




Missouri Housing
Development Commission

LENDER TRAINING: Mortgage Credit Certificate Forms Review




MHDC.com

MORTGAGE CREDIT CERTIFICATE FORMS

- **Once the reservation has been submitted, the certified lender must then send the conditional submission package to MHDC for review.**
- **This requires all documentation on the MHDC MCC checklist, provided in the reservation portal.**

MCC Conditional Commitment Package Checklist

TO: Missouri Housing Development Commission
Attn: Homeownership Dept.
920 Main Street, Suite 1400
Kansas City, MO 64105

FROM: _____

MCC Reservation #:	_____	Interest Rate: _____ %
Next Step Reservation #: (if applicable):	_____	
Borrower Name:	_____	Co-Borrower: _____
Property Address:	_____	City: _____ Zip: _____ - _____

We are herewith submitting the following documents, in this order, for your Pre-Closing review:

Form #304 – MCC Conditional Commitment Package Checklist

DOCUMENTS TO BE SIGNED AT APPLICATION:

Form #315 – Potential Borrower’s Application Affidavit

PRE-CLOSING DOCUMENTS:

- Form #321 – Approved “Prior Approval”, signed by an authorized signer (If applicable)
- Correspondence Memorandum regarding special circumstances (If applicable)
- Loan Application – signed by borrower(s)
- Form #390 – Income Calculation Worksheet

VERIFICATION OF INCOME FOR ALL HOUSEHOLD MEMBERS INCLUDING:

- | | |
|---|---|
| <input type="checkbox"/> Verification of employment/All required info for Alt Doc | <input type="checkbox"/> Social Security Benefits |
| <input type="checkbox"/> 12-Month breakdown on overtime, commission, bonus | <input type="checkbox"/> Divorce Decree |
| <input type="checkbox"/> 12-Month breakdown for part-time employment | <input type="checkbox"/> Child Support |
| <input type="checkbox"/> Other: _____ | |
- Form #322 – Certification of Zero Income for adults, signed (If applicable)
 - Form #323 – Certification of Zero Income for Children, signed (If applicable)

- Sales Contract with all addendums
- Form #350-1 & 350-2 – Waiver of Marital Rights Affidavits – for separated individuals (If applicable)
- Mortgage Lender Commitment Letter to borrower(s)
- Form #385 – Mobile Home Certification (If applicable)
- Flood Certification Letter
- Loan Estimate

_____	_____
Name of Contact for this file	Telephone Number

E-Mail Address	



Potential Borrower's Application Affidavit

Name of Borrower(s): _____
 Property Street Address: _____
 City: _____ County: _____, Missouri
 Targeted Non-Targeted Existing New Construction Combining with Next Step Program
 Total Real Estate Sales Contract Price: \$ _____

Part I - Acknowledgment of Availability of Funds

1. I/We hereby state that I/we are proceeding with this application at my/our own risk and there are no guarantees of an approved reservation of funds for the Mortgage Credit Certificate (MCC) Program.
2. I/We further understand that the **interest rate is not guaranteed** until the reservation is made and confirmed by the Mortgage Lender. The rate may vary depending on the availability of funds and when the reservation is made.
3. I/We further understand that I/we must comply with all MHDC requirements, as well as any FHA, VA, RD or Fannie Mae/Freddie Mac Conventional requirements depending on the type of loan obtained.
4. I/We further understand that this is **NOT** a loan commitment. It is in the Mortgage Lender's sole discretion to make the decision to grant the loan and I am free to seek financing from any approved Mortgage Lender. **MHDC is not involved in the loan approval process.** Reservations will be issued on a first-come, first-served basis.

Part II - Description and Disclosure

1. Issuance of an MCC entitles eligible First Time Home Borrowers to claim a credit against their **federal** income taxes only for a portion of the interest paid for the purchase of a qualified home. The residence must meet purchase price limitations established by the Commission under the Internal Revenue Code of 1986, as amended ("IRC"). A Borrower must meet specific eligibility criteria and agree to certain conditions as noted in Part III.
2. The MCC reduces a taxpayer's annual tax liability thereby making more after-tax dollars available for loan payments. The Mortgage Lender can take the MCC savings into account when underwriting your loan. **Check with your tax consultant to calculate the value a MCC will have on your personal federal tax liability.** Generally, families with greater tax liability will receive more benefit from a MCC. You should be aware that the value of the credit may vary from year to year depending on your tax status and the amount of interest paid on your Mortgage Loan.

In addition, to the reduction in your tax liability, you may be eligible to deduct mortgage interest and real estate taxes on Schedule A of your federal income tax return. : You may not deduct 100% of the mortgage interest and also receive the tax credit. However, the maximum deduction for mortgage interest that may be taken on your Schedule A is determined as follows:

Total amount of interest paid less amount of tax credit.

