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Our mission is to improve quality of life by providing affordable housing opportunities.

Home at Last™ Mortgage Tax Credit (MTC)

The Home at Last™ MTC program provides qualified first time homebuyers with a dollar-for-dollar federal income tax credit equal to 20% or 40% of the interest paid on a mortgage loan. It provides a refund on mortgage interest every year the buyer lives in the home for the life of the loan, plus the homeowner can still claim the remaining interest as a tax deduction. The MTC program savings are estimated at $2,000 a year ($166 a month) per household.

This program does not have any debt to income, interest rate, or asset requirements for the borrower. It is simply an add-on to one's mortgage loan. For a buyer to get started on the program they must get a pre-approval from one of NHD's qualified lenders.

The Home at Last™ MTC program is provided through tax exempt bonds. NHD was awarded $130 million in funds for the 2014 MTC program. If these funds are not utilized by Dec 31, 2016 they will expire.

Example:

Home A: 40% MTC Rate	Home B: 20% MTC Rate
▸ Loan Amount: $140,000 ▸ Interest: 5% ▸ Approx. Annual Interest: $6,900 ▸ Tax Credit Rate: 40% ▸ Savings $2,000* * Federal Law limits the MTC benefit at $2,000 for rates above 20%	▸ Loan Amount: $250,000 ▸ Interest: 5% ▸ Approx. Annual Interest: $12,400 ▸ Tax Credit Rate: 20% ▸ Savings $2,483* *No credit cap at 20% rate

NRHA, as the program administrator will assist the borrower and lender in determining which MTC rate is best for the buyer. The rate will be determined by whichever provides the best return for the borrower.

Why use the Home at Last MTC program?

- Lenders can use the credit as qualifying income to help lower DTI ratios
- Helps buyer year after year put more money in their pocket or in economy
- Can provide buyers over $40,000 back on mortgage interests over the life of the loan

To qualify for the MTC program the buyer must meet the below requirements:

☐First time homebuyer (Have not owned a primary residence within the previous 3 years) or a qualified Veteran

☐Purchase price below maximum listed in county of home purchase

☐Make below the maximum income limits depending on county of home purchase (includes total household income)

☐Meet normal underwriting requirement for a fixed mortgage loan (All loan products are acceptable)

☐Take homebuyer education through Nevada Rural Housing Authority

Maximum Home Purchase Prices Non-Targeted Areas

Effective June 4, 2015:

COUNTY	NON-TARGETED AREAS
Clark County	$274,390
Washoe County	$310,609

Maximum Home Purchase Prices Targeted Areas

(See *Targeted Areas in Clark County* and *Targeted Areas in Washoe County* on page 5 and 6 of this manual*)*

Effective June 4, 2015:

COUNTY	TARGETED AREAS
Clark County	$335,365
Washoe County	$379,634

These limits are subject to adjustment at any time.

Maximum Income Limits Non-Targeted Areas

Effective June 4, 2015:

For Clark County:	*Non-Targeted Areas*
Families of 2 or fewer persons	*$66,298*
Families of 3 or more persons	*$76,242*
For Washoe County:	***Non-Targeted Areas***
Families of 2 or fewer persons	*$76,200*
Families of 3 or more persons	*$87,687*

Maximum Income Limits Targeted Areas

(See *Targeted Areas in Clark and Washoe County* on page 5 and 6 of this manual)

Effective June 4, 2015:

For Clark County:	*Targeted Areas*
Families of 2 or fewer persons	*$73,680*
Families of 3 or more persons	*$85,960*
For Washoe County:	***Targeted Areas***
Families of 2 or fewer persons	*$76,200*
Families of 3 or more persons	*$88,900*

Targeted Areas in Clark County

CENSUS TRACT# OF TARGETED AREAS IN CLARK COUNTY	
3.01	**24.05**
3.02	**25.06**
4.02	**29.54**
4.03	**29.56**
5.14	**29.96**
5.21	**34.28**
5.22	**34.31**
5.23	**38.00**
5.24	**40.00**
5.28	**43.01**
6.00	**43.02**
7.00	**46.01**
8.00	**46.02**
11.00	**47.07**
15.01	**47.09**
16.12	**47.10**

CENSUS TRACT# OF TARGETED AREAS IN CLARK COUNTY	
22.04	47.12
22.07	47.13
24.03	47.15
24.04	71.00

Targeted Areas in Washoe County

CENSUS TRACT# OF TARGETED AREAS IN WASHOE COUNTY	
1.02	18.02
2.01	21.07
9.00	22.11
10.08	27.03
17.01	9800

The MTC Calculator

Visit NRHA's website at www.nvrural.org/MTC to find an input calculator to show your buyers the true benefit of the MTC program. In addition to the calculator you can find a digital copy of the MTC brochure and list of approved lenders.

HOME AT LAST - MORTGAGE TAX CREDIT PROGRAM

ESTIMATED COSTS AND TAX SAVINGS

Enter loan amount here:	$ 170,000
Enter your loan interest rate:	5.00%

Program Fee Paid to NRHA	*$ 1,700*
Lender Application Fee	*$ 175*
MTC Tax Savings for 1st year	*$ 2,000*
Total Tax Savings for 5 years	*$ 10,000*
Total Tax Savings for 10 years	*$ 20,000*
Total Tax Savings for 30 years	*$ 51,662*

Assumes a 30 year mortgage.

NRHA, as the program administrator does not offer this information as tax advice, the figures shown are estimates only.
All MTC holders should consult their own tax advisor or the Internal Revenue Service for guidance regarding exact amount of tax savings.

Program Eligible Areas

The Nevada Housing Division (NHD) and Nevada Rural Housing Authority (NRHA) have partnered together to offer the Home at Last Mortgage Tax Credit (MTC) program statewide! Depending on which part of Nevada the home is being purchased will determine which program funds the borrower will be utilizing.

If the borrower is purchasing a home in the following counties then they will use NHD's program funds:

Clark – Townships above 150,000 in population	Washoe – City limits of Reno

If the borrower is purchasing a home in the following counties then they will use NRHA's program funds:

Carson	Lincoln
Churchill	Lyon
Clark – Townships below 150,000 in population	Mineral
Douglas	Nye
Elko	Pershing
Esmeralda	Storey
Eureka	Washoe – except Reno city limits
Humboldt	White Pine
Lander	

The next two pages will assist in determining which reservations forms a loan officer should use to commit a borrower to the MTC program.

It is required that all lenders who sign up to participate in the Home at Last MTC program execute a lender participation agreement from both NHD and NRHA to have access to funds across the entire state.

INSTRUCTIONS FOR LOOKING UP TAX DISTRICT IN CLARK COUNTY

1) Go to: http://www.clarkcountynv.gov/depts/assessor/pages/default.aspx
2) Click ''Property Records' on left hand side
3) Under Real Property Records click 'Address' to search by address
4) Type in pertinent street information (note, it is best to type in only street name omitting street number and any description such as 'street', 'drive', etc.)
5) After you type in street name, the location addresses and parcel numbers will appear.
6) Click on parcel number for specific property address and it will link you to detailed information on parcel
7) In the detailed parcel record it will show you the location address and right below this line is the 'City/Unincorporated town'. The 'City/Unincorporated Town' is the official taxing district for the property
8) Compare the City/Unincorporated town information with the listings below to determine eligibility. The above section represents eligible areas for NRHA and the below list is eligible areas for NHD.

Clark County NRHA Program:

Arden
Blue Diamond
Boulder City
Bunkerville
Cactus Springs
Cal-Nev-Air
Cottonwood Cove
Enterprise
Fort Mojave
Glendale
Goodsprings
Indian Springs
Jean
Laughlin
Logandale
Mesquite
Moapa Town/Valley
Mount Charleston
Mountain Springs
Mountain's Edge
Nelson
Overton
Primm
Sandy Valley
Searchlight
Sloan
Summerlin South
Whitney
Winchester

Clark County NHD Program:

Henderson
Las Vegas
North Las Vegas
Paradise
Spring Valley
Sunrise Manor

INSTRUCTIONS FOR LOOKING UP TAX DISTRICT IN WASHOE COUNTY

1) Go to the Washoe County Assessors website: http://www.washoecounty.us/assessor/cama/search.php
2) Click the box 'go to search page'
3) Type in Parcel Number or Search by Street Address and click 'Lookup APN/Address' (note, it is best to type in only street name, omitting any description such as 'street', 'drive', etc)
4) Link to property information by clicking on any of the fields highlighted in blue for the property you are searching
5) Under Legal Description section on the left hand side midway down the screen you will see 'tax dist', which stands for taxing district
    a. The 1,000 series (1,000 – 1,999) is eligible for NHD's program
    b. Any number 2,000 or higher is eligible for NRHA's program

EXAMPLE:

The illustration to the right has a tax district of 1040 therefore qualifies for NHD's program.

WASHOE COUNTY QUICK INFO (Summary da			
Owner Information & Legal Description			
APN	086-471-25		
Parcel Map | Map Index | Quick Map			
Card 1 of 1			
Situs	12340 ROCKY MOUNTAIN ST		
Owner 1	WINDY HILL HOMES II LLC		
Mail Address	6265 EVEREST CT		
	RENO NV 89523		
Rec Doc No	4006677	Rec Date	05/26/2011
Prior Owner	SMILEY, STEPHEN E & PAMELA L		
Prior Doc	3996913 04/26/2011		
Keyline Desc	HAZELCREST 4 LT 10-A		
Subdivision	HAZELCREST 4		
Lot 10A Block		Sub Map#	1501
Record of Survey Map		Parcel Map#	
Section Township 21 Range 19		SPC	
Tax Dist	1040 Add'l Tax Info	Prior APN	- -
Tax Cap Status	Rental High Cap Applied		

Other Frequently Used Pages: Sales/Transfer/Doc Hist

WASHOE COUNTY QUICK INFO (Summary dat			
Owner Information & Legal Description			
APN	036-101-06		
Parcel Map | Map Index | Map Warehouse | Quick Map			
Card 1 of 1			
Situs	1709 MATTEONI DR		
Owner 1	HOLLAND, RICHARD T		
Mail Address	1769 MEADOWVALE WAY		
	SPARKS NV 89431		
Rec Doc No	3784549	Rec Date	07/24/2009
Prior Owner	HOLLAND, RICHARD et al		
Prior Doc	1089649 07/31/1986		
Keyline Desc	SIERRA MEADOWS UT 4 LT 14		
Subdivision	SIERRA MEADOWS 4		
Lot 14 Block		Sub Map#	
Record of Survey Map		Parcel Map#	0
Section Township 19 Range 20		SPC	
Tax Dist	2005 Add'l Tax Info	Prior APN	
Tax Cap Status	2012 Rental Form Mailed		

The illustration to the left has a tax district number of 2,005 and therefore qualifies for NRHA's program.

Taking the Tax Credit

The MTC credit is a dollar for dollar reimbursement on one's mortgage interest. Whereas, tax deductions only allow a borrower a return of $0.15 to $0.28 on the dollar depending on which tax bracket one lies in. The MTC program allows a borrower to receive up to 40% of the interest as a dollar for dollar credit, and the remaining 60% can still be claimed as a deduction.

The credit is limited to the amount of income tax otherwise payable and may be used to reduce the taxes payable or to increase the tax refund due upon filing of the borrower's federal income tax returns.

One can claim the credit two ways:

1. At the end of the year when they file their tax return. The program administrator sends a sample copy of how to claim the tax credit using IRS Form 8396. One can also simply claim it using any tax software, such as TurboTax.

2. Through their paycheck by increasing the exemptions on their W4 providing more take home pay and less tax withdrawal. Each increase in exemption provides more take home pay. The amount received per exemption varies depending on which tax bracket one lies in. Please consult with a tax advisor.

Whether the credit is claimed through a monthly withholding or not, the borrower will get the total amount of credit, it is just a matter of when.

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2014** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning , 2014, ending , 20 See separate instructions.

Your first name and initial	Last name	Your social security number
Amanda	Porter	888-88-8888
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Jack	Porter	222-22-2222

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
715 Water Street

▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
Henderson NV 89015

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status
Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☒ **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
Daniel Porter	444-44-4444	Son	☐
			☐
			☐
			☐

If more than four dependents, see instructions and check here ▶ ☐

No. of children on 6c who:
• lived with you: 1
• did not live with you due to divorce or separation (see instructions):
Dependents on 6c not entered above:

d Total number of exemptions claimed — Add numbers on lines above ▶ 3

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	50,000.
8a	**Taxable** interest. Attach Schedule B if required	8a	
b	**Tax-exempt** interest. **Do not** include on line 8a		
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends		
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions 15a — b Taxable amount	15b	
16a	Pensions and annuities 16a — b Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits 20a — b Taxable amount	20b	
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	50,000.

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶	37	50,000.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. BAA REV 01/03/14 TTW Form **1040** (2014)

SAMPLE

Form 1040 (2014) Page 2

Tax and Credits	38	Amount from line 37 (adjusted gross income)	38	50,000.
	39a	Check if: ☐ **You** were born before January 2, 1949, ☐ Blind. ☐ **Spouse** was born before January 2, 1949, ☐ Blind. **Total boxes checked** ▶ 39a		
	b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b ☐		
Standard Deduction for— • People who check any box on line 39a or 39b **or** who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, $6,100 Married filing jointly or Qualifying widow(er), $12,200 Head of household, $8,950	40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)	40	12,200.
	41	Subtract line 40 from line 38	41	37,800.
	42	**Exemptions.** If line 38 is $150,000 or less, multiply $3,900 by the number on line 6d. Otherwise, see instructions	42	11,700.
	43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	26,100.
	44	**Tax** (see instructions). Check if any from: a ☐ Form(s) 8814 b ☐ Form 4972 c ☐	44	3,026.
	45	**Alternative minimum tax** (see instructions). Attach Form 6251	45	
	46	Add lines 44 and 45 ▶	46	3,026.
	47	Foreign tax credit. Attach Form 1116 if required 47		
	48	Credit for child and dependent care expenses. Attach Form 2441 48		
	49	Education credits from Form 8863, line 19 49		
	50	Retirement savings contributions credit. Attach Form 8880 50		
	51	Child tax credit. Attach Schedule 8812, if required 51		
	52	Residential energy credits. Attach Form 5695 52		
	53	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☒ 8396 53 2,000.		
	54	Add lines 47 through 53. These are your **total credits**	54	2,000.
	55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- ▶	55	1,026.
Other Taxes	56	Self-employment tax. Attach Schedule SE	56	
	57	Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919	57	
	58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
	59a	Household employment taxes from Schedule H	59a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
	60	Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)	60	
	61	Add lines 55 through 60. This is your **total tax** ▶	61	1,026.
Payments	62	Federal income tax withheld from Forms W-2 and 1099 62 3,026.		
	63	2014 estimated tax payments and amount applied from 2012 return 63		
If you have a qualifying child, attach Schedule EIC.	64a	**Earned income credit (EIC)** 64a		
	b	Nontaxable combat pay election 64b		
	65	Additional child tax credit. Attach Schedule 8812 65		
	66	American opportunity credit from Form 8863, line 8 66		
	67	Reserved 67		
	68	Amount paid with request for extension to file 68		
	69	Excess social security and tier 1 RRTA tax withheld 69		
	70	Credit for federal tax on fuels. Attach Form 4136 70		
	71	Credits from Form: a ☐ 2439 b ☐ Reserved c ☐ 8885 d ☐ 71		
	72	Add lines 62, 63, 64a, and 65 through 71. These are your **total payments** ▶	72	3,026.
Refund	73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you **overpaid**	73	2,000.
	74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	74a	2,000.
Direct deposit? See instructions.	▶ b	Routing number X X X X X X X X X ▶ c Type: ☐ Checking ☐ Savings		
	▶ d	Account number X X X X X X X X X X X X X X X X X		
	75	Amount of line 73 you want **applied to your 2014 estimated tax** ▶ 75		
Amount You Owe	76	**Amount you owe.** Subtract line 72 from line 61. For details on how to pay, see instructions ▶	76	
	77	Estimated tax penalty (see instructions) 77		

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete below. ☒ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
		Teacher	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		Retail	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ Self-Prepared		Firm's EIN ▶		
Firm's address ▶		Phone no.		

