



SOUTHEAST TEXAS HOUSING FINANCE CORP.

Mortgage Credit Certificate Program Lender Training

6.15.2021

What Is A Mortgage Credit Certificate/MCC?

- In 1984 Congress passed the Tax Reform Act as a means of providing housing assistance to families of low and moderate income. This was the creation of today's MCC Programs.
- The MCC is a tax credit that helps reduce the amount of federal income tax due and provides additional available income to help a borrower qualify for a mortgage loan.
- A home owner can access this credit for the life of the mortgage loan. The maximum TAX CREDIT annually can not exceed \$2,000.
- Buyers may be subject to paying a federal recapture tax if they do not owner occupy the property as primary residence during the recapture period (usually 9 years.)
- Mortgage Interest Credit (MCC) is a non-fundable tax credit, therefore the homebuyer must have tax liability in order to take advantage of the tax credit.
- Tax credits are a powerful way of increasing a family's annual income.

What Does An MCC Do?

- Provides an income tax credit to the borrower as long as they owner occupy their home. The federal government already allows all homeowners to claim an itemized income TAX DEDUCTION for the amount of interest paid each year on the mortgage loan. A TAX DEDUCTION reduces the amount of income that is taxed.
- The MCC Program takes a portion of the mortgage interest paid and turns it into a TAX CREDIT. A TAX CREDIT is an amount returned to the buyer either by increasing the amount refunded in their tax return or decreasing the amount of taxes owed. (Dollar for Dollar savings)
- Because the CREDIT is accessible for the life of the loan, an MCC may save a homeowner thousands of dollars during the life of the mortgage loan.

How Does This Work?

Here is a sample of one year of savings with the SETH MCC Program :

The actual amount of the CREDIT will be determined by the interest the homeowners pays each year on their mortgage loan.

Loan Amount= \$125,000 Interest Rate= 4

home owner pays \$5,000 in mortgage interest this year

MCC Program Tax Credit Rate= 40%

$\$5,000 \times 40\% = \$2,000$

MCC TAX CREDIT for the Homeowner: \$2,000

* Maximum amount of credit allowed per year is \$2,000.

Federal Recapture Tax

Not Applicable after 9 Years

For Recapture tax to apply, the homeowner must meet **ALL** the following conditions:

Sell the home within nine years;

