation as they deem necessary to ascertain the truth and correctness of the statements made in this affidavit, and the undersigned agrees to provide such information as UHC, its agents or assigns and the mortgage lender or the servicer of the Mortgage Loan shall reasonably request for such purpose.

4. The Borrower shall occupy the Residence as Borrower's principal residence within sixty days after execution of the Deed of Trust and shall maintain the Residence as Borrower's principal residence and as a single family residence throughout the term of the Mortgage Loan.

5. The land on which the Residence is located will not provide, other than incidentally, a source of income to the Borrower; and the Borrower will not (a) farm any portion of such land, (b) subdivide such land or (c) apply for a zoning variance regarding minimum lot size or setback requirements with respect to such land.

6. The Borrower will not use more than 15% of the total area of the Residence primarily in a trade or business, or use the Residence as an investment property or as a recreational home, and will not rent the Residence or any part thereof.

7. The Borrower has not at any time prior to the execution of the Deed of Trust which secures the Mortgage Loan had a mortgage (or any other form of lien or security interest) on or with respect to the Residence or any portion thereof, other than construction period loans or similar temporary initial financing having a term of twenty-four months or less. No portion of the proceeds of the Mortgage Loan will be used to acquire or replace an existing mortgage (or any other form of lien or security interest) under which the Borrower is an obligor, other than construction period loans or similar temporary initial financing having a term of twenty-four months or less.

8. The Borrower has had no present ownership interest in any principal residence (including factory-made housing permanently fixed to real property) during the three-year period prior to the date of execution of the Deed of Trust. [Interests which constitute present ownership interests include but are not limited to the following: (a) a fee simple interest, (b) a joint tenancy, (c) a tenancy in common, (d) a tenancy by the entirety, (e) the interest of a tenant shareholder in a cooperative, (f) a life estate, (g) a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time), and (h) an interest held in trust for the Borrower (whether



or not created by the Borrower) that would constitute a present ownership interest if held directly by the Borrower.] **[This paragraph 8 may be stricken provided that (I) this Mortgage Loan is not in a UHC program limited only to first-time home buyers and (II) the Residence is located in a Targeted Area within the meaning of Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), or (III) that the related Mortgage Purchase Agreement between UHC and the mortgage lender reflects that the Mortgage Loan has been identified UHC as one of a group of Mortgage Loans which is not subject to the three year prior ownership restriction under the Code.]**

9. The Current Annual Household Income* of the Borrower is \$_____ and does not exceed the income limits authorized by UHC for the Borrower's Household size and for the area in which the Residence is located. All members of the Borrower's Household, who were counted in determining the size of the Household for purposes of the income limits, intend to maintain the Residence as their principal residence.

10. The Borrower does not own any other property purchased under any UHC program which will be retained for any purpose.

11. The Borrower understands that (a) any transfer of title to or possession of the Residence or any portion thereof, (b) any assumption of the Deed of Trust which secures the Mortgage Loan for which UHC has not given its prior written consent and (c) any untrue or incorrect statement in this affidavit, may result in the entire unpaid balance of the Mortgage Loan becoming immediately due and payable and may result in the disallowance of the federal income tax deduction with respect to interest on the Mortgage Loan.

* "Current Annual Household Income" means the Gross Income of the Mortgagor's Household, for the Current Year, after deducting the income of any Household member who is under 18 years of age or a full-time student (provided that no deduction shall be allowed for a person who executes the Mortgage, the head of the Household, the spouse of the head of the Household or a person who is secondarily liable on the Mortgage Loan).

"Current Year" means the twelve (12) month period beginning either: (a) the date of Application if Closing occurs within four months of the date of such Application; or (b) the date of Closing, if Closing occurs more than four months after the date of such Application.

"Gross Income" is the sum of all income not excluded in the following paragraph (before any payroll deductions), including but not limited to gross pay, net income from business or self-employment, any additional income from overtime, part time employment, shift differential, bonuses, allowances for automobiles, housing, uniforms, etc. (except that employee business expenses may be deducted), dividends, interest, royalties, pensions, compensation from the Department of Veterans Affairs (VA), net rental income, net farm income, etc.; and other income (such as alimony, child support, reimbursement for child care expenses, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Overtime pay and bonuses must be projected for the Current Year in an amount consistent with the earnings history of each Household member.

Gross Income shall not include casual, sporadic or irregular gifts; amounts that are specifically for or in reimbursement of medical expenses; inheritances; insurance payments (including payments under health and accident insurance and workmen's compensation other than payments in lieu of earnings); reimbursements received under an employer's flexible benefit plan or cafeteria plan; settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purpose; special pay to a serviceman who is exposed to hostile fire; foster child care payments; and the income of any Household member who is under 18 years of age or a full-time student (provided that no deduction shall be allowed for a person who executes the Mortgage, the head of the Household, the spouse of the head of the Household or a person who is secondarily liable on the Mortgage Loan).

Gross Income may not be reduced by any losses incurred by Borrower except those reflected on IRS Schedule C, E or F. Depreciation expenses may not be taken unless calculated on a straight line basis on applicable IRS Schedules and Forms and applicable profit and loss statements. All other depreciation expenses must be added back to net business, farm or self-employment income shown on IRS Schedule C, E or F.

"Household" means all persons expected to use the residence as their Principal Residence during the Current Year, excluding children expected to be born following Closing.

Borrower

Borrower

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public