REV 01/03/14 TTW Form **1040** (2014)

Form **8396**

Department of the Treasury
Internal Revenue Service (99)

Mortgage Interest Credit

(For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies)

▶ Information about Form 8396 and its instructions is at *www.irs.gov/form8396.*

▶ Attach to Form 1040 or 1040NR.

OMB No. 1545-0074

2014

Attachment Sequence No. **138**

Name(s) shown on your tax return	Your social security number
Amanda & Jack Porter	888-88-8888

Enter the address of your main home to which the qualified mortgage certificate relates if it is different from the address shown on your tax return.

715 Water Street Henderson NV 89015

Name of Issuer of Mortgage Credit Certificate	Mortgage Credit Certificate Number	Issue Date
Nevada Housing Division	MC 1954	03/01/2014

Before you begin Part I, figure the amounts of any of the following credits you are claiming: Credit for the elderly or the disabled, alternative motor vehicle credit, and qualified plug-in electric drive motor vehicle credit.

Part I Current Year Mortgage Interest Credit

1	Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid	1	7,000.
2	Enter the certificate credit rate shown on your **mortgage credit certificate. Do not** enter the interest rate on your home mortgage	2	50.00 %
3	If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter. **You must reduce your deduction for home mortgage interest on Schedule A (Form 1040) by the amount on line 3.**	3	2,000.
4	Enter any 2011 credit carryforward from line 16 of your 2013 Form 8396	4	
5	Enter any 2012 credit carryforward from line 14 of your 2013 Form 8396	5	
6	Enter any 2013 credit carryforward from line 17 of your 2013 Form 8396	6	
7	Add lines 3 through 6	7	2,000.
8	Limitation based on tax liability. Enter the amount from the Credit Limit Worksheet (see instructions)	8	3,026.
9	**Current year mortgage interest credit.** Enter the **smaller** of line 7 or line 8. Also include this amount in the total on Form 1040, line 53, or Form 1040NR, line 50. Check box **c** on that line and enter "8396" in the space next to that box	9	2,000.

Part II Mortgage Interest Credit Carryforward to 2014. (Complete **only** if line 9 is less than line 7.)

10	Add lines 3 and 4	10	
11	Enter the amount from line 7	11	
12	Enter the **larger** of line 9 or line 10	12	
13	Subtract line 12 from line 11	13	
14	**2013 credit carryforward to 2015.** Enter the **smaller** of line 6 or line 13	14	
15	Subtract line 14 from line 13	15	
16	**2012 credit carryforward to 2015.** Enter the **smaller** of line 5 or line 15	16	
17	**2014 credit carryforward to 2015.** Subtract line 9 from line 3. If zero or less, enter -0-	17	

For Paperwork Reduction Act Notice, see your tax return instructions. BAA REV 01/03/14 TTW Form **8396** (2014)

What is Recapture?

The Internal Revenue Service (IRS) requires recapture tax on mortgages funded through the sale of tax-free mortgage revenue bonds. The provision helps ensure compliance of helping low to moderate income homebuyers. The recapture tax cannot exceed 6.25% of the original loan amount or 50% of the net gain from the sale of the home.

Recapture tax is a federal tax or fee a homebuyer may have to pay if he/she sells the home within the first nine years of the purchase date, receives a net profit on the sale of the home AND exceeds the maximum household income limit at the time of sale. All three provisions must occur at the time of sale for any potential recapture tax obligations to apply.

Borrowers that are more likely to pay recapture may have the following circumstances:

- Borrowers who are employed in a high growth income potential position
- Borrowers who are close to the maximum income limit at the time of loan closing
- Borrowers who are in a high housing inflation environment
- Single borrowers at closing that are married when the home is sold

A borrower would not be subject to recapture if:

- They transfer the home to a spouse or former spouse in connection with a divorce where no gain is included
- The home is destroyed by a casualty and it is repaired or replaced on its original site within two years after the end of the tax year when the destruction happened
- The home is sold or otherwise disposed of as a result of the borrower's death
- The borrower refinances (refinancing does not cancel the recapture tax provision)

If recapture tax is owed it is not collected at the time of the sale, but instead when filing a federal return for the year in which the sale occurred. When the home is sold the borrower must complete IRS Form 8828 and file it with their Federal Tax Return for the year the home is sold, regardless if the borrower owes recapture. IRS Form 8828 will assist the borrower in determining if any recapture tax is owed. It is strongly suggested to consult with a tax advisor.

Nevada Housing Division Reimbursement Policy

NHD will reimburse eligible borrowers who obtained a First-Time Homebuyer Mortgage Tax Credit that was MRB funded **and** the borrower/seller incurred a recapture tax liability which they reported to the IRS on their tax return. The reimbursement is dependent upon the following specific requirements:

Specific Requirements

1. The NHD First-time Homebuyer MTC loan must be outstanding at the time of sale. NHD will not reimburse the borrower if the loan had been previously extinguished by any form of refinance or new loan.

2. The reimbursement request must be submitted by July 15th of the calendar year immediately following the calendar year in which the home is sold and the recapture is reported on the borrower(s)' federal tax return.

3. NHD will reimburse only the amount of the recapture tax. NHD will not reimburse penalties or interest owed by the First-time Homebuyer borrower(s).

4. The information on the borrower(s)' federal tax return for the calendar year of disposition must be true and correct.

How the reimbursement process works

The First-time Homebuyer borrower(s) must provide NHD with the following documentation to begin the reimbursement process:

1. A completed Request for Recapture Tax Reimbursement form (Available on NHD website or by borrower request to NHD);

2. A copy of the signed federal tax return, including IRS Form 8828 (Recapture of Federal Mortgage Subsidy) for the year in which the home was sold or otherwise disposed of;

3. A copy of the signed HUD-1 Settlement Statement issued in connection with the disposition of the home;

4. An original signed IRS Form 4506 (Request for Copy of Tax Return) completed by each person listed as a borrower under the mortgage loan documents, permitting NHD to request federal tax returns, including IRS Form 8828. NHD will pay any fees associated with the IRS 4506 form that is required as port of the reimbursement process; and

5. Proof that the recapture tax was paid by the borrower (cancelled check and/or bank statement, etc.) or proof in the form of an IRS printout that borrower was still refunded monies even after reporting Recapture Tax on the tax return.

The Request for Reimbursement package, with all documentation listed above should be mailed to:

Nevada Housing Division
Attn: First-time Homebuyer Program
7220 Bermuda Rd, Suite B
Las Vegas NV 89119

The Division will make every effort to process information within a sixty (60) day time frame.

The reimbursement check will be made payable to the original borrower(s) listed on the Mortgage Note.

Tax Information

THIS NOTICE SHOULD NOT BE CONSTRUED AS TAX ADVICE. REIMBURSEMENT MAY BE TAXABLE INCOME TO YOU IN THE YEAR RECEIVED. YOU WILL BE ISSUED AN IRS 1099 FORM (MISCELLANEOUS INCOME) FROM NHD FOR THE AMOUNT OF THE RECAPTURE TAX CLAIMED. PLEASE CONSULT YOUR TAX ADVISOR FOR FURTHER INFORMATION.

FAQ's – Home at Last MTC Program

Are there any fees accompanied with the MTC program?
Yes, there are fees associated with the MTC program. The program fee is 1% of the final loan amount. The lender can also charge a $175 lender fee.

What if the family already claims all tax liability? Can they still benefit?
No, the homebuyer can only receive the MTC credit if they have enough tax liability to do so. The credit cannot be larger than the annual federal income tax liability after all other credits and deductions have been taken into account. However, any MTC credit can be carried forward to be claimed within the following three years before it expires. Please contact your tax professional for more information.

Who can become an approved lender?
Any lender or broker who is interested in becoming an approved lender for our Mortgage Tax Credit program is eligible to execute a Lender Participation Agreement.

Is there an example to show prospective homebuyers how the program works?
Yes, there is a MTC calculator available on NRHA's website at www.nvrural.org/MTC that displays the interest refund that can be expected to be received over the 30 year mortgage loan on an MTC.

What type of Mortgage Loans can be combined with an MTC?
Conventional, FHA, VA, and USDA loans are eligible to be combined with an MTC. An MTC cannot be combined with another type of tax-exempt revenue bond.

Is there recapture on an MTC?
Yes, the homebuyer must remain in the home for at least nine years to avoid any recapture penalties. In many cases the homebuyer may not be subject to recapture. NHD will reimburse eligible borrowers who took part in the MTC Program and the borrower/seller incurred a recapture tax liability which they reported to the IRS on their tax return (See pages 15-17 of this manual).

Is there a specific interest rate associated with a MTC loan?

No, the MTC program is not accompanied by an interest rate. The homebuyer receives the current market rate the loan officer locks in.

How does the homebuyer actually receive the MTC certificate?
The original MTC certificate gets mailed to the homebuyer once all documents have been submitted to NRHA, the program administrator by the loan officer. The loan officer also receives a copy of the MTC certificate for their records.

The certificate the homebuyer receives is what they use to claim the tax credit when they file their tax returns. An example of how to complete the correct tax information will be provided to all new homebuyers during tax season.

Are there any asset limitations?
No, there are no minimum or maximum asset requirements.

What is the difference between a tax credit and a mortgage interest deduction?
A mortgage interest deduction depends upon one's tax bracket. If the homebuyer is in the 15% tax bracket they would receive $.15 in taxes for each dollar of mortgage interest paid. A tax credit is a dollar for dollar credit on one's mortgage interest up to the tax credit rate stated on the MTC. With the MTC one would save $1 for each dollar of mortgage interest paid.

Can the homebuyer still receive their mortgage interest deduction if they use the MTC program?
Yes, the homebuyer would receive the tax credit of the rate received on the certificate, and then the remaining interest can still be claimed as a mortgage interest deduction. For example, if the homebuyer receives a 40% MTC, then 40% of the interest would be refunded as a dollar to dollar benefit, and then the remaining 60% would be eligible for the interest deduction, the amount depending on the homebuyer's tax bracket.

Do you require homebuyers to take homebuyer education?
Yes, all of our Home at Last programs require buyers to participate in a homebuyer education class prior to closing. The buyer can take it online for free by visiting nvrural.org and click on homebuyer services.

Can the homebuyer use the Access program and the MTC program together?
A homebuyer can combine both the Access and MTC program as long as they meet the requirements for both programs.

Can an MTC be refinanced?
Yes, if the original loan has an MTC associated with it, the homebuyer can refinance and still keep their MTC by completing the refinance MTC Document 9. There is a nominal fee associated with this.

PROGRAM MANUAL
FOR
NEVADA HOUSING DIVISION
2014 MORTGAGE TAX CREDIT PROGRAM

INTRODUCTION

Nevada Housing Division has received a total allocation of $130,000,000 to implement a single family Mortgage Tax Credit program within the geographic area within the State of Nevada for the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the Nevada Cities of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor, which will allow the Division to issue MTCs (as defined below) in total proceeds (*i.e.,* 20 percent of the total Certified Indebtedness Amount of all MTCs issued with respect to Category 1 Loans plus 40 percent of the total Certified Indebtedness Amount of all MTCs issued with respect to Category 2 Loans) not to exceed $32,500,000 which amount may be increased by the Division in its sole discretion upon the application of additional bond allocation to the Program. The Program Administrator will be the Nevada Rural Housing Authority (the *"Administrator"*). All capitalized terms used herein shall have the meanings assigned to them in the Definition Section of this Program Manual.

TAX DISCLAIMER

This material is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This material may be used to support the promotion or marketing of the matter discussed herein. The taxpayer should seek advice from an independent tax advisor regarding the matter set forth herein based on the taxpayer's particular circumstances.

GENERAL OVERVIEW

A Mortgage Tax Credit (an *"MTC"*) is an instrument designed to assist persons of low and moderate income to better afford individual ownership of housing. The procedures for issuing MTCs were established as an alternative to the issuance of single family mortgage revenue bonds. As distinguished from a bond program, in an MTC program no bonds are issued and mortgages are financed in the conventional or government-insured market. However, the mortgagor may take a tax credit in an amount equal to the annual amount of interest paid on the mortgage loan multiplied by the Mortgage Tax Credit Rate. The Mortgage Tax Credit Rate for the Program is 20 percent with respect to each Category 1 Loan and 40 percent with respect to each Category 2 Loan. Category 1 Loans and Category 2 Loans are determined at time of MTC reservation depending on which Category is in the best interest of the homebuyer (i.e. provides the largest return).

Thus, an Applicant with a $275,000 mortgage (which constitutes a Category 1 Loan and eligible for a 20 percent Mortgage Tax Credit Rate) and a 5% interest rate could realize the following federal income tax savings (numbers are rounded):

Mortgage Amount:	$275,000
Interest Rate:	5 percent
Total Interest Paid First year:	$13,650
(Mortgage Tax Credit Rate)	x .20
	$2,730

An Applicant with a $150,000 mortgage (which constitutes a Category 2 Loan and eligible for a 40 percent Mortgage Tax Credit Rate) and a 5% interest rate could realize the following federal income tax savings (numbers are rounded):

Mortgage Amount:	$150,000
Interest Rate:	5 percent
Total Interest Paid First year:	$7,400
(Mortgage Tax Credit Rate)	x .40
	$2,000

During the first year of the Program, the Applicant in the first example above would be eligible for a tax credit of up to $2,730 and the Applicant in the second example above would be eligible for a tax credit of up to $2,000. The Applicant would be able to file a revised W-4 withholding form taking into consideration the anticipated tax credit and have approximately $227 per month in additional disposable income in the case of the first example above and approximately $165 per month in additional disposable income in the case of the second example above. Additionally, taxpayers who file itemized returns may take a deduction for their mortgage interest paid each year, less an amount equal to the tax credit actually taken.

The amount of the credit actually claimed on the MTC holder's federal income tax return cannot exceed the amount of federal income taxes due after other credits and deductions have been taken into account, and because the Mortgage Tax Credit Rate exceeds 20 percent in the case of a Category 2 Loan, the annual credit cannot exceed $2,000 with respect to an MTC issued in

connection with a Category 2 Loan. Any unused MTC related tax credit can be carried forward up to three years to be applied against future income tax liability. *In addition, all or a portion of the MTC related tax credit may be subject to recapture if the Residence is sold within nine years of purchase.* This tax credit recapture is further explained in the Notice of Potential Recapture Tax included with this Program Manual.

A purchaser of a new or existing single family home may apply for an MTC through any mortgage lender at the time he or she applies for a mortgage from the lender. An MTC cannot be issued to a homebuyer (i) who is refinancing an existing mortgage or (ii) in connection with a mortgage from a relative. Also, an MTC cannot be used in connection with a tax exempt bond financed mortgage loan. An MTC may be re-issued to an existing MTC holder in the event such MTC holder refinances the Loan on his or her Residence.

Since the Division will not make or hold these mortgages, neither the Division, nor the Administrator will underwrite the Loans. Rather, all Loan approval, underwriting and execution of required State and federal certifications or affidavits will be performed by the mortgage lenders originating the loans. The Program Administrator will work with the Lender to expedite the Program. The Administrator will receive executed certificates and affidavits of each applicant from the Lender in order to determine eligibility for the MTC Program. Lenders will process mortgage loans of all types, using normal procedures, with additions to procedures at relevant points in order to satisfy MTC Program requirements. The MTC Program requirements are independent of any normal underwriting requirements of the Lender. In order to qualify for issuance of an MTC an applicant must meet all MTC requirements in addition to any FHA, VA, RHS or conventional loan standards which must be met to satisfy the Lender.