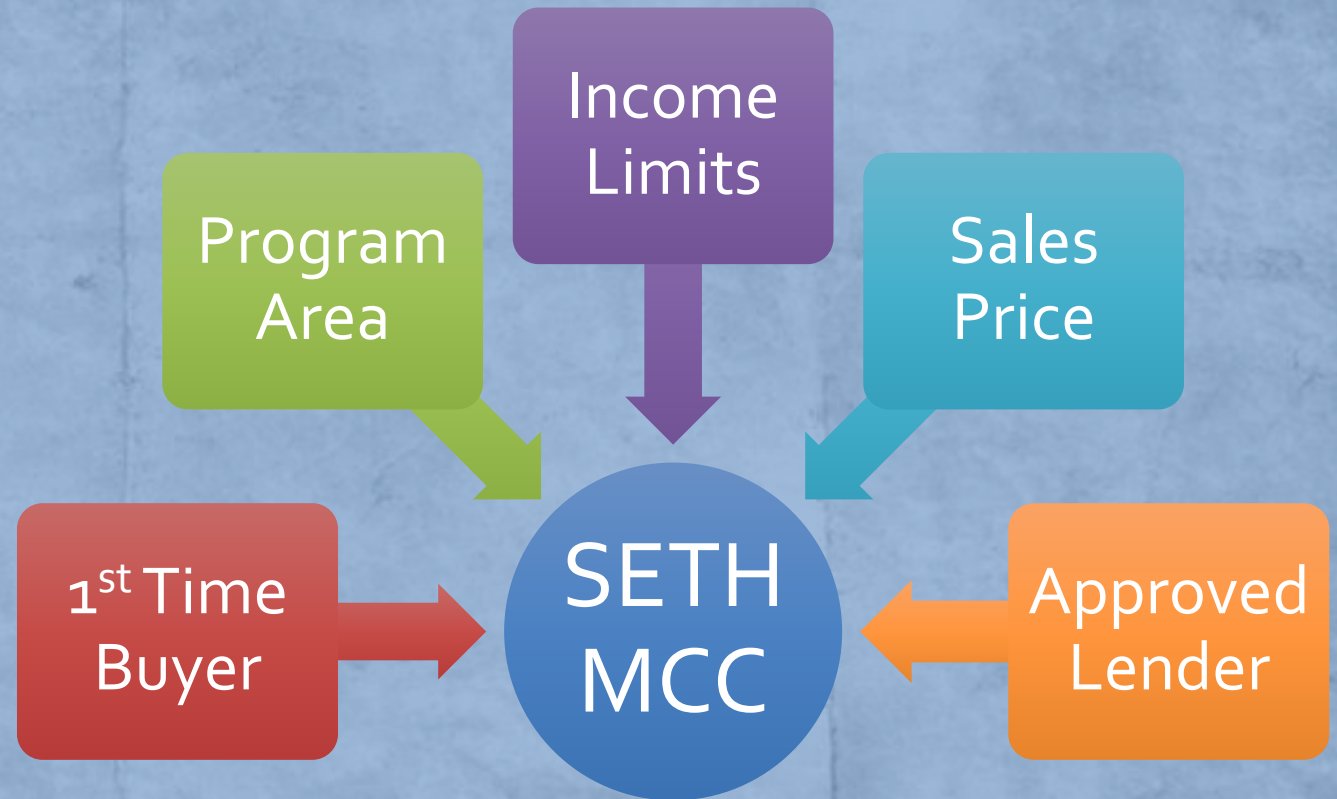
Make a net profit (gain) on the sale of the home;

The Homeowner's household income must have increased at least 5% each year above the applicable income used to qualify for the mortgage loan.

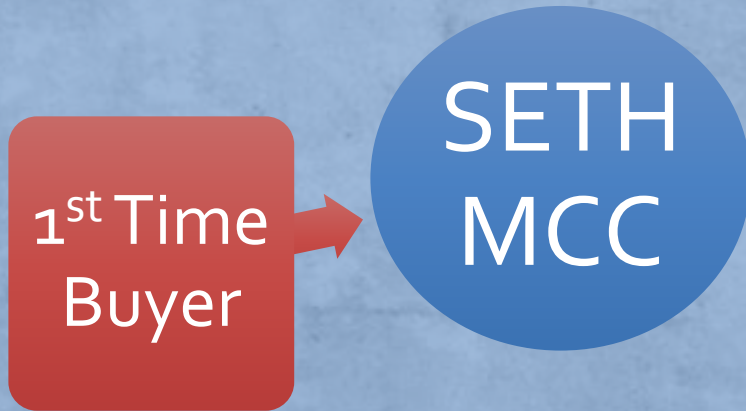
- Programs like MCC Programs are financed with Mortgage Revenue Bonds and may be subject to a Federal Recapture Tax.
- This tax only affects buyers who have had significant increases in income and who sell or transfer their home within nine years of the purchase date.
- After living in the home for the nine years, a buyer will no longer be subject to the recapture provision.

Who Qualifies?

- Must be a 1st Time Homebuyer
- Purchase a Home in a Program Area
- Qualify for a Mortgage Loan with a Participating Lender.
- Meet Income and Purchase Price Limits