3. Generally MCCs can only be provided for the initial financing of the residence and it can not be issued in connection with any program funded by mortgage revenue bonds. The MCC will be non-transferable.

4. Conflict of Interest - No MCC can be issued to any persons who have, or who are related to a person who has, an interest as a creditor in financing the purchase of the residence.
5. At closing, an MCC Commitment Fee in the amount of one percent (1%) of the final mortgage loan amount is due and payable to "Missouri Housing Development Commission".
6. You, the Mortgage Lender, and the seller will be required to execute affidavits and certifications in connection with the MCC Program. These affidavits are to be made under oath and are given subject to penalty of perjury, which is a felony offense. Misstatements in the affidavits which are not intentionally made may result in a \$1,000. Intentional misstatements may result in up to a \$10,000 fine plus other criminal penalty. MHDC and the Mortgage Lender will be verifying the information contained in the affidavits. Misstatements may also result in denial or revocation of the MCC.

Part III - MHDC Program Requirements

All qualified borrowers must be able to certify that the following statements are or will be true.

1. The borrower(s) will occupy the home as a principal residence within 60 days after closing.
2. The residence is a single family (one unit) residence, or a single family, two unit residences, in which case I certify that I intend to occupy one unit as my principal residence.
3. The residence will not be rented or used as an investment property (except in the case of a two-unit property), or used as a recreation or "second" home.
4. The residence will not be used primarily for business and no more than 15% of the total area can be used in a trade or business. The borrower(s) will not deduct any portion of the cost of the residence as a home business expense on state or federal income tax returns.
5. I/We understand the Maximum Purchase Price limit is \$ _____ and that neither the total cost to acquire the residence nor the original mortgage loan amount may exceed this amount.
6. I/We understand that the Maximum Income limit is \$ _____ and that my/our total household income may not exceed this amount at any time prior to closing. The total number of persons related to the borrower(s) that will be living in this home equals _____.

The purpose of the Gross Annual Household Income maximum limit requirements is solely to establish the Borrower's eligibility for a Mortgage Credit Certificate and it is not required to be used for purposes of credit evaluation by the Mortgage Lender. The MCC Program is considered a Special Credit Program under Regulation B of the Equal Credit Opportunity Act. Lenders may require additional income information necessary to determine if the Borrower's household income is within the maximum limits allowed for the program.

7. Total Household Income includes all income from all sources for all borrower(s) and all other persons intending to occupy the residence. (Including but not limited to: gross pay, overtime, interest, dividends, alimony, child support, social security retirement, pension, welfare, etc.)
8. Neither the borrower(s) nor the occupants of the property have had ownership interest in a principal residence or have taken a home mortgage interest deduction or real estate tax deduction on their federal income tax returns in the past three (3) years, unless one of the borrowers is a qualified veteran and/or the residence is located within a targeted area.

9. I certify that the following person(s) intends to occupy this property within three months of loan closing:

Name of Occupant	Relationship	Age	Occupation(s)

For any minors listed above, will both their biological parents be residing in this home as their primary residence? Yes No

If "No", documentation regarding child support must be submitted in the loan package showing applicant(s) have physical custody of the child.

Borrower Acknowledgment of Understanding

I, the undersigned borrower(s) have read and understand Part I, II and III above.

Date: _____ Applicant Signature _____

Date: _____ Applicant Signature _____

**Applicants must sign prior to requesting a reservation of funds.
One copy must be given to the potential borrower(s).**

Mortgage Credit Certificate Program
Request for Prior Approval

All items must be completed in order for MHDC to review your case. Please allow 4 days for response.

Lender Name: _____ Contact Name: _____
 Phone #: _____ Email: _____
 Borrower's Name: _____
 Property Address: _____ Street _____ City _____ MO _____ Zip _____ County _____
 MCC Reservation Number _____ Next Step Reservation Number _____ Proposed Closing Date _____

- Please review the following for prior approval on:
- Power of Attorney for Buyer in Military** Use of a Power of Attorney for a buyer is not acceptable unless the buyer is a member of the Armed Forces serving outside the continental United States. For these cases, a Judge Advocate General's Power of Attorney must be used.
 - Flood Zone D**
 ▶ Must include a letter from City or County Official, on letterhead, stating he or she can verify, without hesitation, that the property did not flood in 1993, and has not flooded since (see Section 4-2a of MRB Manual for example). This must be done before closing.
 - Income**
 ▶ **MUST** complete the following:
 1. Number of persons intending to occupy the residence: _____
 2. Include copy of current Loan Application.
 3. Include copy of the MHDC Income Calculation Worksheet.
 4. If overtime, commissions or bonuses are being used, the lender must set out details of exactly what was used and a schedule of income from VOE's, pay stubs or other documentation used for arriving at the figures. Show the method of calculation. **Include this documentation.**
 - Other** - Explain in writing exactly what you wish for MHDC to review. Include all documentation.