The Division encourages anyone who believes they qualify to apply for an MTC to apply at the offices of any Lender who can explain the Program and its restrictions. Use of the MTC Information Guide and the MTC Homebuyer Worksheet can assist Lenders and Applicants in determining whether an Applicant may qualify for the Program. The Lender should be well-versed in the State and federal restrictions so that Applicants are made aware of these restrictions before the Application is taken. The Lender must reject those Applications where the Applicant does not qualify under the requirements of the Program.

The purpose of this Program Manual is to describe the Program, outline the relevant State and federal restrictions, identify the respective roles of the Division, the Administrator, the Lender, the Applicant, and the Seller, and detail the processing procedures. The Program definitions and Program documents are included for reference.

The Division may revise this Program Manual from time to time by issuing amendments to the Program Manual. Changes required by the Code may require revisions to the procedures outlined in this Program Manual.

LOAN PROCESSING PROCEDURES AND PROGRAM ADMINISTRATION

An Applicant who may be eligible should apply for an MTC in conjunction with his or her conventional, FHA, VA or RHS mortgage loan application submitted to the Lender of his or her choice.

The MTC processing procedures are designed to coincide with the regular, on-going mortgage loan processing and underwriting procedures that are in place at most mortgage lending institutions. The Division recognizes that there are procedural variations among the Lenders; consequently, the procedures outlined herein are meant to be suggestive with respect to the sequence of events. However, all the elements of the processing sequence noted below must at some point be completed by the responsible party.

The fees of the Program are set forth at each step in the processing procedures as follows, and the fees charged by the Lender in connection with the Program may in no event exceed the fees specified in this Program Manual. A Schedule of Fees is attached hereto as *Exhibit A*.

The following is the Loan processing and Program administration sequence of events for the MTC Program:

A. LOAN ORIGINATION AND MTC APPLICATION

1. The Applicant applies for a Loan from a Lender.

2. Lender verifies that the Residence is within the Eligible Loan Area.

3. Lender gives the Applicant an MTC Information Guide that explains the Program and contains consumer information. The MTC Information Guide is intended to present certain facts to the Applicant concerning the restrictions, regulations, and prohibitions of the Program because of certain federal and State regulations, as well as restrictions imposed by the Division and to explain the penalties for misuse of the Program. It is imperative that the Applicant understands the terms and conditions of the Program. During the initial interview, it is the responsibility of the Lender to explain the terms and conditions of the Program to the Applicant, and to make sure that the Applicant receives a copy of the MTC Information Guide.

4. Lender generally determines if the Applicant is a possible candidate for an MTC, based on preliminary indications of Anticipated Annual Family Income, Acquisition Cost, prior Ownership, tax liability, and other relevant factors. (Use of the MTC Homebuyer Worksheet is helpful in making this determination.)

5. No applications for an MTC under the Program may be taken from an Applicant by a Lender prior to June 16, 2014. No MTCs may be issued prior to June 16, 2014. All persons interested in making applications for an MTC must be considered on a first-come, first-served basis and must have an application for a Loan on file with the Lender. Lenders must keep a record

of all MTC applications received and the disposition of such applications.

6. The Applicant must review and sign the Affidavit of Applicant as well as the Tax Return Affidavit accompanied by 3 years of tax returns or transcripts, which, together with the Tax Certificate, serve as the application for an MTC (the *"Application"*). Only the prior year's income tax return is required for (i) a Targeted Area Loan or (ii) an Applicant who is a Qualified Veteran.

7. Upon submission of an Application by an Applicant, the Lender may collect and retain an MTC Application Fee of $175. The MTC Application Fee is non-refundable and may be waived by the Lender or paid by the Applicant, the Seller, or any other person on the Applicant's behalf.

8. Lender submits the Application to the Administrator.

9. Lender may provide the Applicant a copy of IRS Form W-4 Employee's Withholding Allowance Certificate which contains the IRS instructions for the taxpayer. The Applicant may complete the W-4, if necessary, to change his/her federal withholding tax, adjusting it in an amount comparable to the expected MTC tax credit and submitting it to the taxpayer's employer.

B. ADMINISTRATOR REVIEW AND ISSUANCE OF MTC COMMITMENT LETTER

1. Administrator reviews the Application to determine whether it has been completed in accordance with the requirements of the Code and this Program Manual and has been properly executed.

2. If Administrator determines that the Application meets the requirements set forth in B.1 above, Administrator issues an MTC Commitment Letter to Lender stating that the Applicant has received preliminary approval and that an MTC will be executed and delivered to the Applicant upon Closing of the Loan, subject to completion of all of the remaining requirements of the Program.

3. Administrator shall keep an ongoing, cumulative-to-date total of MTC Commitment Letters issued to Lenders and of MTCs issued, less the amount of any MTC Commitment Letters which have expired or terminated. The MTC Commitment Letter will contain an expiration date of three months on a Loan for Existing Housing and six months on a Loan for New Housing.

4. When MTC Commitment Letters or MTCs have been issued which have effectively committed 75 percent of the Certificate Limit for the Program, the Administrator shall prepare and distribute a notice to all Lenders and to the Division stating that 75 percent of Certificate Limit has been utilized.

5. When MTC Commitment Letters or MTCs have been issued which have effectively committed all of the Certificate Limit for the Program, the Administrator shall maintain a list of Applicants in order of receipt of Application without depositing the MTC Application Fee.

6. MTC Commitment Letters may not be transferred from one Lender to another. In the event an Applicant elects to change Lenders, the MTC Commitment Letter which has been issued shall be revoked and a new application process must be commenced by the Applicant with the new Lender including the payment of a new MTC Application Fee.

C. LENDER LOAN APPROVAL AND VERIFICATION

1. The Lender performs normal loan approval or underwriting procedures.

2. The Lender may consider the MTC when determining the amount of disposable income available for the monthly house payment in order to determine the Applicant's qualification for the Loan. The Lender determines general acceptability in accordance with its own loan approval standards and applicable Fannie Mae, Freddie Mac, FHA, VA, RHS and private mortgage insurance standards and underwriting guidelines.

3. In conjunction with the Lender's regular verification process, the Lender performs reasonable investigation as to whether the MTC Program requirements have been met as required by the Code and the applicable Regulations noted in the Lender Participation Agreement and the Certificate of Lender. Lenders may verify these facts at different times and in various ways, depending upon the Lender's particular procedures for processing loans.

4. The Lender verifies that the Income Limits, Acquisition Cost Limits, and other MTC Program requirements are met.

D. APPLICANT AND LOAN APPROVAL REQUIREMENTS—OVERVIEW

For loans involving MTCs, the conventional loan approval and underwriting standards may be modified to reflect recognition of the MTC-derived federal income tax credit for mortgage interest in determining income, housing expense, and indebtedness ratios. The secondary mortgage market and the mortgage insurance industry have established underwriting policies for loans involving MTCs. These are available separately as policy statements from the mortgage lending industry.

The Applicant, Acquisition Cost and mortgage underwriting requirements covered in this section are incorporated in the Program Manual documents. It will be necessary for all Applicants, Lenders and other parties to the transaction to complete and sign the appropriate Program Manual documents and attest to their validity. The Lender will be required to submit certifications in which it will certify that to the best of its knowledge no material misstatements appear in the Submission Package documents. If the Lender becomes aware of misstatements, whether negligently or intentionally made, it must notify the Administrator immediately. *The Administrator reserves the right to take all appropriate actions including, if any, denial or cancellation of the MTC.* The Lender should also be aware, and inform the Applicant, that both federal and State law provide for fines and

criminal penalties, as well as revocation of the MTC, for misrepresentations made in connection with participation in the Program. In an attempt to assure that Program requirements are met, an Affidavit of Applicant is required of each Applicant, and must be submitted to the Administrator.

The Lender is also responsible for supplying the Applicant with information regarding the Program and its requirements, including the Preliminary Notice of Potential Recapture Tax and Notice of Potential Recapture Tax.

Under the Program, there are no restrictions with regard to the type of mortgage vehicle the Lender uses. The Program allows the use of any mortgage instrument being generally used in the marketplace and places no restrictions on Loan term or amortization methods. Notwithstanding anything herein to the contrary, the Loan to which the MTC relates must have a rate of interest that is fixed to maturity.

E. APPLICANT ELIGIBILITY REQUIREMENTS

Similar to any normal mortgage loan, the Applicant must meet the credit and underwriting criteria established by the participating Lender providing the Loan. Based on relevant federal and State regulations, Applicants must also meet the following requirements specific to MTCs:

1. *Three-year No Prior Home Ownership Requirement.* Except for situations in which an MTC application is being made (i) for a residence in a Targeted Area or (ii) with respect to any Applicant who is a Qualified Veteran, the Applicant who will become an MTC holder may not have had an Ownership interest in a Principal Residence at any time during the preceding three years ending on the date the MTC is issued. The Lender must obtain from the Applicant an Affidavit to the effect that the Applicant had no Ownership interest in a Principal Residence at any time during the three-year period prior to the date of which the MTC is issued unless it meets one of the exceptions listed above. This must be verified by the Lender through request for, and examination of, the Applicant's federal income tax returns for the preceding three years to determine whether the Applicant has claimed a deduction for interest or taxes on property which was the Applicant's Principal Residence.

The three year requirement does not have to be met if the Residence for which a loan application is being made (i) is located in a Targeted Area or (ii) relates to an Applicant who is a Qualified Veteran. (A list of geographical areas which comprise the Targeted Areas in the Eligible Loan Area is attached as Exhibit D). The Lender must clearly designate MTC applications involving Targeted Area Residences where appropriate in the MTC documents.

If none of the above exceptions applies, to meet the prior home ownership restriction requirement, the Applicant must complete and sign the Affidavit of Applicant and provide the last three years of federal income tax returns (or acceptable alternate exhibits - see below)

attached to the Tax Return Affidavit. In lieu of actual copies of returns, Applicants who filed either IRS Form 1040A or 1040EZ may substitute an original letter from the Internal Revenue Service stating the type of return filed by the Applicant for each tax year, the Applicant's filing status and adjusted gross income. To summarize this procedure as it applies to different cases:

(a) If the Applicant can produce copies of signed IRS Form 1040A, 1040EZ or 1040 returns for the last three years which show no deductions of interest or taxes for a Principal Residence, these forms must be submitted to the Lender and forwarded to the Administrator with the Tax Return Affidavit.

(b) In the event the Applicant has filed the IRS Form 1040A or 1040EZ for the preceding three years but cannot produce signed copies of the returns, the Applicant may substitute the original tax account information letter from the Internal Revenue Service verifying the required facts.

(c) In the event the Applicant has filed the IRS Form 1040 for the preceding three years, completes and signs the other required Affidavits, but cannot produce signed copies of the returns, the Administrator will not issue an MTC until receipt of certified tax returns (including all schedules) from the IRS, which show that the Applicant took no deduction of interest or taxes for a Principal Residence for the years in question. The certified tax returns can be requested from the IRS by the Applicant by using IRS Form 8821 or IRS Form 4506, copies of which are attached as *Exhibit C* to the Lender Participation Agreement.

(d) In the event the Applicant was not required by law to file federal income tax returns for any year during the preceding three years, it will be necessary for the Applicant to so state on the Tax Return Affidavit forwarded to the Administrator with the other Program documents.

(e) When the Loan is Closed during the period between January 1 and February 15 and the Applicant has not yet filed his or her federal income tax return for the preceding year with the IRS, the Administrator may, with respect to such year, rely on a Tax Return Affidavit stating that the Applicant is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting his or her Principal Residence for the preceding calendar year. The Tax Return Affidavit must be forwarded to the Administrator with the Closing Affidavit and the other Program documents.

2. *Principal Residence Requirement.* The Applicant must use the Residence for which the MTC was issued as his or her Principal Residence. The Lender must obtain from the Applicant, as contained in the Affidavit of Applicant, a statement of the Applicant's intent

to use the Residence as his or her Principal Residence within a reasonable time (60 days) after the MTC is issued. This Affidavit further states that the MTC holder will notify the Lender and the Administrator if the Residence ceases to be his or her Principal Residence.

3. *Income Limits.* The Anticipated Annual Family Income of an Applicant shall not exceed those outlined on page 5 of this manual. The Income Limits are subject to adjustment at any time.

4. *Purchase Price Limits.* The Acquisition Cost of the Residence may not exceed the Acquisition Cost Limits. The maximum Acquisition Cost Limits are outlined on page 4, but these amounts are subject to reduction by any applicable FHA limits, or such revised amounts as may be effective from time to time, as required by the Regulations.

The determination whether the Residence meets the applicable Acquisition Cost Limits shall be made as of the date of the issuance of the MTC. These limits are subject to adjustment at any time. Any revisions of the aforesaid Acquisition Cost Limits by the Division or the Administrator may rely upon average area purchase price limitations published by the Treasury Department, any successor thereof, or as may be provided in Section 143 of the Code, for the statistical area in which the Residence is located.

5. *Location.* The Residence must be located in the Eligible Loan Area.

6. *Revocation.* An Applicant will have his or her MTC revoked if the Applicant does not meet the requirements for a Qualified MTC. Revocation will occur upon the discovery of any material misstatement, whether negligent or fraudulent, contained in any of the documents submitted in connection with the issuance of the MTC. Revocation will occur if the Residence to which the MTC relates ceases to be Applicant's Principal Residence.

7. *Fraud.* If the Applicant or MTC holder provides a certificate, Affidavit, or any other information to the Lender, the Administrator or the Division containing a material misstatement and such misstatement is the result of fraud, then any MTC issued shall be automatically null and void without the need for any further action on behalf of the Administrator.

8. *Penalties for Misstatement.* If the Applicant makes a material misstatement in any Affidavit or certification made in connection with application for or the issuance of an MTC and such misstatement is due to negligence of the Applicant, the Applicant shall pay to the Division or its agent a civil penalty fee of $1,000 for each MTC with respect to which a misstatement was made. If any Applicant makes a material misstatement in any Affidavit or certification made in connection with application for or issuance of an MTC and such misstatement is due to fraud, the Applicant shall pay to the Division or its agent a civil penalty

fee of $10,000 for each MTC with respect to which the fraudulent misstatement was made. The above-described civil penalties shall be imposed in addition to any criminal penalty.

F. LOAN REQUIREMENTS

1. *New Loan Requirements.* An MTC may not be issued in conjunction with the acquisition or replacement of an existing mortgage; *provided however*, an MTC may be issued in conjunction with the replacement of construction period loans or bridge loans of a temporary nature. The term of the construction period or bridge loans must be no longer than 24 months. The Lender must obtain from the Applicant, as contained in the Affidavit of Applicant, a statement to the effect that the Loan being made in connection with the MTC will not be used to acquire or replace an existing mortgage.

An MTC may not be issued in connection with any loan other than a mortgage loan with a fixed rate interest rate to maturity. Therefore, an MTC may not be issued in connection with an adjustable rate mortgage loan.

2. *Prohibited Mortgages.* An MTC may not be used in conjunction with a qualified mortgage bond or a qualified veterans' mortgage bond. The Lender must obtain from the Applicant, as contained in the Affidavit of Applicant, a statement that no portion of the financing of the Residence is provided from a qualified mortgage bond or qualified veterans' mortgage bond.

3. *No Interest Paid to Related Persons.* No interest on the Certified Indebtedness Amount of the Loan can be paid to a person who is a "related person" to the MTC holder, as the term is defined in Section 25(e)(6) of the Code and Regulations. The Lender must obtain from the Applicant, as contained in the Affidavit of Applicant, a statement that a "related person" does not have, and is not expected to have, an interest as a creditor in the Loan.

4. *Transferability.* If the Loan is assumed by a new purchaser, the MTC may be transferable under certain circumstances:

(a) The transferee must demonstrate that he or she has assumed the liability for the remaining balance of the Loan; and

(b) The transferee must meet all of the requirements imposed on any Applicant for issuance of an MTC outlined in this Program Manual, as well as any additional federal, State or Division requirements in existence at the time the transferee applies for an MTC.