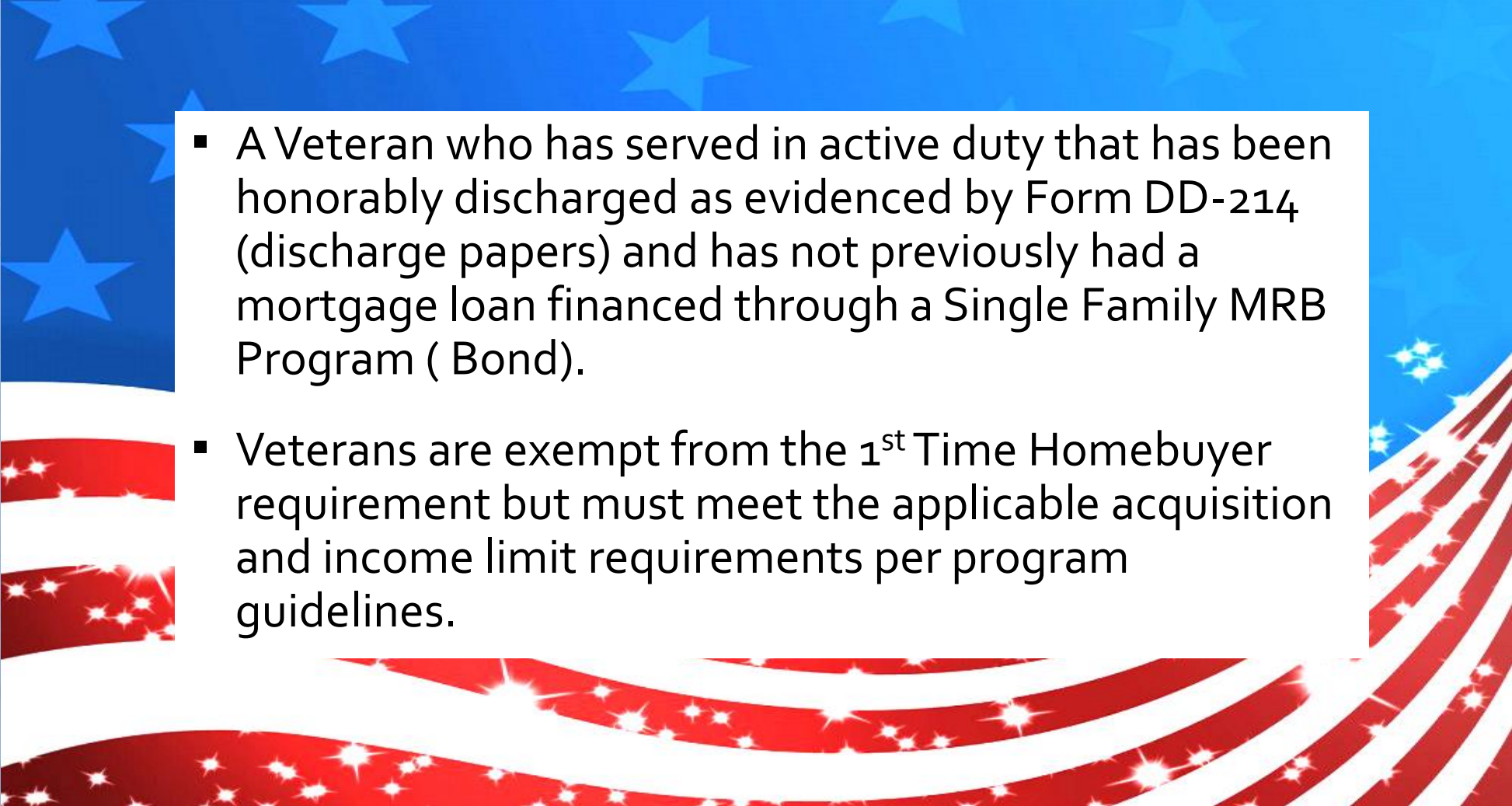
Must Be A 1st Time Homebuyer



- Most current 3 years signed IRS Tax Returns or Transcripts for all borrowers.
- All borrowers on the Mortgage Loan are required to take the SETH Homebuyer's Education Class at www.sethfc.com.

1st Time Homebuyer – Borrower has not had an ownership interest in a principal residence within the last 3 years. Direct Ownership; Ownership with someone else; agreement after certain amount of payments would own residence; or other arrangements that would give future ownership of a property.