For MHDC Use Only:

Based upon the information you have submitted, MHDC has determined that the above borrower,

DOES **DOES NOT**

meet all criteria for the situation as noted above. *If approved, should any information change prior to closing, it will be necessary to obtain a new prior approval.*

With Prior Approval of income, should the VOE documentation become more than 4 months old before loan closing, it will be necessary for you to obtain new VOE's and new income data for purposes of determining eligibility for a first-time home buyer loan. This loan will have to still meet all other regulations and rules of the MCC and/or First Place program. Any change in the Maximum Income Limitations before this loan closes could alter this approval.

Maximum Limit: _____ MHDC Calculations: _____

Missouri Housing Development Commission

Date: _____

Reviewer Comments:

→ **AFTER APPROVAL, COMPLETE AND INCLUDE THIS FORM WITH THE LOAN PACKAGE!**

- The documentation provided for this prior approval **has not** changed.
- The documentation provided for this prior approval **did** change before loan closing. Attached is the new documentation.

Date _____ Lender Authorized Signature _____



Mortgage Credit Certificate Program
MCC Post Closing Package Checklist

Form 305

Files must be uploaded and submitted to MHDC in the order as follows:

*Notes forms only required when applicable. For special circumstances only.

SECTION #1 - LENDER CERTIFICATION:

- Form #305 – Lender Check Sheet
- Commitment Fee – Confirmation of wire to MHDC for 1% of the loan amount
- Form #320 – Lender Certification

SECTION #2 - APPLICATION DOCUMENTS:

- Typed final loan application – signed by borrower(s)

SECTION #3 - Affidavits:

- Warranty Deed
- Form #325 – Seller's Affidavit (*Names must match W/D*)

- Form #330* – Certification of Cost

If applicable. In lieu of #525 when the borrower is building on their own land.

- Form #335 – Mortgagor's Affidavit

SECTION #4 - NOTE & RECORDED FORMS

- Executed **First Mortgage Note**
 - Form #375* – Co-Signor Affidavit

If applicable. For non-occupying co-borrowers.

- Form # 355 – Notice of Potential Recapture Tax

SECTION #5 - SETTLEMENT STATEMENTS

- CD Closing Disclosure, signed by mortgagor(s) (Both Borrower & Seller's sides)
 - Itemized breakdown of origination fees

Lender's Certification

LENDER CONTACT INFORMATION:

Lender Name: _____ File Contact-For Approval & Defi. Notices: _____
 Email: _____ Phone #: _____

RESERVATION DATA: MHDC Reservation #: _____ Reservation Date: _____

Borrower's Name: _____	SS#: _____
Co Borrower's Name: _____	Co-SS#: _____
Property Address: _____	City: _____ MO
Zip Code: _____ County: _____	<input type="checkbox"/> Rural/Non MSA County

APPLICATION DATA: Application Date: _____ Loan Officer: _____
 NMLS#: _____

Property: 1) Non-Targeted <input type="checkbox"/> Targeted <input type="checkbox"/> 2) Existing <input type="checkbox"/> New <input type="checkbox"/>	Census Tract #: _____ Year Built: _____ Bedroom #: _____ SQ FT: _____ Flood Zone Letter: _____
Type: Single Family <input type="checkbox"/> Duplex <input type="checkbox"/> Condo <input type="checkbox"/> Townhouse <input type="checkbox"/> Manufactured <input type="checkbox"/>	
Total # in Household: _____ (Adults _____ Children _____)	
Spouse residing in home NOT on loan: _____	
Borrower: Age: _____ Sex: Male <input type="checkbox"/> Female <input type="checkbox"/> Ethnicity: _____ Marital Status: _____ Occupation: _____	Co-Borrower: Age: _____ Sex: Male <input type="checkbox"/> Female <input type="checkbox"/> Ethnicity: _____ Marital Status: _____ Occupation: _____

INCOME DATA:	Borrower Income:	Co-Borrower Income:
	Wages \$ <u>0.00</u>	Wages \$ <u>0.00</u>
	From Assets \$ <u>0.00</u>	From Assets \$ <u>0.00</u>
	Other \$ <u>0.00</u>	Other \$ <u>0.00</u>
		Non-Occupant Income:
		Income \$ _____
	Total Household Income: \$ <u>0.00</u> (Maximum Limit: \$ _____)	