G. LOAN CLOSING AND SUBMISSION OF FINAL MTC PROGRAM DOCUMENTS

1. Lender confirms that the MTC Commitment Letter has not expired and closes the Loan in accordance with its customary procedures.

2. Lender provides the Applicant with the Notice of Potential Recapture Tax which must be signed by the Applicant at or prior to Closing of the Loan.

3. Either Lender or the closing agent submits to the Administrator a completed and executed Submission Package (see the MTC Submission Cover Sheet and the list of Submission Package exhibits).

4. The Submission Package includes all of the executed certifications and Affidavits noted therein. Each document must be complete and signed as indicated. Original documents should be sent to the Administrator, except as otherwise indicated. The eligibility of an Applicant shall be determined by Lender. Lender must review the Submission Package and related documents to determine their completeness in accordance with the terms of this Program Manual. Reasonable efforts should be undertaken to verify the information given, either independently or concurrently with underwriting procedures.

5. The Submission Package will include the following documents and payments:

(a) The Reaffirmation of Applicant, duly executed by the Applicant;

(b) The Affidavit of Seller certifying the Acquisition Cost of the Residence and certain other matters;

(c) The Certificate of Lender/Closing Affidavit certifying that the Lender has performed a reasonable investigation to make the required determinations and attesting to the fact that the Loan was closed stating the final mortgage Loan amount. Further, by its submission the Lender certifies that all Program eligibility requirements have been met, and that the Loan fees are reasonable relative to other loans not associated with an MTC program;

(d) The Notice of Potential Recapture Tax duly executed by the Applicant; and

(e) The MTC Program Participation Fee collected by the Lender from the Applicant at Closing.

6. All Documents and the Fee must be submitted to the Administrator by the earlier of 15 days after the Closing Date or 15 days after the MTC Commitment Letter Expiration Date, otherwise the Administrator shall, in its sole discretion, either charge the Lender and the Lender shall pay a Late Submission Fee or revoke the MTC Commitment Letter and the related MTC.

7. Submission by the Lender of an incomplete Submission Package, including Submission of Documents not fully completed, will result in the rejection of the Package by the Administrator and may subject the Lender to the assessment of a Resubmission Fee.

H. ISSUANCE OF MTC

Administrator confirms, based on documentation submitted by Lender, the completion of the Applicant's file, that the MTC Commitment Letter was exercised, that the Loan was Closed as evidenced by the Submission Package, that the Applicant has met the requirements set forth in the Program Documents for issuance of an MTC and the Administrator then forwards to the Applicant an executed Mortgage Tax Credit dated as of the Closing Date of the Loan. A copy of the MTC is forwarded to the Lender and a second copy is forwarded to the Division. No MTC may be issued prior to June 16, 2014. No MTC may be issued for any Loan having a Closing Date after December 31, 2016, unless extended at the direction of the Division in connection with an increase in the Certificate Limit.

I. RESUBMISSION OF MTC DOCUMENTS

If an MTC Application or Submission Package has been returned or denied by the Administrator, any resubmission, if appropriate, must include all information which the Administrator has determined necessary for reconsideration. An MTC Application or Submission Package that is being submitted a second time will be reviewed in depth and must be accompanied by an MTC Resubmission Fee of $25 payable by check or money order to the Administrator, which MTC Resubmission Fee may not be charged to the Applicant absent a showing of the Applicant's negligence.

J. EXTENSIONS OF MTC COMMITMENTS

1. An extension may be requested with regard to any MTC Commitment Letter which is outstanding if the related Loan has not Closed.

2. A 30 days extension of the MTC Commitment Letter will be given upon Lender's submission of the MTC Commitment Extension Request Form and a $50 MTC Extension Fee. Additional extensions may be granted if and when the Administrator determines that extenuating circumstances exist. Expiration dates may be subject to additional federal requirements.

K. MTC COMMITMENT CANCELLATIONS

Lender must notify the Administrator of MTC Commitment Letters to be canceled by submitting written notification and returning the original MTC Commitment Letter.

L. MTC COMMITMENT AMENDMENTS

In the event of any change in the Residence address, increase in Loan amount, or change in marital status of the Applicant which would necessitate the refilling of an amended Affidavit of Applicant and the revision of an MTC Commitment Letter, the Lender must submit a new Affidavit

Applicant with the correct information and a cover letter referring to the original MTC Commitment Letter number requesting the revision of the MTC Commitment Letter.

M. CHANGES PRIOR TO CLOSING

MTC Commitment Letters are issued subject to the condition that all the requirements necessary for issuance of an MTC shall have been met prior to issuance of the MTC. Lender must notify the Administrator of any changes that affect the conditions under which the MTC Commitment Letter was issued, including but not limited to changes in the Applicant's financial status, family size or income, the employment status of the Applicant or the Applicant's spouse, marital status or the amount of the Loan.

The MTC Commitment Letter is issued in reliance upon the Affidavit of Applicant. Lender must immediately notify Administrator in writing of any change in the circumstances upon which the MTC Commitment Letter was issued. If any change of the circumstances upon which the MTC Commitment Letter was issued occurs so that the MTC to be issued will not meet the requirements of a Qualified MTC, the MTC Commitment Letter will be revoked.

N. RECORD KEEPING AND REPORT FILING

1. For each calendar quarter the Administrator on behalf of the Division issues MTCs beginning with the quarter in which the election to issue MTCs is made, the Administrator will file reports on IRS Form 8330.

2. The Administrator will report annually to the Internal Revenue Service in the form prescribed by Treasury Regulation § 1.25-4T(e):

(a) The number of Mortgage Tax Credit certificates by Income and Acquisition Cost as required by IRS reporting regulations; and

(b) The volume of Mortgage Tax Credit certificates by Income and Acquisition Cost as required by IRS reporting regulations.

3. For each calendar year during which it originates Loans to Applicants obtaining MTCs, each Lender must file an annual report using IRS Form 8329. Prior to the filing deadline for such report, the Administrator will assist in furnishing to the Lender the information available in its records necessary for the Lender to complete IRS Form 8329.

4. For six years, the Lender must retain:

(a) Name, address (including the address of the Residence financed with the Loan) and taxpayer identification number of each MTC holder;

(b) Name, address and taxpayer identification number of the Division; and

(c) Date of Loan, Certified Indebtedness Amount, and MTC Rate.

5. In January following each year during which MTCs are issued, the Administrator shall mail an IRS Form 8396 to each MTC holder of record as a reminder to properly declare the MTC tax credit for federal income tax purposes.

O. REVOCATION OF MTCs

1. Automatic revocation occurs when the Residence related to the MTC ceases to be the MTC holder's Principal Residence.

2. An MTC will be revoked if the holder ceases to meet the requirements with respect to a Qualified MTC.

3. Revocation of the MTC will occur upon the discovery of any material misstatement, whether negligent or fraudulent, by any person related to the issuance of the MTC.

P. CURING DEFECTS

In the event any defects or omissions are discovered in the Application or in any certificate or Affidavit or any document included or which should have been included in the Submission Package after an MTC has been issued, Lender and MTC holder shall be notified of such defect and given 60 days to cure same prior to revocation of the MTC.

Q. TRANSFER OF MTCs ON MORTGAGE ASSUMPTIONS

A Loan assumption associated with an MTC will be treated as a new MTC application, and the procedure required by this Program Manual must be repeated for the new Applicant. Transfer of the MTC is dependent upon the ability of the transferee to qualify under the Program requirements in effect at the time of the transfer. The Division gives no assurance that it will approve such a transfer. Since an MTC will already be outstanding, an MTC Commitment Letter will not be issued, and all of the required Program documents will be submitted at one time with the new Submission Package. A single MTC Assumption or Refinancing Fee of $325 will be charged by the Administrator in connection with such transfers.

R. AUDIT

The Administrator may perform a random audit of Lender records to determine compliance with required Program procedures.

S. NOTICE OF MTC ELIGIBILITY DENIAL

In the event a Lender determines that an Applicant is ineligible for an MTC Commitment Letter or the issuance of an MTC, the Lender shall file a Notice of Denial of Eligibility for MTC form with the Administrator. Lender shall complete the Notice of Denial of Eligibility for MTC stating the reason Lender denied Applicant's eligibility in the MTC Program, and Administrator shall maintain a list of such prospective Applicants that were denied eligibility in the Program.

T. RECAPTURE OF MTC TAX CREDIT

In the event an MTC certificate holder sells the Residence within nine years of issuance of the MTC, a portion of the tax credit utilized by the certificate holder may be subject to a recapture tax. See the Notice of Potential Recapture Tax for further information regarding tax credit recapture. If an MTC certificate holder is subject to pay recapture they may be able to take a part of the Recapture Tax Reimbursement outlined on page 16-17 of this manual.

U. REISSUANCE OF MTC IN CASE OF REFINANCING

In the event an MTC holder refinances the Loan on the Residence, the Applicant shall submit the MTC Reissuance Application and shall pay the $325 MTC Assumption or Refinancing Fee. The period for which the reissued certificate is in effect begins with the date the refinancing is closed. The Administrator shall reissue the MTC if: (i) the MTC is reissued to the holder of an existing MTC with respect to the same property to which the existing MTC relates; (ii) the reissued MTC entirely replaces the existing MTC (that is, the holder cannot retain the existing MTC with respect to any portion of the outstanding balance of the certified mortgage indebtedness specified on the existing MTC); (iii) the Certified Indebtedness Amount specified on the reissued MTC does not exceed the outstanding balance of the Certified Indebtedness Amount specified on the existing MTC; (iv) the reissued MTC does not increase the Mortgage Tax Credit Rate specified in the existing MTC; (v) the Expiration Date on the newly reissued MTC is not later than the Expiration Date on the existing MTC; and (vi) the reissued MTC does not result in an increase in the tax credit that would otherwise have been allowable to the holder under the existing MTC for any taxable year. *The Lender or closing agent, as applicable, shall certify as to the outstanding balance on the Loan associated with the existing MTC so that the Administrator can make the determination required by clause (iii) of this paragraph.*

Exhibit A

SCHEDULE OF PROGRAM FEES AND EXPENSES

MTC Application Fee $175

This fee is paid by the Applicant to the Lender at the time of submission of an Application for an MTC.

MTC Program Participation Fee ..... 1% of the Loan amount

This fee is paid by the Applicant to the Administrator for the benefit of the Division at the time of the Closing of the Loan. If no MTC is issued to the Applicant, the Program Participation Fee will be returned to the Applicant.

MTC Extension Fee $50

This fee is paid to the Administrator by the Applicant with the Lender's request for a thirty (30) day extension of the MTC Commitment Letter. Absent such an extension, MTC Commitment Letters remain in effect for three months in the case of Existing Housing and six months in the case of New Housing. Additional extensions may be granted if extenuating circumstances exist.

MTC Resubmission Fee $25

This fee is submitted to the Administrator by the Lender each time the documentation for the MTC has been rejected based upon non-compliance with the Program guidelines and such documentation is being resubmitted for consideration by the Administrator. Since the Lender is responsible for assuring that all documentation is in order prior to submission to the Administrator, this fee is chargeable to the Lender rather than to the Applicant absent a showing of the Applicant's negligence.

Late Submission Fee $75

This fee is paid to the Administrator by the Lender and submitted with a Submission Package that is delivered to the Administrator after the prescribed deadlines set forth in Section G.6 hereof.

MTC Assumption or Refinancing Fee $325

This fee is paid to the Administrator by the Applicant and submitted with a Submission Package prepared in connection with a Loan assumption or refinancing associated with an MTC previously issued with respect to the Loan.

Lender Participation Fee $1,000

This one-time fee per MTC program is to be paid by the Lender to the Administrator and submitted with the acceptance letter regarding participation in the Program.

Exhibit B

MTC Commitment No.: _____
Expiration Date: _____
Applicant: _____
Lender: _____
Loan Amount: $_____

MORTGAGE TAX CREDIT
COMMITMENT LETTER

TO THE ABOVE APPLICANT AND LENDER:

An Application in the form of an Affidavit of Applicant and related documentation pursuant to the Nevada Housing Division 2014 Mortgage Tax Credit Program Manual, has been received by the undersigned Administrator and reviewed for its compliance with the terms and conditions of the Program. The Administrator has determined that the Applicant has complied with the initial requirements of the Program.

Subject to completion of the remaining terms and conditions prior to issuance of a Mortgage Tax Credit pursuant to the Program Manual, the Administrator will execute and deliver a Mortgage Tax Credit to the Applicant for a Loan amount not to exceed the above-indicated sum to be dated as of the date of closing the Loan. A copy of such Mortgage Tax Credit shall be furnished to the Lender for its records, and a second copy shall be furnished to the Nevada Housing Division.

The terms of this MTC Commitment Letter are governed by the Program Manual which is incorporated herein by reference as if fully set forth herein. THIS COMMITMENT WILL EXPIRE ON THE EXPIRATION DATE INDICATED ABOVE, which is three months from the date hereof if the Loan is being made for the purchase of Existing Housing or six months from the date hereof if the Loan is being made for the purchase of New Housing. If you require an extension, an Extension Request Form must be filed prior to the Expiration Date, or you may lose this commitment.

PLEASE BE SURE to submit the Submission Package to the Administrator within 15 days of the Closing Date, unless an extension has been approved.

DATED: NEVADA RURAL HOUSING AUTHORITY, Administrator

By
Name:_____
Title: _____

EXHIBIT C

(FORM OF CERTIFICATE)

NEVADA HOUSING DIVISION
2014 MORTGAGE TAX CREDIT PROGRAM

This Mortgage Tax Credit Certificate (this *"Certificate"*) is issued by the Nevada Housing Division (the *"Issuer"*), 1535 Old Hot Springs Road, #50, Carson City, Nevada 89706, Tax Identification # 52- 2038434, pursuant to the Issuer's election not to issue qualified mortgage bonds, dated March 11, 2014 to:

Name(s): _____ _____

Taxpayer ID Nos.: _____ _____

Address: _____

_____

THE MORTGAGE TAX CREDIT RATE is _____ (20% with no cap on tax credit amount) _____(40% with maximum credit of $2,000) [Check only one].

Pursuant to the closing certificate as of the date below, the CERTIFIED INDEBTEDNESS AMOUNT with respect to which this Certificate is issued is $_____ (Loan amount).

The EXPIRATION DATE of this Certificate, which is also the date such indebtedness matures, is _____.

The ACQUISITION COST of the Residence with respect to which this Certificate is issued is $_____.

The AVERAGE AREA PURCHASE PRICE applicable to the Residence is $_____.

[The Residence with respect to which this Certificate is issued is located in a Non-Targeted Area.] or

[The Residence with respect to which this Certificate is issued is located in a Targeted Area (See attached *Targeted Areas in Clark County* and *Targeted Areas in Washoe County*).]

The CLOSING DATE, which is the date on which the closing agreement was signed with respect to the Certified Indebtedness Amount, was _____.

The Certificate holder meets the requirements of Internal Revenue Code § 25(c)(2)(A)(iii)(IV), relating to income, and the undersigned certifies under penalties of perjury that it has determined to the best of its ability that this Certificate meets the following requirements, as applicable, of Treasury Regulations § 1.25-3T(d), relating to residence; § 1.25-3T(e), relating to ownership interests within the three year prior period; § 1.25-3T(f), relating to acquisition cost; § 1.25-3T(g), relating to new mortgages; § 1.25-3T(i), relating to prohibited mortgages; § 1.25-3T(j), relating to particular lenders; § 1.25-3T(n), relating to interest paid to related persons; and whether the Residence in connection with which this Certificate is issued is a Residence located in a Targeted Area or Non-Targeted Area. There are no allocations to particular developments as described in § 1.25-3T(k).

This Certificate may be transferred only after issuance of a new Certificate by the Issuer.