Available Exemptions For A Qualified Veteran

- 
- A decorative graphic of the American flag, featuring a blue field with white stars and red and white stripes, positioned behind the text box.
- A Veteran who has served in active duty that has been honorably discharged as evidenced by Form DD-214 (discharge papers) and has not previously had a mortgage loan financed through a Single Family MRB Program (Bond).
 - Veterans are exempt from the 1st Time Homebuyer requirement but must meet the applicable acquisition and income limit requirements per program guidelines.

Must Be in Our Program Areas

Program
Area

SETH
MCC

Eligible Properties must be located in a Program Area Taxing Entity (pay property taxes to the City or County)

Check the Appraisal District's website.

Eligible Counties: Austin, Brazoria, Chambers, Liberty, Matagorda, Walker, Waller and Wharton

Eligible Cities: Baytown, Deer Park, Dickinson, La Marque, La Porte, League City, Pasadena, Santa Fe, Shoreacres, Texas City and Tomball.

Exceptions in Targeted Areas

Higher Income and
Purchase Price Limits

No First Time
Homebuyer
Requirement

Census tract search at

<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

Targeted Areas are census tracts 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 and have larger sales prices and income limits.

[SETH MCC Targeted Census Tracts include:](#)

- [City of Baytown-2534.00](#)
- [City of Pasadena- 3220.00 ;3230.00;3231.00;3235.00](#)
- [Walker County- 7906.00;7907.00](#)

Income & Purchase Price Limits For SETH MCC



- Total Anticipated Annual Family Income is calculated to qualify for the MCC Program.
- Targeted areas: Higher purchase income and purchase price limits.

Location: Effective 5.4.2021	1-2 Family	3 or More	Purchase Price Limits
Austin County	\$82,700	\$95,105	\$311,979
Brazoria County	\$96,600	\$111,090	\$311,979
Counties of Chambers, Liberty, Waller			
Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, League City, Pasadena, Santa Fe, Shoreacres, Texas City and Tomball	\$79,200	\$91,080	\$311,979
Targeted Baytown 2534.00 Targeted Pasadena 3220.00, 3230.00, 3231.00 & 3235.00	\$95,040	\$110,880	\$381,308
Matagorda County	\$75,100	\$86,365	\$311,979
Walker County	\$75,100	\$86,365	\$311,979
Targeted Walker County 7906.00 and 7907.00	\$90,120	\$105,140	\$381,308
Wharton County	\$75,100	\$86,365	\$311,979

Approved Lender List

SETH
MCC

Approved
Lender

- Or call Phyllis Constance at
- 281-484-4663 ext. 111
- Email- p.constance@sethfc.com



SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

www.sethfc.com 11111 S. Sam Houston Pkwy East Houston, TX 77089 281-484-4663 x111 p.constance@sethfc.com

2018 SETH Mortgage Credit Certificate Participating Lenders (thru 12/31/20)

COMPANY NAME	CONTACT	PHONE	ADDRESS	EMAIL ADDRESS	NMLS
**Academy Mortgage	Leslie Wetz	832-577-4552	8711 Hwy 6 N. Suite 110 Houston, TX 77095	Leslie.wertz@academymortgage.com	716931
**Academy Mortgage	Christine Boles	281-769-0457	2830 Commercial Center Blvd. Ste. 103; Katy, TX 77494	Christine.boles@academymortgage.com	653543
** Affiliated Bank	Stacy Rogers	512-14-0693	600 Round Rock West Dr. #101 Round Rock, TX 78681	srogers@affiliatedbank.com	789404
** Affiliated Bank	Corey P. Ripe	817-896-0498	3030 Matlock Rd. Suite 104 Arlington, TX 760015	cripe@affiliatedbank.com	580540
** Affiliated Bank	Scott Ruby	254-366-9142	812 Lake Air Dr., Ste. B Waco, TX 76710	sruby@affiliatedbank.com	251597
** Affiliated Bank	Don Kelly	814-247-4790	4800 Overton Plaza Ste. 400 Ft. Worth, TX 76109	dkelly@affiliatedbank.com	445473
**Bank of Texas	Doug Day	281-203-2103	7500 College Blvd #100 Overland Park, KS 66210	dday@bankofkansascity.com	118194
**Bank of Texas	Rory Gazaway	281-803-6166 o 832 250-5997 c	8303 Cypresswood Dr. Spring, TX 77379	rgazaway@bankoftexas.com	283315
** Eagle Home Mortgage	Cory Fowler	281-885-0940	681 Greens Pkwy, Ste. 120 Houston, TX 77067	coryfowler@eaglehm.com	266235
** First Choice Loan	Chris Nooney	281-888-0350	11950 Grant Road Cypress, TX 7429	Christopher.nooney@fcloans.com	179371
** First Choice Loan	Brent Hicks	972-728-3404	5001 Spring Valley Road, Ste. 500 W	Brent.hicks@fcloans.com	173756