SALES CONTRACT & AFFIDAVITS DATA: Contract Date: _____

Contract Sales Price: \$ _____	Buyer's Realtor: _____
Financed Closing Costs: + \$ _____	License #: _____
Rehab. Amount: + \$ _____	Realty Agency: _____
Personal Property: < \$ _____	
Sweat Equity: < \$ _____	
Acquisition Amount: = \$ <u>\$0.00</u>	Appraised Value: \$ _____

NOTE & RECORDED FORMS: Closing Date: _____

Loan Type: <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> RD <input type="checkbox"/> CONV	Co-Signor Name (if applicable): _____
Interest Rate: _____ %	First Payment Date: _____
Loan Amount: \$ _____	Last Payment Date: _____
MCC Rate: <input type="checkbox"/> 25% <input type="checkbox"/> 35% <input type="checkbox"/> 45%	Monthly Payment/P&I: \$ _____
	PITI: \$ _____

MHDC USE ONLY: Borrower's Investment: \$ _____ NOTES: _____



Part II

I, the undersigned authorized officer of the Lender named below (the "Lender") do hereby certify, represent and warrant to Missouri Housing Development Commission (the "Commission" that:

1. The location of the property for which the borrower(s) are applying for an MCC (the "Residence") is entirely within the boundaries of the State of Missouri.
2. A qualified employee of the Lender, as agent for the Commission, by personal inspection verified that the property consists of a one family dwelling, the construction of which is sufficiently complete that occupancy is permitted under local law.
3. A qualified employee of the Lender, as agent for the Commission, has confirmed that the potential mortgagor(s) have been informed and understand the Potential Borrower's Application Affidavit attached hereto. The affidavit was signed on the date of execution of the Mortgage.
4. Attached hereto as are copies of the sales contract and all escrow and settlement papers relating to the property and the Mortgage Loan. The contract price set forth above (a) includes the land (unless the land has been owned by the Mortgagor for at least two years prior to the date on which construction of the residence began), dwelling and all fixtures and (b) is within the limit required by the guidelines noted by the Operations Manual.
5. The settlement costs (title and transfer costs, title insurance, or similar costs) and financing costs (credit reference fees, legal fees, appraisal expenses, the application fee, points which are paid by the buyer or other costs of financing the residence) associated with the purchase of the property, paid by or on behalf of the Mortgagor do not exceed the usual and reasonable costs in the area which would be paid by a buyer. No fees other than those set forth in the escrow and settlement papers were paid or collected.
6. A qualified employee or agent of the lender independently investigated the representations contained in the Mortgagor's Affidavit and the Seller's Affidavit, and has no reason to believe that they are not true and correct.
7. A qualified employee of the Lender, as agent for the Commission, has reviewed the credit reports with respect to the Mortgagor from all three national credit bureaus and verified that no credit report includes any indication that the Mortgagor incurred indebtedness to finance a principal residence during the three-year period prior to the execution of the Mortgage, unless the Mortgagor is a Qualified Veteran or the principal residence is located in a targeted area qualified census tract.
8. In the event that the Lender has been unable to satisfy itself as to the truth of the statements made by the Mortgagor in paragraph 18 of the Mortgagor's Affidavit from other documentation mentioned therein and herein, a qualified employee of the Lender has examined the tax, assessment or deed records of (a) _____ county and (b) the Mortgagor's last county of residence if different from the above, for the purpose of determining whether any property owned by the Mortgagor in either of said counties during the three-year period prior to execution of the Mortgage was used as the principal residence of the mortgagor. If examinations revealed ownership, attached hereto as evidence such as rent receipts or property tax records demonstrating that such property was (i) rented out by the Mortgagor or (ii) unimproved.
9. A qualified employee or agent of the lender, as agent for the Commission, verified that the total projected twelve-month household income is not in excess of the applicable maximum income limit and the amount of income used for credit underwriting is not more than the projected income for MHDC purposes.
10. The financing of the residence to be purchased will not be from any qualified mortgage revenue bond program.
11. No related person has an interest or is expected to have an interest as a creditor in the mortgage loan amount.
12. A qualified employee or agent of the lender, as agent for the Commission, verified that the property being financed is not located within a 100-year flood plane.
13. [Complete if developer of residence is other than the Seller.] The name and address of the developer of the residence is:

This is to certify that the above Lender's Certificate complies with all applicable representations, warranties and covenants specified in the Origination, Servicing and Administration Agreement (Revised March, 1996), as amended and supplemented from time to time, by and among the Lender, the Missouri Housing Development Commission and the Trustee.

Dated: _____ Lender: _____

By (authorized signature): _____

Typed Name and Title: _____

CONCLUSION

- **Once the reservation has been submitted, the certified lender must then send the conditional submission package to MHDC for review.**
- **This requires all documentation on the MHDC MCC checklist, provided in the reservation portal.**