The Administrator states, as agent of the Issuer and under penalty of perjury, that it has made the determinations described above as specified in Treasury Regulations § 1.25-6T(b)(9)-(16).

DATED: _____ NEVADA RURAL HOUSING AUTHORITY, Administrator

By
Name:_____

Cert. No.: _____ Title: _____

Targeted Areas in Clark County

CENSUS TRACT# OF TARGETED AREAS IN CLARK COUNTY	
3.01	24.05
3.02	25.06
4.02	29.54
4.03	29.56
5.14	29.96
5.21	34.28
5.22	34.31
5.23	38.00
5.24	40.00
5.28	43.01
6.00	43.02
7.00	46.01
8.00	46.02
11.00	47.07
15.01	47.09
16.12	47.10
22.04	47.12
22.07	47.13
24.03	47.15
24.04	71.00

Targeted Areas in Washoe County

CENSUS TRACT# OF TARGETED AREAS IN WASHOE COUNTY	
1.02	18.02
2.01	21.07
9.00	22.11
10.08	27.03
17.01	9800

(FORM OF CERTIFICATE)
(REVERSE)
TERMS AND CONDITIONS

FEDERAL TAX CREDIT. This Mortgage Tax Credit (*"MTC"*) entitles the holder (as named on the face of this MTC) to an annual federal tax credit equal to either (i) 20 percent of the annual interest paid on the mortgage loan described on the face of this MTC if the 20 Percent Mortgage Tax Credit Rate is checked on the face of this MTC or (ii) the lesser of 40 percent of the annual interest paid on the mortgage loan described on the face of this MTC or $2,000 if the 40 Percent Mortgage Tax Credit Rate is checked on the face of this MTC. In addition, this MTC will reduce the holder's mortgage interest deduction by an amount equal to the tax credit for the same tax year. The credit cannot be larger than the holder's annual federal income tax liability, after all other credits and deductions have been taken into account. MTC credits in excess of current year tax liability may, however, be carried forward for use in the subsequent three years. At the time of issuance of this MTC, the filing of IRS Form 8396 is required in order to take advantage of the tax credit each year.

PRINCIPAL RESIDENCE. This MTC is to be used in connection with the financing of the purchase of a Residence. The Residence must be or become the holder's "Principal Residence" within a reasonable time (not to exceed 60 days) following the date of issuance of the MTC. The *"Principal Residence"* means a Residence that, depending on all the facts and circumstances (including the good faith intent of the occupant), is occupied primarily for residential purposes. "Principal Residence" does not include a home used as an investment property or a recreational home, or a home that is used primarily in a trade or business (as evidenced by the use of more than 15 percent of the total floor space in a trade or business). Further, the holder may not claim, with respect to the Residence, any deductions pursuant to Section 280A of the Internal Revenue Code of 1986, as amended, for expense incurred in connection with the business use of a home.

PRIOR OWNERSHIP OF A RESIDENCE. The holder of this MTC cannot have had a present ownership interest in a Principal Residence at any time during the three-year period prior to the date of issuance of the MTC. The term "present ownership interest" includes a fee simple interest; a joint tenancy, a tenancy in common or a tenancy by the entirety; the interest of a tenant-shareholder in a cooperative; a life estate; a land contract under which possession and the burdens and benefits of ownership are transferred although legal title is not transferred until some later date; and an interest held in trust for one person by another person. A "present ownership interest" does not include a remainder interest, a lease with or without an option to purchase, mere expectancy to inherit an interest in a principal residence, the interest that a person acquires upon the execution of a real estate purchase contract, or any interest in other than a "Principal Residence" during the previous three years. This requirement is waived if the Residence is located in a Targeted Area. There is no restriction on prior ownership for purchasers of a Residence within a Targeted Area (See attached *Targeted Areas in*

Clark County and *Targeted Areas in Washoe County*). Also, this restriction is not applicable if the holder of this MTC is, at the time the MTC is issued, a Qualified Veteran which is defined as a "veteran" (as defined in 38 U.S.C. Section 101) who has not previously obtained a Mortgage Tax Credit or a loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth in Section 416 of the Tax Relief and Health Code Act of 2006.

PARTICIPATING LENDER AND LOAN ELIGIBILITY. Financing may be sought from any Lender. The decision to make a loan is completely within the discretion of the Lender to whom the application for a mortgage loan is submitted. The Issuer plays no role in the decision to make a Loan or determining the amount of the Loan. An MTC may not be issued in connection with any loan other than a mortgage loan with a fixed rate interest rate to maturity. Therefore, an MTC may not be issued in connection with an adjustable rate mortgage loan.

MORTGAGE REQUIREMENTS. No MTC will be issued in connection with financing that is to be used to replace an existing mortgage on the Residence to which the holder is a party or upon which the holder is an obligor, and no MTC will be issued unless, prior to the date thereof, the holder was not a party to a mortgage on the Residence (whether in the form of a deed of trust, contract for deed, conditional sales contract, pledge, agreement to hold title in escrow, or other form of owner financing), other than a construction loan, bridge loan, or other temporary initial financing having a term not exceeding 24 months. In addition, no MTC will be issued if any financing for the Residence is to be obtained from a qualified mortgage bond or qualified veterans' mortgage bond or if any person who is related to the holder has an interest as a creditor in the financing.

OCCUPANCY OF THE RESIDENCE. If the Residence ceases to be occupied as the holder's "Principal Residence," the holder will no longer be eligible for the MTC and must immediately notify the Administrator and the Lender providing the financing of this fact and the date of this event.

INCOME LIMITS. At the time of execution of the Loan in connection with which this MTC is issued, the holder purchasing a Residence cannot have an Anticipated Annual Family Income in excess of the following applicable Income Limits:

For Clark County:	***Targeted Areas***	***Non-Targeted Areas***
Families of 2 or fewer persons	*$73,680*	*$66,298*
Families of 3 or more persons	*$85,960*	*$76,242*
For Washoe County:	***Targeted Areas***	***Non-Targeted Areas***
Families of 2 or fewer persons	*$76,200*	*$76,200*
Families of 3 or more persons	*$88,900*	*$87,687*

The Income Limits are subject to adjustment at any time.

ACQUISITION COST LIMITS. The acquisition cost for the Residence being acquired in connection with which this MTC is issued cannot exceed the following applicable Acquisition Cost Limits:

COUNTY	TARGETED AREAS	NON-TARGETED AREAS
Clark County	$335,365	$274,390
Washoe County	$379,634	$310,609

These limits are subject to adjustment at any time.

TRANSFERABILITY. This MTC is not assumable and is transferable only upon application to the Administrator. The proposed transferee must meet all Program requirements then in effect.

COMPLIANCE WITH INTERNAL REVENUE CODE. This MTC is intended to comply with the provisions of Section 25 of the Internal Revenue Code of 1986, as amended, as well as any other applicable federal or State laws.

TAX DISCLAIMER. This material and other material given to you in connection with the MTC is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This material may be used to support the promotion or marketing of the matter discussed herein. The taxpayer should seek advice from an independent tax advisor regarding the matter set forth herein based on the taxpayer's particular circumstances.

EXHIBIT D

Targeted Areas Census Tracts

Targeted Areas in Clark County

CENSUS TRACT# OF TARGETED AREAS IN CLARK COUNTY	
3.01	24.05
3.02	25.06
4.02	29.54
4.03	29.56
5.14	29.96
5.21	34.28
5.22	34.31
5.23	38.00
5.24	40.00
5.28	43.01
6.00	43.02
7.00	46.01
8.00	46.02
11.00	47.07
15.01	47.09
16.12	47.10
22.04	47.12
22.07	47.13
24.03	47.15
24.04	71.00

Targeted Areas in Washoe County

CENSUS TRACT# OF TARGETED AREAS IN WASHOE COUNTY	
1.02	18.02
2.01	21.07
9.00	22.11
10.08	27.03
17.01	9800

EXHIBIT E: PROGRAM DOCUMENTS AND FORMS

Step One Documents

MTC Cover Sheet

Document 1-Affidavit of Applicant

- Worksheet 1-Anticipated Family Income
- Worksheet 2-Cost of Residence
- Worksheet 3-Prior Residence

Document 2-Tax Return Affidavit

- Three most recent tax returns or transcript (For qualified Veteran-1 year recent tax return & DD214)

Home Buyer Education Certificate

Step Two Documents

MTC Cover Sheet 2

Document 3-Reaffirmation of Applicant

Document 4-Affidavit of Seller

Document 5-Certificate of Lender/Closing Affidavit

- **Copy of Final HUD-1**

Document 6-Notice of Potential Recapture Tax

- **Provide recapture table for applicable County**

Status Change Documents

Document 7-Extension Request Form Document

8-Notice of Denial of Eligibility for MTC

MTC SUBMISSION COVER SHEET – STEP 1

NEVADA HOUSING DIVISION

All fields are required unless otherwise noted. Incomplete forms will be denied.

Lender: _____ Realtor Company: _____
Loan Officer:_____ Agent: _____
Best Contact:_____ Realtor Email: _____
Telephone: _____ Title Company: _____
Fax: _____ Escrow Officer: _____
Email: _____ Phone: _____
Branch Manager: _____ Escrow #: _____
Office Location: _____

Applicant(s):_____ _____
Taxpayer ID#: _____ _____
E-mail:_____ _____
Subject Property Address:_____
City: _____ Zip: _____ County: _____
Subject Property Subdivision: _____ Builder (if New Construction): _____
Targeted Area:_____ Yes _____ No Census Tract #: _____
(http://www.ffiec.gov/geocode/)
Type of Residence: _____New _____Existing
Acquisition Cost: $_____
Loan Amount: $_____ Qualified Veteran: _____Yes _____ No
Loan type: _____ First Time Homebuyer: ____Yes____No
Loan Maturity: _____ (has not owned a home within the past 3 years)

Anticipated Closing Date:_____ Interest Rate on Loan_____%
Lender Loan Number:_____
Anticipated Annual Family Income: $_____ Family Size: _____
Ethnicity of Borrower (Optional): _____

Step 1 Checklist: *The following documents must be submitted in order to receive an MTC commitment. Incomplete forms will be denied.* _____ Submission Cover-

_____ Affidavit of Applicant-Document 1 (with Worksheets One through Three attached)
_____ Tax Return Affidavit-Document 2
_____ Three years of tax returns or transcripts (Qualifying Veteran-DD214 & current year tax return)
_____ Homebuyer Education Certificate

[For Administrative Use Only]
MTC commitment: Approved Denied MTC Commitment #_____

Commitment Date:_____ Expiration Date:_____

AFFIDAVIT OF APPLICANT-DOCUMENT 1

Applicant: _____ Applicant 2: _____
Subject Property: _____ County: _____
City: _____ Zip: _____ Anticipated Annual Family Income:$ _____
New: _____ Existing: _____ Target Area: Yes: _____ No: _____ Qualified Veteran: Yes _____ No _____
Acquisition Cost: $ _____ Loan Amount: $ _____ Family Size:_____
Census Tract Number:_____ Lender: _____
Loan Officer: _____ Telephone: _____

The undersigned Applicant (whether one or more) under the Nevada Housing Division's (the *"Division"*) 2014 Mortgage Tax Credit Program (the *"Program"*), the buyer(s) or owner(s) of the Residence listed above within the geographic area within the State of Nevada for the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the City Limits of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor (the *"Residence"*), promises, under penalty of perjury and the penalties listed here, that each of the following statements are true, correct and complete:

1. *Income.*

   (a) My anticipated annual family income is $_____. [See Worksheet One attached to this certificate.]

   (b) I agree to furnish true copies of the federal income tax returns that were signed and filed with the Internal Revenue Service for the past three years, including the most recent year, for myself and all persons who will live with me in the Residence and/or who will be liable on the loan. *Only tax returns for the year most recently ended need to be provided, if (i) the Residence is located in a Targeted Area (which includes census tract #: 3.01,3.02,4.02,4.03,5.14,5.21,5.22, 5.24,5.28,6,7,8,11,15.01,16.12,22.04,22.07,24.03,24.04,24.05,25.06,29.54,29.56,29.96,34.28, 34.31,38,40,43.01,43.02,46.01,46.02,47.07,47.09,47.10,47.12,47.13,47.15,71,1.02,2.01,9,10.08, 17.01,18.02,21.07,22.11,27.03,9800) or (ii) you are a Qualified Veteran.*

I authorize the Lender listed above to review the returns to verify the statements I make here, and I authorize the Nevada Rural Housing Authority (the *"Administrator"*), the Lender listed above, the Division and their agents to review the returns as may be necessary to process my application for a Mortgage Tax Credit (*"MTC"*) under the Program.

2. *Family Size.* The total number of my family members who will live with me in the Residence, plus any other persons who are not part of my family but who will live with me in the Residence, is _____.

3. *Location of Residence.* The Residence is located at the address listed above, which is within the geographic area within the State of Nevada for the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the City Limits of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor.

4. *Acquisition Cost.* The Residence is (check one):

_____ a new single family residence that has never been lived in; or

_____ a single family residence that has been lived in before.

The *"Cost"* of the Residence to me (as calculated on Worksheet Two attached to this affidavit) is $_____. *"Cost"* includes:

(i) everything that I paid or that someone else paid for me, either in cash or in kind, for the Residence;

(ii) if the Residence is not finished, the reasonable cost to finish it, whether or not the cost to finish the Residence is covered by the amount I borrowed to buy the Residence; and

(iii) if the Residence sits on leased ground, the value of the ground lease.

I understand that "Cost" does not include:

(i) settlement and financing costs (such as title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal fees, points paid by me, credit report fees, FHA insurance premiums, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, file preparation fees and other similar costs);

(ii) the value of any services performed by me or my family members in completing the Residence;

(iii) the cost of the land the Residence sits on, if I owned the land for at least two years before the Residence was built;

(iv) amounts that I paid or that someone paid for me to the Seller or for the Seller of the Residence for property that is not a "fixture" (permanently attached to the land or to the Residence); and

(v) amounts that I paid or that someone paid for me or that the Seller of the Residence paid or that someone paid for the Seller for painting, minor repairs, floor refinishing or other fix-up expenses.

Worksheet Two attached to this certificate is an accurate calculation of the "Cost" of the Residence.

5. *Principal Residence.*

(a) I intend to live in the Residence within a reasonable time (not to exceed 60 days) after closing of the Mortgage. The Residence will be my "Principal Residence". I understand that *"Principal Residence"* means the home where I live and which is used primarily as a residence (not as a business). Whether the Residence is my Principal Residence depends on my particular circumstances, including my good-faith intention to make the Residence my Principal Residence. I understand that a "Principal Residence" does not include a home used that is rented to someone else or a vacation home or a home that is used primarily in a trade or business. If 15 percent or more of a home is used in a trade or business, the home is considered used primarily in a trade or business. I agree to notify the Lender and the Administrator immediately if the Residence stops being my Principal Residence.

(b) If any part of my home is used in my trade or business, I agree that I will not claim any deductions on my income tax return for such use.

6. *Prior Ownership of a Residence*. (**check all that apply**)

_____ (a) **I am a Qualified Veteran** defined as a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable, who has not previously obtained a Mortgage Tax Credit or a loan financed by single family mortgage revenue bonds utilizing the veteran exception to waive the requirement of being a first-time homebuyer as set forth in Section 416 of the Tax Relief and Health Code Act of 2006.

_____ (b) **The Residence is located in a Targeted Area** (which includes census tract #3.01,3.02,4.02,4.03,5.14,5.21,5.22,5.24,5.28,6,7,8,11,15.01,16.12,22.04,22.07,24.03,24.04,24.05,25.06, 29.54,29.56,29.96,34.28,34.31,38,40,43.01,43.02,46.01,46.02,47.07,47.09,47.10,47.12,47.13,47.15,71,1.02, 2.01,9,10.08, 17.01,18.02,21.07,22.11,27.03,9800).