Fees For The SETH MCC Program

- NO MCC Fees required. Effective 2/1/2019

- Optional Application Fee

*****NO MCC FEES*****

-If combining SETH MCC and SETH 5 Star or GoldStar **Submit Loan confirmation from EhousingPlus or Gateway.**

(SETH 5 Star, GoldStar fees remain the same)

Lender can collect an optional \$75 Application Fee.

Lender charges their regular and customary fees.

*effective 2/1/2019

SETH's Homebuyer Education Is Required

The SETH Homebuyer's Education class is required for all persons listed on the loan.

Visit: WWW.SETHFC.COM

Cost of Homebuyer's Education Class-

1 person- \$100 (**select Red button**)

2 or more persons-\$60 each (register and complete course separately and **select Blue button**).



Can The MCC Be Combined With Other Programs?



- The MCC can be a stand alone program.
- The MCC can be combined with other programs such as the SETH 5 Star Texas or GoldStar Programs.
- City/County Down Payment Assistance Programs.
- FHA, USDA, VA & Conventional loans products.
- Cannot be combined with a Bond loan.

Reserving the MCC- Contact Me For Help



The SETH MCC is not on ehousingplus.com.

Must be reserved as early as possible during loan reservation.

(The MCC must be reserved before closing the loan.)

The Loan officer/processor can access the fillable forms at

www.sethfc.com, Select Lender Tool Box

Fillable Form Password – “sethhome”

Or request via [email p.constance@sethfc.com](mailto:p.constance@sethfc.com)

Fax/scan application to my direct fax or email.

phone: 281-484-4663 ext. 111 Toll free- 866-398-1263

E-fax- 832-379-2518

Ready to Get Started?

What you will need-

1. Fillable forms located at <http://sethfc.com/lenders-mortgage-credit-certificate/>
2. Check stubs (all forms of income)
3. Child Support award or printout
4. Sales Contract
5. Last 3 years **Signed** IRS Tax Returns or Transcripts (spouse/non purchasing spouse)
6. Tax Certificate or Appraisal District's print out of Taxing Entities.
7. SETH Homebuyer's Education certificate. www.sethfc.com.
8. * If Combo- submit Loan Confirmation page

SETH
SETH 20 21 MORTGAGE CREDIT CERTIFICATE PROGRAM

PROGRAM DOCUMENTS / FORMS

STEP ONE DOCUMENTS FOR RESERVATION:

DOCUMENT 1	—	MCC Submission Cover Sheet	Page 1
DOCUMENT 2	—	Affidavit of Applicant	Page 2
		ZERO INCOME CERTIFICATION & TAX RETURN AFFIDAVIT, if Applicable	Page 8 & 9
		Prior Residences	Page 10
		SETH Homebuyer's Education Cert.	http://sethfc.com/homebuyer-education/

Along with last 3 years signed IRS Tax Returns or IRS Transcripts with W-2's
Tax Certificate / or print out from the Appraisal District's website

For Combo MCC - *Submit- Loan Confirmation from Ehousingplus or Gateway.

SCAN/FAX the above list of documents to P.constance@sethfc.com or 832-379-2518

Step One:
Send these
to me

STEP ONE: Reserving the MCC

MCC Submission Cover Sheet

Fillable format

The following item is to be
left blank at this point:

- Anticipated Family Income

(it will auto populate after
completing Doc 2.)