_____ (c) **I have not owned a "Principal Residence"** at any time during the last three years. I have not claimed any deductions on my income tax returns during the last three years for real property taxes or interest on a home. I understand that "Principal Residence" means the same thing that it did in paragraph 5 above.

I understand that owning a "**Principal Residence**" could include the following types of arrangements:

(i) direct ownership;

(ii) ownership along with someone else;

(iii) an agreement that once a certain number of payments of a set amount were made, I would own the residence; and

(iv) any other arrangements that would give me ownership in the future.

(v) worksheet three attached to this certificate is a correct list of the places I have lived during the past three (3) years.

7. *New Mortgage.* [If paragraph 6(b) is checked.] The Mortgage on the Residence will not be used to repay a mortgage that I owed on the Residence or that I co-signed. I have never had a mortgage on the Residence (except for a temporary construction loan within 24 months from the date of this affidavit if the Residence was recently built).

If the proceeds of the Mortgage will be used to replace a construction loan, describe the loan in the space below. Be specific about the lender, the purpose and the term of the loan.

_____

_____

_____

_____

8. *Prohibited Mortgages.* No portion of the financing for the Residence may come from the proceeds of qualified mortgage bonds or qualified veterans' mortgage bonds.

9. *Size of Property; Income from Property.* The lot that the Residence sits on is not larger than the normal size of lots in the area. I do not expect to make any money from the lot that the Residence sits on, such as by selling or leasing a portion of the lot.

10. *Other Owners of Residence.* Once I buy the Residence, no one will own any part of the Residence who has not signed this affidavit or another affidavit like this one.

11. *Verification.* I understand that the Lender, the Administrator, the Internal Revenue Service, the Division or their authorized representatives will check to make sure that my statements in this affidavit are true and complete. I agree to allow the Lender, the Administrator, the Internal Revenue Service, the Division and their authorized representatives access to any information, including my past income tax returns, the checks from my bank or other proof that I paid my rent, utility bills, work records, etc., that may be needed to check the information I have provided. I will authorize others, such as my bank or my employer, to provide the information required to confirm the statements that I have made.

12. *Program Information.* I have been furnished a copy of the MTC Brochure and have a basic understanding as to the provisions of the Program.

13. *No Other Certificate.* I have not previously received a Mortgage Tax Credit certificate under this or any other Mortgage Tax Credit Program.

14. *Lender.* I have not been required to use any particular lender to finance the purchase of the Residence in order to qualify for the Mortgage Tax Credit Program.

15. *Transfer or Assumption.* I understand that the Mortgage Tax Credit may not be transferred unless the Division, through the Administrator, issues a new Mortgage Tax Credit. If I ever want to transfer my Mortgage Tax Credit under the transfer provisions of the Program, the person to whom my Mortgage

Tax Credit Certificate is transferred must qualify as an Applicant and must meet all of the requirements for a Mortgage Tax Credit that are in place at the time the new certificate is to be issued.

16. *Interest to Related Persons.* No portion of the Mortgage has been made by or will be repaid to a person who is related to me.

17. *Possible Interest Recapture.* I understand, acknowledge, and agree that if I dispose of (for example, by sale) the Residence within nine (9) years from the date that the mortgage loan is originated, the Internal Revenue Service may levy a tax on me upon such disposition up to the lesser of (i) six and one-quarter percent (6.25%) of the loan amount or (ii) fifty percent (50%) of the amount of gain that I realize upon the disposition, depending upon my income level, the amount of the loan, and the number of years I hold the Residence.

Because you are receiving a Mortgage Tax Credit with your mortgage loan, you are receiving the benefit of a credit against your federal income tax. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. Within the next 90 days, you will be given additional information that will be needed to calculate the recapture tax.

18. *Penalty.* These statements are *made under penalty of perjury.* I understand that *any material misstatement in this or any affidavit or certification* made in connection with application for or issuance of an MTC because I was negligent will result in a civil penalty of $1,000, *revocation of any MTC issued in connection with the application* and any criminal penalty that may apply. Any material misstatement due to my fraud will result in a civil penalty of $10,000, *revocation of any MTC issued in connection with the application* and any criminal penalty that may apply. I understand that perjury is a felony. A person who is convicted of perjury can be punished with a fine, imprisonment or both.

19. *Attachments.* All documents attached to this affidavit and marked as attachments are part of this affidavit and are true and correct and not misleading.

NAME(S) OF APPLICANT:

_____

_____

SIGNATURE(S) OF APPLICANT:

_____

_____

THE STATE OF _____ §
§
COUNTY OF _____ §

SUBSCRIBED and SWORN to before me this _____ day of _____, 20___.

_____
Notary Public Signature

_____
(Notary Public Printed or Typed Name)

My commission expires: _____

(PERSONALIZED SEAL)

WORKSHEET ONE- ANTICIPATED ANNUAL FAMILY INCOME

REQUIRED TO COMPLY WITH FEDERAL INCOME TAX LAWS

RELATING TO THE MTC PROGRAM

1. The names, relationships, ages and taxpayer identification numbers of all persons intending to reside in the Residence and who will be liable on the mortgage loan, including applicant, are as follows:

NAMES	RELATIONSHIP TO APPLICANT	AGES	TAXPAYER ID #
	Borrower		

2. The name and address of the employer(s) of each of the above persons who is 18 years of age or older and his/her monthly gross income* is as follows:

FIRST NAME (FROM ABOVE)	EMPLOYER NAME AND ADDRESS	MONTHLY GROSS INCOME
	Total Monthly Gross Income	
		x 12 =
	Anticipated Annual Family Income	

All current or anticipated wages and salaries, over-time pay, part-time employment compensation, commissions, fees, tips and bonuses, and other compensation for personal services, before payroll deductions;

* *"Monthly gross income"* includes all amounts that I receive or expect to receive, whether or not I receive that amount on a regular basis. See listing for examples of the types of amounts to be included.

Net income from the operation of a business or profession (without deducting expenditures for business expansion or amortization of capital indebtedness or an allowance for depreciation of capital assets);

Any interest, dividends, royalties, and other net income of any kind from any investment or from real or personal property (without deducting expenditures for amortization of capital indebtedness or an allowance for depreciation of capital assets);

All income received from social security, annuities, insurance policies, retirement funds, pensions, Department of Veterans Affairs (VA) compensation, disability, or other benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of periodic payments;

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay;

The maximum amount of welfare assistance or any other form of public assistance available to the above persons;

Periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the Residence;

All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the Residence) who is the head of the household or spouse or other person whose dependents are residing in the Residence; and

Any earned income tax credit to the extent it exceeds income tax liability.

3. The Anticipated Annual Family Income for all of the above persons [the total monthly gross income from paragraph 2 above multiplied by twelve] is $_____. [Insert this figure in the blank in paragraph 1(a) of the Affidavit of Applicant.]

4. I acknowledge that all of the above information is important to the issuance of a mortgage tax credit. I agree to allow my employer or any other person with knowledge about my income to provide the information to the Nevada Rural Housing Authority and its authorized agents and any authorized agent of the Treasury Department or the Internal Revenue Service.

Date: _____ _____

Applicant Signature

_____

Applicant 2 Signature

WORKSHEET Two- COST OF RESIDENCE

1. Amount I paid to the Seller for the Residence either with cash or some other kind of payment (including any amount the Seller is required to pay as a real estate commission or loan discount points): $_____

2. Any other extra amount not listed in paragraph 1 that I paid or that someone else paid for me to the Seller or for the Seller for the Residence either with cash or some other kind or payment: $_____

3. If the Residence is not finished, the estimated cost of finishing it, including the cost of any necessary alterations or improvements. Does not include the value of service that I or members of my family will perform in finishing the Residence. $_____

   (Describe any alterations or improvements.)

   _____

   _____

   _____

   _____

4. If the Residence sits on leased land, the value of the lease at the time of purchase of the Residence (using a discount rate equal to the interest rate borne by the Loan). $_____

5. Total Cost of the Residence (Total of 1, 2, 3 and 4) [INSERT THIS FIGURE IN PARAGRAPH 4 OF THE AFFIDAVIT OF APPLICANT]: $_____

WORKSHEET THREE-PRIOR RESIDENCES

[NOT REQUIRED (I) FOR RESIDENCE LOCATED IN A TARGETED AREA (which includes census tract #3.01,3.02,4.02,4.03,5.14,5.21,5.22,5.24,5.28,6,7,8,11,15.01,16.12,22.04,22.07,24.03,24.04,24.05,25.06,29.54,29.56,29.96,34.28,34.31,38, 40,43.01,43.02,46.01,46.02,47.07,47.09,47.10,47.12,47.13,47.15,71,1.02,2.01,9,10.08, 17.01,18.02,21.07,22.11,27.03,9800) OR (II) IF YOU ARE A QUALIFIED VETERAN)]

During the last three (3) years I have either:

(1) Rented at the following addresses for the following periods of time:

(All fields must be filled out. Incomplete forms will be rejected.)

Address:_____ Landlord:_____

City:_____ From:_____

Phone No.:_____ To:_____

(include area code)

Address:_____ Landlord:_____

City:_____ From:_____

Phone No.:_____ To:_____

(include area code)

Address:_____ Landlord:_____

City:_____ From:_____

Phone No.:_____ To:_____

(include area code)

(Indicate additional addresses on a separate sheet, if necessary.)

(2) Lived with the following members of my family (without owning a "Principal Residence"*) at the following addresses for the following periods of time:

Names:_____

Relationship:_____

Address:_____ City:_____ State:_____

Phone No.: (include area code)_____

From:_____ (Mo/Yr) To:_____ (Mo/Yr)

Names:_____

Relationship:_____

Address:_____ City:_____ State:_____

Phone No.: (include area code)_____

From:_____ (Mo/Yr) To:_____ (Mo/Yr)

(Indicate additional addresses on a separate sheet, if necessary.)

*I understand that "Principal Residence" means a home that is used primarily to live in. Whether the Residence is my Principal Residence depends upon my particular circumstances, including my good faith intention to make it my Principal Residence.

(3) Lived under some other arrangement not described in (1) or (2) above without owning a "Principal Residence" at the following addresses for the following periods of time (describe the arrangements and give the names, addresses, and telephone numbers of persons who can be contacted to verify arrangements):

_____

_____

_____

TAX RETURN AFFIDAVIT-DOCUMENT 2

Applicant: _____ Applicant 2: _____
Loan Amount: $_____ Lender: _____
Contact: _____ Telephone: _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____

I (the *"Applicant"* or *"Applicants"*), the undersigned, promise, **UNDER PENALTY OF PERJURY**, and the penalties listed here, that each of the following statements about my tax returns are true, correct and complete.

1. *Tax Returns Attached*. The following information is correct for all persons intending to live with me in the Residence described on the Affidavit of Applicant:

CHECK WHICH APPLIES:

_____ The original tax account information letter from the Internal Revenue Service verifying the type of return I filed, my filing status and my adjusted gross income for the year most recently ended is attached. [The original tax account information letter may be used instead of furnishing copies of tax returns for persons who filed their Form 1040A or 1040EZ tax returns].

_____ A true copy of each federal income tax return for the prior 3 years are attached. If (i) the Residence is located in a Targeted Area (which includes census tract #: 3.01,3.02,4.02,4.03,5.14,5.21,5.22, 5.23,5.24,5.28,6,7,8,11,15.01,16.12,22.04,22.07,24.03,24.04,24.05,25.06,29.54,29.56,29.96,34.28,34.31,38, 40,43.01,43.02,46.01,46.02,47.07,47.09,47.10,47.12,47.13,47.15,71,1.02,2.01,9,10.08,17.01,18.02,21.07,22 .11,27.03,9800) or (ii) you are a Qualified Veteran, a true copy of the federal income tax return for the year most recently ended is attached.

2.* *Tax Return Not Required*. I was not required by law to file a federal income tax return for the following year(s) and reason(s) stated below (please check the appropriate box):

	Year	Reason
☐	20__	_____
		_____
☐	20__	_____
		_____
☐	20__	_____
		_____

After February 15th of the current year, borrower must provide the preceding year's tax return. There are no exceptions or extensions.

* Applies only if the Applicant was ***not*** required by law to file federal income tax returns for any of the preceding three years.

3. *Material Misstatements and Penalties*. I understand that this Affidavit will be relied upon to determine my eligibility for a Mortgage Tax Credit. I understand that any material misstatement in this or any affidavit or certification made in connection with application for or issuance of a Mortgage Tax Credit because I was negligent will result in a civil penalty of $1,000, revocation of any MTC issued in connection with the application and any criminal penalty that may apply. Any material misstatement due to my fraud will result in a civil penalty of $10,000, revocation of any MTC issued in connection with the application and any criminal penalty that may apply. I understand that perjury is a felony. A person who is convicted of perjury can be punished with a fine, imprisonment or both.

4. All documents attached to this Affidavit and marked as attachments are true and correct and not misleading.

NAME(S) OF APPLICANT(S):	SIGNATURE(S) OF APPLICANT(S)	TAXPAYER ID NUMBER(S):
_____	_____	_____
_____	_____	_____

THE STATE OF _____ §
§
COUNTY OF _____ §

Sworn to and subscribed before me on the _____ day of _____, ____.

_____
Notary Public Signature

(PERSONALIZED SEAL)

_____
(Notary Public Printed or Typed Name)

My Commission Expires: _____

MTC SUBMISSION COVER SHEET – STEP 2

NEVADA HOUSING DIVISION

Step 2 forms are due within 15 days after closing or MTC will be cancelled.

Verification of loan amount is mandatory.

Lender: _____ Loan Officer: _____
Contact: _____ Email: _____
Telephone: _____ Loan Amount:_____
MTC Commitment Number: _____ MTC Expiration Date:_____
Applicant: _____ Applicant 2: _____
Taxpayer ID#: _____ Taxpayer 2 ID #: _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____

Step 2 Checklist: *The following documents must be submitted in order to receive issuance of MTC. Any incomplete forms will result in denial of the MTC.*

FOR ISSUANCE OF MTC:

_____ Reaffirmation of Applicant-Document 3
_____ Affidavit of Seller-Document 4
_____ Certificate of Lender/Closing affidavit-Document 5
_____ HUD-1
_____ Notice of Potential Recapture-Document 6
_____ MTC Payment (Check made to Nevada Rural Housing Authority)

As applicable, the following fee must be submitted with the MTC Submission Package which is payable by check or money order payable to the Administrator (Nevada Rural Housing Authority)

_____ [$_____] 1% Program Participation Fee (1% of Loan amount)
_____ [$25] MTC Resubmission Fee
_____ [$50] MTC Extension Fee
_____ [$75] Late Submission Fee

ALL DOCUMENTS MUST BE SIGNED AND CERTIFIED TRUE AND CORRECT. COPIES ARE ACCEPTABLE.

REAFFIRMATION OF APPLICANT-DOCUMENT 3

(To be executed at the time of Closing)

Applicant: _____ Applicant 2: _____
Loan Amount: $ _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____
Lender: _____ Loan Officer: _____
Contact: _____Telephone: _____

I hereby reaffirm that the statements and information contained in the Affidavit of Applicant which I executed in connection with the Nevada Housing Division 2014 Mortgage Tax Credit Program on the _____ day of _____, 20___, including, without limitation, the computation of the Acquisition Cost of the Residence and the computation of Anticipated Annual Family Income, were true, accurate and complete when made and remain true, accurate, complete and unchanged.*

_____	_____
Applicant's Signature	Applicant's Signature
_____	_____
Applicant's Printed Name	Applicant's Printed Name
_____	_____
Applicant's Taxpayer Identification Number	Applicant's Taxpayer Identification Number

* If the Acquisition Cost of the Residence or the Applicant's Anticipated Annual Family Income have changed, the Lender must have the Applicant re-execute the Affidavit of Applicant`.