SETH **DOCUMENT 1**
2021 MCC SUBMISSION COVER SHEET - SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

Company: _____
Telephone: _____
Fax: _____
Email: _____
Branch Manager: _____

☐ **5 Star Texas Advantage Program**
☐ **GoldStar** Loan Confirmation page required for Combo MCC

SETH 5 Star, & GoldStar fees remain same.

Applicant: _____
Taxpayer ID#: _____
Subject Property Address: _____

Subject Property Sub division: _____ Builder (if New Construction): _____
Subject Property County: _____ Type of Residence: ☐ New ☐ Existing
Targeted Area: _____ Yes _____ No
MCC Commitment Number: _____ Closing Date: _____
MCC Commitment Expiration Date: _____ Census Tract #: _____
Loan Type: FHA ☐ VA ☐ Conv ☐ Acquisition Cost: \$ _____
Loan Amount: \$ _____
Loan Maturity: _____
Interest Rate on Loan: _____%
Lender (Contact & Phone): _____
Lender Loan Reference Number: _____ Lender Title: _____
Anticipated Annual Family Income: \$ _____
Family Size: _____
Ethnicity of Borrower (Optional): _____
Applicable Acquisition Cost Limit: ☐ \$294,600 Non-Targeted Area ☐ \$360,067 (Targeted Area)
FOR COMMITMENT:

☐ Affidavit of Applicant (optional forms Zero Income & Tax Return Affidavit)
☐ Tax Returns (signed or Transcripts last 3 years with w-2's)
☐ Prior Residences
☐ SETHFC-Homebuyer Education Certificate of Completion

All blanks must be completed or the documentation may be rejected by the Program Administrator and Lender may be subject to a Resubmission Fee.

STEP ONE: Reserving the MCC

Document 2 : Affidavit of Applicant

Complete :

- New or Existing home.
- Applicant or Co-applicant is or is not A Qualified Veteran.

List all household members

Borrower will be listed on the top line.
Include any Non-Purchasing Spouse.

Use 2nd line for Spouse or Co-borrower.
Any children in household need to be listed beginning on next line.

If you need more lines for family member, copy this page in the fillable forms and insert with the application.



DOCUMENT 2 AFFIDAVIT OF APPLICANT

I am an applicant and mortgagor under The Southeast Texas Housing Finance Corporation's Mortgage Credit Certificate Program purchasing a ____new/ or ____existing residence which is located in the Counties of Austin, Brazoria, Chambers, Liberty, Matagorda, Walker, Waller and Wharton, Texas, and the Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, League City, Pasadena, Santa Fe, Shoreacres, Texas City and Tomball, Texas.

The Applicant or Co-Applicant including (non-purchasing spouse) is ____ or is not ____ A "Qualified Veteran" means a person who is a "veteran" (as defined in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single family mortgage revenue bonds or a loan which utilized a mortgage credit certificate program using the veteran's exception to the 3-year requirement set forth in Section 143(d)(2)(D) of the Code. The Qualified Veteran must provide true and correct copies of his or her discharge or release papers (DD-214), which demonstrate that such discharge or release was other than dishonorable.

Household Information - Number of Persons that will live in the Residence:

NAME	RELATIONSHIP	AGE	SOCIAL SECURITY # - TIN

STEP ONE: Reserving the MCC

Name and Address of Employer for all members that will be Liable on the Loan:

NAME	EMPLOYER NAME AND ADDRESS OR TYPE OF INCOME	MONTHLY GROSS INCOME

Total Monthly Gross Income _____ 0

X 12 =

Anticipated Annual Family Income 0 _____

Document 2: Anticipated Annual Family Income Cont.

- Income of all mortgagors living in the property who are liable on the loan. This includes *Non- Purchasing Spouses.
- Monthly income means the sum of current monthly gross pay AND any additional income(investments, pensions, VA compensation, part-time employment, bonuses, dividends, interest, child support (even if sporadic). See Affidavit of Applicant for more information.
- Self employment-Follow Agency Guidelines for calculating family income for self-employed mortgagors.
- Page 4. Complete Targeted Area.