AFFIDAVIT OF SELLER-DOCUMENT 4

Applicant: _____ Applicant 2: _____
Loan Amount: $ _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____
Lender: _____ Loan Officer: _____
Contact: _____Telephone: _____

The undersigned, the proposed Seller (whether one or more) of a Residence located in the Eligible Loan Area described below (the *"Residence"*) to the above Applicant for which a Mortgage Tax Credit is being sought under the Nevada Housing Division's 2014 Mortgage Tax Credit Program, does hereby depose and say, under penalty of perjury, that each of the following statements are true, correct and complete in all respects:

1. *Location of Residence*. The Residence is located within the geographic area within the State of Nevada for the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the City Limits of of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor (the *"Eligible Loan Area"*) at:

_____

(Property Address)

2. *New Mortgage*. At no time prior to the date hereof has there been a mortgage on the Residence (whether in the form of a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow or other form of owner financing) securing a loan to the above Applicant, the proposed purchase of the Residence, other than a construction loan, construction bridge loan or other temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within 24 months from the date of execution of the Loan and having an original term not exceeding 24 months.

3. *Acquisition Cost*. (a) The Residence is (check one):

_____ a newly constructed Residence which has never been occupied; or

_____ an existing Residence which has been occupied previously; or

_____ incomplete or under construction; or

_____ located on leased land.

The *"Acquisition Cost"* to the Applicant (as determined in accordance with the Worksheet attached hereto) is $_____. I understand that the term *"Acquisition Cost"* includes: (a) all amounts paid either in cash or in kind, by the Applicant (or by a related party or for the benefit of the Applicant) to me (or to a related party or for my benefit) as consideration for the Residence; (b) if the Residence is incomplete, the reasonable cost of completing it; and (c) if the Residence is being purchased subject to a ground lease, the capitalized value of the ground rent. I understand further that *"Acquisition Cost"* does not include: (i) settlement and financing costs (such as title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and points paid by the Applicant (but not points paid by me) and other similar costs) but only to the extent that such amounts do not exceed the usual and reasonable settlement and financing costs for a home mortgage loan in this area; or (ii) the value of any services to be performed by the Applicant or the Applicant's family members (include the Applicant's brothers, sisters, spouse, lineal descendants and lineal ancestors only) to complete the Residence; or (iii) the cost of the land on which the Residence is located if the Applicant owned such land at least two years prior to the commencement of the construction of the Residence.

(b) The Worksheet attached hereto sets forth an accurate calculation of the "Acquisition Cost" of the Residence to the Applicant.

4. *Verification*. I understand that the above Lender, the Internal Revenue Service, the Nevada Housing Division, the Nevada Rural Housing Authority, as Administrator, or their authorized representatives, may conduct investigations in order to verify the truth and completeness of the statements set forth herein. I hereby agree to provide access to such information, including my records pertaining to the Residence, as may be necessary in connection with such verification procedure.

5. *Penalty*. The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony offense punishable by fine or imprisonment or both.

NAME(S) OF SELLER:	**SIGNATURE (S) OF SELLER:**
_____	_____
_____	_____

THE STATE OF _____ §
§
COUNTY OF _____ §

SUBSCRIBED AND SWORN to before me on this _____ day of _____, 20__.

_____
Notary Public

_____
(Typed or Printed Name)
My Commission Expires:_____

(PERSONALIZED SEAL)

WORKSHEET-ACQUISITION COST

1. Amount paid for the Residence, in cash or in kind, by Applicant to the Seller (including any amount which Seller is required to pay as a real estate commission or loan discount points): $_____

2. Amount paid for the Residence, in each or in kind, by Applicant or any person related to the Applicant or by any person for the benefit of Applicant, to Seller or any person related to Seller or for Seller's benefit (other than the amount set forth above): $_____

3. If the Residence is incomplete or unfinished the estimated cost of completing it, including the cost of any necessary alterations or improvements. (Specify the nature of such alterations or improvements):

_____

_____

_____

_____ $_____

4. If the Residence is located on leased land the capitalized value (using a discount rate equal to the interest rate borne by the Loan) of the ground rent: $_____

5. Total ACQUISITION COST: $_____

CERTIFICATE OF LENDER/CLOSING AFFIDAVIT-DOCUMENT 5

Applicant: _____ Applicant 2: _____
Loan Amount: $ _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____
Lender: _____ Loan Officer: _____
Contact: _____Telephone: _____

I, the undersigned authorized officer of the above Lender do hereby certify, represent and warrant to the Nevada Rural Housing Authority (*"Administrator"*) and the Nevada Housing Division (the *"Division"*), that:

1. All terms used herein shall have the meanings attributed to them in the Program Manual for the Division's 2014 Mortgage Tax Credit Program unless a different meaning is specifically defined herein or is required by the context in which the term appears.

2. I have read the Affidavit of Applicant, the Closing Affidavit, the Tax Return Affidavit and the Affidavit of Seller, if applicable (collectively, the *"Affidavits"*), which were executed in connection with the Mortgage Tax Credit Application made by the above Applicant and submitted to the Administrator. Prior to the execution of such documents, I reviewed the contents thereof with the Applicant, and if applicable, the closing agent.

3. (a) I have reviewed the credit analysis worksheet, or similar document, prepared in connection with this Loan. The worksheet accurately reflects the information this Lender has obtained concerning the monthly gross income of the Applicant, and this Lender has complied with the requirements of the Program Manual and the Lender Participation Agreement in verifying the accuracy of such information.

(b) Based upon Worksheet One attached to the Affidavit of Applicant, to the best of the Lender's knowledge and belief the Applicant's Anticipated Annual Family Income is $_____.

4. The Residence is located within the geographic area within the State of Nevada for the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the City Limits of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor.

5. I have conducted or have caused to be conducted an investigation regarding the truth of the facts set forth in said Affidavits, the nature of which investigation is as follows: [DESCRIBE DETAILS OF INVESTIGATION]

_____

_____

_____

_____

NOTE: Paragraph 6 below shall be deleted in its entirety in the case of an Applicant (i) who is acquiring a Residence in a Targeted Area (which includes census tract #3.01,3.02,4.02,4.03,5.14,5.21,5.22, 5.23,5.24,5.28,6,7,8,11,15.01,16.12,22.04,22.07,24.03,24.04,24.05,25.06,29.54,29.56,29.96,34.28,34.31,38,40,43.01, 43.02,46.01,46.02,47.07,47.09,47.10,47.12,47.13,47.15,71,1.02,2.01,9,10.08,17.01,18.02,21.07,22.11,27.03,9800) or (ii) is a Qualified Veteran.

6. The investigation described in paragraph 5 hereof complies with the requirements of the Program Manual and the Lender Participation Agreement, and such investigation included an examination of copies of income tax returns for the past three years provided by the Applicant which were filed with the Internal Revenue Service (or tax account information letters from the Internal Revenue Service covering such years), and the returns or information furnished indicated that during the preceding three years the Applicant did not claim deductions for taxes or interest on indebtedness with respect to the real property constituting a Principal Residence of the Applicant. In the event that the Applicant was not required to file a federal income tax return for all of the three years preceding the execution of the Loan, the Lender is to make sure that the Tax Return Affidavit executed by the Applicant states that fact.

7. No facts have come to my attention as a result of said investigation or otherwise which would cause me to disbelieve or doubt the truth of the Affidavits, or any portion of any of such Affidavits.

8. The Loan is secured by a valid lien on a Residence which to the knowledge of the Lender is occupied by or is to be occupied by the Applicant as his or her Principal Residence, is made in accordance with the Program Manual and the Lender Participation Agreement, and is not for the purpose of refinancing any existing loan on any such property (other than a construction period loan, construction bridge loan, or similar temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within 24 months of execution of the Loan and having an original term not exceeding 24 months).

9. The fees and charges collected by the Lender for the Loan are in compliance with the Program Manual and the Lender Participation Agreement. The amounts collected by the Lender to reimburse the Lender for reasonable and customary charges paid or incurred for hazard or mortgage insurance premiums, survey, title insurances, appraisal fees, abstract and attorneys' fees, recording or registration charges, escrow fees, file preparation fees, application fees, credit reports, and similar charges do not exceed the reasonable and customary amounts charged by the Lender for mortgage loans not made in connection with the Program.

10. To the best knowledge of the Lender, the Applicant has not conveyed the Applicant's right, title or interest to or in the property to any party other than a trust for the benefit of such mortgagor and/or members of such Applicant's immediate family.

11. No portion of the financing of the Residence has come from the proceeds of qualified mortgage bonds or qualified veterans' mortgage bonds.

12. The statements set forth herein are made under penalty of perjury. I understand that perjury is a felony offense punishable by fine or imprisonment or both.

13. All capitalized terms used in this Certificate of Lender and not otherwise defined herein have the meanings attributed to them in the Program Manual distributed by the Division in connection with the Program.

14. The undersigned, in connection with the Nevada Housing Division's 2014 Mortgage Tax Credit Program, hereby certifies, that the attached closing statements are true and correct copies of the closing statements prepared and delivered in connection with the following transaction.

SELLER/BUILDER: _____
PURCHASER: _____

LENDER: _____
PROPERTY ADDRESS: _____
_____

CLOSING DATE: _____
LOAN AMOUNT: _____
REFINANCING LOAN WITH EXISTING MTC: _____ NO _____ YES*

LENDER
_____,

By: _____
Name: _____
Title: _____

THE STATE OF _____ §
§
COUNTY OF _____ §

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, _____.

_____
Notary Public Signature

(Typed or Printed Name) _____

(PERSONALIZED SEAL)

My Commission Expires: _____

_____

* For refinancing of a loan with an existing MTC, the Lender or Closing Agent, as applicable, certifies that $_____ is the outstanding balance on the loan associated with the existing MTC.

NOTICE OF POTENTIAL RECAPTURE-DOCUMENT 6

TO BE COMPLETED BY LENDER AND DELIVERED TO APPLICANT AT THE TIME OF CLOSING OF THE LOAN

INTRODUCTION

1. *General*. When you sell your home you may have to pay a recapture tax as calculated below. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

2. *Exceptions*. In the following situations, no recapture tax is due and you do not need to do the calculations:

(a) You dispose of your home later than nine years after you close your mortgage loan;

(b) Your home is disposed of as a result of your death;

(c) You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code; or

(d) You dispose of your home at a loss.

3. *Maximum Recapture Tax*. The maximum recapture tax that you may be required to pay as an addition to your federal income tax is $_____ [insert the actual dollar amount resulting from the product of 6.25% multiplied by the highest principal amount of the mortgage loan]. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

4. *Actual Recapture Tax*. The actual recapture tax, if any, can only be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your recapture amount determined by multiplying the following three numbers:

(i) $_____ [insert the actual dollar amount resulting from the product of 6.25% multiplied by the highest principal amount of the mortgage loan] (the maximum recapture tax, as described in paragraph B above),

(ii) The holding period percentage, as listed in Column 1 in the attached Table, and

(iii) The income percentage, as described in paragraph D below.

5. *Income Percentage*. You calculate the income percentage as follows:

(i) *Subtract* the applicable *adjusted qualifying income* in the taxable year in which you sell your home, as listed in Column 2 in the attached Table, *from* your *modified adjusted gross income* in the taxable year in which you sell your home.

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be increased by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under Section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be decreased by the amount of any gain included in your gross income by reason of the sale of your home.

(ii) If the amount calculated in (i) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If it is $5,000 or more, your income percentage is 100%. If it is greater than zero but less than $5,000, it must be divided by $5,000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is $1,000/$5,000, your income percentage is 20%.

6. *Limitations and Special Rules on Recapture Tax*. (a) If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.

(b) If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of the home financed with your original subsidized mortgage loan.

(c) In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.

(d) If you repay your loan in full during the nine-year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in Section 143(m)(4)(C)(ii) of the Internal Revenue Code.

(e) Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 143(m) of the Internal Revenue Code generally.

Recapture Table

Effective 6/4/2015

Clark County		Adjusted Qualifying Income Non-Targeted Area	
Date that You Sell Your Home	Holding Period Percentage	Family Size: 2 or Less	Family Size: 3 or More
Before the first anniversary of closing	20%	$66,298.00	$76,242.00
On or after the first anniversary of closing, but before the second anniversary of closing	40%	$69,612.90	$80,054.10
On or after the second anniversary of closing, but before the third anniversary of closing	60%	$73,093.55	$84,056.81
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	$76,748.22	$88,259.65
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	$80,585.63	$92,672.63
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	$84,614.92	$97,306.26
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	$88,845.66	$102,171.57
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	$93,287.94	$107,280.15
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	$97,952.34	$112,644.16

Recapture Table

Effective 6/4/2015

Clark County		Adjusted Qualifying Income Targeted Area	
Date that You Sell Your Home	Holding Period Percentage	Family Size: 2 or Less	Family Size: 3 or More
Before the first anniversary of closing	20%	$73,680.00	$85,960.00
On or after the first anniversary of closing, but before the second anniversary of closing	40%	$77,364.00	$90,258.00
On or after the second anniversary of closing, but before the third anniversary of closing	60%	$81,232.20	$94,770.90
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	$85,293.81	$99,509.45
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	$89,558.50	$104,484.92
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	$94,036.43	$109,709.16
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	$98,738.25	$115,194.62
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	$103,675.16	$120,954.35
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	$108,858.92	$127,002.07

Recapture Table

Effective 6/4/2015

Washoe County		Adjusted Qualifying Income Non-Targeted Area	
Date that You Sell Your Home	Holding Period Percentage	Family Size: 2 or Less	Family Size: 3 or More
Before the first anniversary of closing	20%	$76,200.00	$87,687.00
On or after the first anniversary of closing, but before the second anniversary of closing	40%	$80,010.00	$92,071.35
On or after the second anniversary of closing, but before the third anniversary of closing	60%	$84,010.50	$96,674.92
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	$88,211.03	$101,508.66
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	$92,621.58	$106,584.10
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	$97,252.66	$111,913.30
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	$102,115.29	$117,508.97
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	$107,221.05	$123,384.41
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	$112,582.10	$129,553.64

Recapture Table

Effective 6/4/2015

Washoe County

		Adjusted Qualifying Income Targeted Area	
Date that You Sell Your Home	Holding Period Percentage	Family Size: 2 or Less	Family Size: 3 or More
Before the first anniversary of closing	20%	$76,200.00	$88,900.00
On or after the first anniversary of closing, but before the second anniversary of closing	40%	$80,010.00	$93,345.00
On or after the second anniversary of closing, but before the third anniversary of closing	60%	$84,010.50	$98,012.25
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	$88,211.03	$102,912.86
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	$92,621.58	$108,058.51
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	$97,252.66	$113,461.43
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	$102,115.29	$119,134.50
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	$107,221.05	$125,091.23
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	$112,582.10	$131,345.79

NOTE: Closing means the closing date for your loan.

* *Lender*: The actual notice to the applicant must provide the actual dollar figures for adjusted qualifying incomes for each of the years covered by the table. The entries in the first row are the highest qualifying incomes that, as of the date of the mortgage loan closing, would have met the low income requirement of Section 143(f) of the Code, taking into account whether the home financed with the subsidized mortgage loan is located in a targeted area as described in Section 143(j) of the Code (but determined without regard to Section 143(f)(3)(A) of the Code) or in a high housing cost area as described in Section 143(f)(5) of the Code. The entries in each subsequent row equal the entries in the immediately preceding row, times 1.05. The formula for determining these numbers is set forth in Section 143(m)(5) of the Code. Please refer to the "Worksheet to Compute Recapture Tax" provided by the Administrator in order to complete Column 2.

Please acknowledge your receipt of a copy of this notice by signing below.

_____	_____
Applicant Signature	Applicant 2 Signature
_____	_____
Applicant Printed Name	Applicant 2 Printed Name

EXTENSION REQUEST FORM-DOCUMENT 7

Applicant: _____ Applicant 2: _____
Loan Amount: $ _____
Subject Property Address: _____
City: _____ Zip: _____ County: _____
Lender: _____ Loan Officer: _____
Contact: _____Telephone: _____

The above Applicant and Lender are hereby requesting a thirty (30) day extension of the MTC Commitment Letter referenced above. Enclosed is a check or money order payable to the Nevada Rural Housing Authority (the "*Administrator*") for payment of the **$50 MTC Extension Fee**.

The undersigned Applicant and Lender certify that this is the first Extension Request Form submitted concerning the above-referenced MTC Commitment Letter or, if any prior extensions have been granted, attached hereto is a description of the extenuating circumstances necessitating this request.

Applicant(s) Acknowledgement: MTC Commitment #: _____

_____ _____
Applicant Signature Applicant 2 Signature

Loan Officer's Acknowledgement:

_____ Date: _____
Loan Officer Signature

THIS EXTENSION REQUEST FORM MUST BE SUBMITTED TO THE ADMINISTRATOR ***PRIOR*** TO THE EXPIRATION DATE OF THE MTC COMMITMENT LETTER.

[For Administrative Use Only]

Administrator's Issuance of Extension

The above-referenced MTC Commitment Letter is hereby extended to

_____. DATED: _____

NEVADA RURAL HOUSING AUTHORITY, Administrator

By: _____
Signature:_____
Title:_____

NOTICE OF DENIAL OF ELIGIBILITY-DOCUMENT 8

TO: Administrator
Nevada Rural Housing Authority
3695 Desatoya Drive
Carson City, Nevada 89701
Attention: MTC Administrator

Applicant: _____ Applicant 2: _____
Taxpayer ID #: _____ _____
Subject Property: _____
City: _____ Zip: _____ County: _____

Has an MTC Commitment Letter been issued: _____ Yes _____ No
If *Yes*, what is the MTC Commitment #: _____

In compliance with the Mortgage Tax Credit Program Manual, this Notice of Denial of Eligibility for MTC is being provided to the Nevada Rural Housing Authority, as Administrator. The above named Applicant has been determined to be ineligible for the issuance of an MTC under the Program for the following reasons [check all that apply]:

☐ Loan withdrawn or will not close using an MTC.

☐ Applicant's current ANTICIPATED ANNUAL FAMILY INCOME exceeds the Program income limits.

☐ The ACQUISITION COST of the Residence exceeds the applicable Program acquisition cost limits.

☐ Applicant does not meet the FIRST-TIME HOMEBUYER requirement and Applicant is not a Qualified Veteran and the Residence is not located in a Targeted Area.

☐ Residence is not located within the ELIGIBLE LOAN AREA.

☐ Applicant's mortgage will be funded from a QUALIFIED MORTGAGE BOND or a QUALIFIED VETERANS' MORTGAGE BOND program.

☐ The loan proceeds will be used to REPLACE AN EXISTING MORTGAGE on the Residence.

☐ The SIZE OF THE PROPERTY is greater than the normal and usual size of a lot in the area and in excess of that necessary for the basic livability of the Residence.

☐ Applicant intends to derive INCOME FROM THE REAL ESTATE associated with the Residence.

☐ Other: Explanation _____
_____

DATE: _____ Lender Signature: _____

Glossary

As used in this Program Manual, the following words and terms have the meanings set forth below:

"Acquisition Cost" - The cost to an Applicant of acquiring a Residence from the Seller as a completed residential unit, including: (i) all amounts paid, either in cash or in kind, by the Applicant (or a related party or for the benefit of the Applicant) to the Seller (or a related party or for the benefit of the Seller) as consideration for the Residence; (ii) if the Residence is incomplete, the reasonable cost of completing it, whether or not such cost is to be financed with the Loan; and (iii) if the Residence is purchased subject to a ground lease, the capitalized value of the ground rent calculated using a discount rate authorized by the Internal Revenue Service. *"Acquisition Cost"* does not include: (i) usual and reasonable settlement and financing costs (including title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal expenses, points paid by the Applicant (but not points paid by the Seller) and other similar costs), but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the Applicant in a case in which financing is not assisted by the issuance of an MTC or provided through the issuance of tax exempt bonds (for example, if the Applicant agrees to pay more than a pro rata share of property taxes, such excess shall be treated as part of the Acquisition Cost); (ii) the value of services performed by the Applicant or members of the Applicant's family (including brothers, sisters, spouse, lineal ancestors and lineal descendants only) in completing the Residence; and (iii) the cost of land which has been owned by the Applicant for at least two years prior to the date on which construction of the Residence begins. This term is more fully described on Worksheet Two to the Affidavit of Applicant and in the Affidavit of Seller, if applicable.

"Acquisition Cost Limits" - As new Average Area Purchase Price figures are determined, the Acquisition Cost Limits will equal 90% of the Average Area Purchase Price applicable to the size of the Residence for Non Targeted Areas and 110% of the Average Area Purchase Price applicable to the size of the Residence for Targeted Areas. The Maximum Purchase Price tables can be found on page 4 of this manual. The determination whether the Residence meets the applicable Acquisition Cost Limit shall be made as of the date of the issuance of the MTC. These limits are subject to adjustment at any time. Any revisions of the aforesaid Acquisition Cost Limits by the Authority or the Administrator may rely upon average area purchase price limitations published by the Treasury Department, any successor thereof, or as may be provided in Section 143 of the Code, for the statistical area in which the Residence is located.

"Act" - Chapter 315 of the Nevada Revised Statutes, as amended, of the State of Nevada, as amended.

"Administrator" - Nevada Rural Housing Authority, its successors and assigns.

"Adjusted Gross Income" - With respect to a person, the adjusted gross income of such person (as set forth on the appropriate line of the federal income tax return filed by such person with the Internal Revenue Service or, in the case of a person not required to file such a return, as evidenced by cancelled salary checks, wage statements or such other information as may be acceptable to the Lender and the Administrator), together with the Adjusted Gross Income of all persons who intend to reside with such person in one dwelling unit (based on similar evidence), for the tax year immediately preceding the date of issuance of the MTC.

"Affidavit" - An affidavit filed in connection with the Program made under oath and subject to the penalties of perjury and the civil penalties provided therein.

"Anticipated Annual Family Income" - The sum of (a) the gross monthly income of the Applicant and (b) the gross monthly income of anyone who is expected both to live in the Residence and to be secondarily liable on the Loan, multiplied by 12. Gross monthly income is the sum of gross monthly pay, any additional income from investments, pensions, Department of Veterans Affairs (VA) compensation, part-time employment, net bonuses, dividends, interest, over-time pay, net rental income, royalties, etc., and other income (such as alimony and child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts or from business activities or investments). The Anticipated Annual Family Income cannot exceed the Income Limits, which shall be determined as of the date of issuance of the MTC.

"Applicant" - Any person or persons: (i) whose Anticipated Annual Family Income does not exceed the Income Limits; (ii) who intends to occupy the Residence to be financed with a Loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the issuance of the MTC; (iii) who (except in the case of an Applicant who is obtaining a Targeted Area Loan or who is a Qualified Veteran) has not had a present Ownership interest in a Principal Residence at any time during the three-year period ending on the date of issuance of the MTC; (iv) who has not had an existing mortgage (including a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow or any other form of owner-financing), whether or not paid off, on the Residence to be financed with such Loan at any time prior to the execution of the Loan, an existing mortgage securing a construction period loan, bridge loan or similar temporary financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within 24 months of execution of the Loan and having an original term not exceeding 24 months; and (v) who meets the criteria set forth in this Program Manual.

"Average Area Purchase Price" - With respect to any Residence the safe harbor average area purchase price of all single family residences in the statistical area in which the Residence being financed is located which were purchased during the most recent twelve month period for which information is provided pursuant to Section 143(e) of the Code. The Average Area Purchase Prices

are subject to adjustment at any time. The Average Area Purchase Prices for the Eligible Loan Area in effect at implementation of the Program are as follows:

Clark County	$312,500
Washoe County	$353,750

"Category 1 Loan" - A Loan having a tax credit rate of 20%

"Category 2 Loan" - A Loan having a tax credit rate of 40%

"Certificate Limit" - Initially, $32,500,00 the maximum aggregate amount of MTC authority for the Program, which equals 25% of the nonissued bond amount ($130,000,000) allocated to the Division, subject to being increased at the option of the Division at any time prior to the termination of the Program.

"Certified Indebtedness Amount" - The amount of the Loan which is subject to the mortgage credit provided by the MTC. *The Certified Indebtedness Amount on the reissued MTC may not exceed the outstanding balance of the Loan associated with the existing MTC.*

"Closing or Closing Date" - The funding of a Loan by the Lender and the execution and delivery by the Applicant of all documents in connection therewith. *"Closed"* means a Loan for which a Closing has occurred.

"Code" - The Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Program.

"Division" - Nevada Housing Division, its successors and assigns, whose address is 1535 Old Hot Springs Road, #50, Carson City, NV 89706.

"Eligible Loan Area" - The geographic area in the state of Nevada within the corporate limits of a city or town with a population equal to or greater than 150,000 as of the 2010 Census, which includes the Nevada Cities of Henderson, Las Vegas, North Las Vegas and Reno and the Nevada Towns of Paradise, Spring Valley and Sunrise Manor.

"Existing Housing" - A single family dwelling unit that has been occupied prior to execution of the Loan commitment.

"FHA" - The Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States to which the powers of the Federal Housing Administration have been transferred.

"FHA Insurance" - The insurance on mortgage loans presently issued by FHA under the National Housing Act of 1934, as amended, pursuant to one of the following FHA Insurance programs:

(a) FHA Section 203(b), Home Unsubsidized;

(b) FHA Section 203(b)(2), Veterans Status; or

(c) FHA Section 234(c), Condominium Ownership.

"GNMA" - The Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C., §1716 *et seq.*), its successors and assigns.

"Income Limits" - The Anticipated Annual Family Income of an Applicant. Maximum Household Income limits can be found on page 5 of this manual. The Income Limits are subject to adjustment at any time.

"Lender" - An institutional lender regulated by state or federal law, or any other entity which in its regular course of business makes mortgage loans which would qualify for MTC assistance and is authorized to do business in the Eligible Loan Area.

"Loan" - A conventional, FHA-insured, VA-guaranteed or RHS-guaranteed mortgage loan to finance the purchase of an eligible dwelling unit which meets the requirements set forth in this Program Manual and has a rate of interest that is fixed to maturity.

"MTC" or *"Mortgage Tax Credit"* - A Mortgage Tax Credit issued pursuant to the terms and conditions of the Program, the form of which attached hereto as *Exhibit C*.

"MTC Commitment Letter" - A letter executed by the Administrator in the form provided by the Authority, the form of which is attached hereto as *Exhibit B*.

"Mortgage" - The written instrument securing the related Loan and encumbering a Residence.

"Mortgage Tax Credit Rate" - For purposes of this Program, 20 percent with respect to each Category 1 Loan and 40 percent with respect to each Category 2 Loan, each of which may be

changed by the Authority with written direction to the Lenders upon any increase in the Certificate Limit or otherwise.

"New Housing" - A single family dwelling unit that is proposed to be constructed, currently under construction, or existing but not previously occupied.

"Non-Targeted Area" - An area in the Eligible Loan Area other than a Targeted Area.

"Ownership" - Ownership by any means, whether outright or partial, including property subject to a mortgage or other security interest, including a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common, or tenancy by the entirety, an ownership interest in trust, a life estate interest, a purchase by a land contract or contract for deed. The term does not include: (i) a remainder interest; (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest; (iv) the interest that a purchaser of a Residence acquires on the execution of a purchase contract; and (v) an interest in other than a Principal Residence. This term is more fully described in paragraph 6 of the Affidavit of Applicant. An Ownership interest in a mobile home or other factory-made housing which was permanently affixed to real property owned by the Applicant constitutes Ownership in a Principal Residence.

"Principal Residence" - A Residence that, depending on all the facts and circumstances (including the good faith intent of the occupant), is occupied primarily for residential purposes. Principal Residence does not include a home used as an investment property or a recreational home, or a home that is used primarily in a trade or business (as evidenced by the use of more than 15 percent of the total floor space in a trade or business). The Applicant may not claim, with respect to the Residence, any deductions pursuant to Section 280A of the Code for expenses incurred in connection with the business use of a home.

"Prohibited Mortgage" - A Prohibited Mortgage is any mortgage financed in whole or in part with the proceeds of qualified mortgage bonds or qualified veterans' mortgage bonds.

"Program" - Nevada Housing Division 2014 Mortgage Tax Credit Program.

"Program Documents" - This Program Manual, including all instructions and forms attached thereto, the Administration Agreement by and between the Authority and the Administrator and the Lender Participation Agreement by and among each Lender, the Administrator and the Authority, each as amended from time to time.

"Program Manual" - Nevada Housing Division 2014 Mortgage Tax Credit Program Manual, as revised and amended from time to time.

"Qualified Appraiser" - An individual or firm acceptable to FHA and the Administrator.

"Qualified Condominium Unit" - A condominium unit meeting the requirements of the GNMA Guide and which is acceptable to FHA.

"Qualified MTC" - An MTC meeting all of the requirements of the Code and Regulations applicable to the Program.

"*Qualified Veteran*" - An Applicant who is a "veteran" (as defined in 38 U.S.C. Section 101) who has not previously obtained a mortgage tax credit or a loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth in Section 416 of the Tax Relief and Health Code Act of 2006.

"Regulations" - The applicable proposed, temporary or final Treasury Regulations promulgated under the Code (or any prior version thereof), as such regulations may be amended or supplemented from time to time.

"Residence" or "Home" - A residential unit which is located within the Eligible Loan Area, including a condominium unit, if such unit is a Qualified Condominium Unit, but not a two-, three- or four-family residence and ownership is fee simple and land appurtenant to the residential unit, (i) which is designed and intended primarily for residential housing, (ii) which will be occupied by the Applicant as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the issuance of the MTC, (iii) which unit is permanently affixed to land, (iv) the Acquisition Cost of which does not exceed the Acquisition Cost Limits for the area within which the residence is located, and (v) which appurtenant land is not in excess of one acre and which land reasonably maintains the basic livability of the residence and does not provide other than incidentally, a source of income to the Applicant, including child care services on a regular basis for compensation. A Residence does not include rental houses or vacation homes. A Residence includes a manufactured home only if it has a minimum of 400 square feet of living space and a minimum width in excess of 102 inches and which is of a kind customarily used at a fixed location. The term "Residence" does not include recreational vehicles, campers and other similar vehicles.

"RHS" - The Rural Housing Service of the United States Department of Agriculture, its successors and assigns.

"RHS Guaranty" - A guaranty of a Loan pursuant to the RHS Single Family Housing Guaranteed Loan Program.

"Seller" - With respect to a Loan, the seller of the Residence being financed with such Loan.

"State" - The State of Nevada.

"Submission Package" - The affidavits, certificates and supporting documentation which the Lender agrees to submit to the Administrator in connection with an application for the issuance of an MTC, more particularly described in Section G hereof.

"Targeted Area" - A census tract in which 70 percent or more of the families have an income which is 80 percent or less of the statewide median family income, or an area designated as an area of chronic economic distress. Such areas are not subject to the prior home ownership restriction. The initial Targeted Areas in the Eligible Loan Area are the geographical areas set forth in Exhibit D attached hereto.

"Targeted Area Loan" - A Loan to provide financing for the purchase of a Residence which is located in a Targeted Area.

"Targeted Area Residence" - A Residence which is located in a Targeted Area.

"Tax Certificate" - The ad valorem tax certificate or statement evidencing that the Residence is located within the Eligible Loan Area.

"VA" - The Department of Veterans Affairs, an agency of the United States of America, or any successor to its functions.

"VA Guaranty" - A guaranty of a Loan by VA pursuant to the provisions of the Servicemen's Readjustment Act of 1944, as amended.