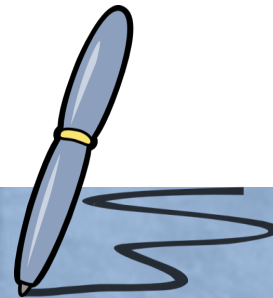
STEP ONE: Reserving the MCC



CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES
AND THE STATE OF TEXAS THAT THE FOREGOING IS TRUE AND CORRECT.

OF APPLICANT:

SIGNATURE(S) OF APPLICANT:



Doc 2: Anticipated Annual
Family Income

Page 6 . Signature page

Applicant and Co-Applicant
/Non-Purchasing spouse
sign or e-sign.

STEP ONE: Reserving the MCC



If applicable-

The following forms are only to be completed and submitted if necessary:

CERTIFICATION OF NO INCOME - is to be completed for any adult in the household who will be signing the Deed of Trust/Mortgage and earns NO INCOME.

TAX RETURN AFFIDAVIT - is to be completed for any adult in the household who will be signing the Deed of Trust/Mortgage and was NOT REQUIRED TO FILE FEDERAL TAX RETURNS.

If Applicable: Optional Forms

- **Certification of No Income**
- **Tax Return Affidavit**

STEP ONE: Reserving the MCC



CERTIFICATION OF NO INCOME

All income must be verified for anyone receiving assistance. To comply with this requirement, please complete and sign the information requested in the certification below. This information will be held in the strict confidence and used only for the purpose of establishing eligibility for the MCC program.

I, _____, do hereby certify that I do NOT receive any income from ANY source.

I understand sources of income include, but are not limited to, the following:

Employment by a Company or Individual

Retirement Funds

Unemployment Compensation

Alimony

Social Security income

Income from Assets

Workers Compensation

Pensions

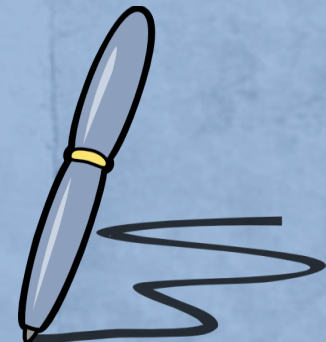
Child Support

General Assistance

If Applicable:
Optional Forms:
Certification of No
Income

Complete only:
If you have no income.

Sign or e-sign at the
bottom.



STEP ONE: Reserving the MCC



TAX RETURN AFFIDAVIT

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
<input type="checkbox"/>	20__	_____
<input type="checkbox"/>	20__	_____
<input type="checkbox"/>	20__	_____

Material Misstatements and Penalties. I understand that this Affidavit will be relied upon to determine my eligibility for a Mortgage Credit Certificate. I understand that any material misstatement in this or any affidavit or certification made in connection with application for or issuance of a Mortgage Credit Certificate because I was negligent will result in a civil penalty of \$1,000, revocation of any MCC 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 MCC 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.

5. 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):
_____	_____	_____
_____	_____	_____

If Applicable : Optional Form Document : Tax Return Affidavit

- ✓ Check box that goes with statement. If tax returns were not required, then state the year and reason that they were not required.
- ✓ Borrower /Co Borrower and All Spouses Sign or e-Sign.



* Cannot accept extensions. Must have actual return.

STEP ONE: Reserving the MCC



PRIOR RESIDENCES:

[NOT REQUIRED FOR RESIDENCE LOCATED IN A TARGETED AREA]

During the last 3 years I have either:

- 1) Rented at the following address for the following periods

Address: _____	Landlord: _____
City: _____	From: _____ to _____
Address: _____	Landlord: _____
City: _____	From: _____ to _____
Address: _____	Landlord: _____
City: _____	From: _____ to _____

(Indicate additional addresses on 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 # (include area code): _____ From: _____ To: _____

Names: _____
Relationship: _____
Address: _____ City: _____ State: _____
Phone # (include area code): _____ From: _____ To: _____

Names: _____
Relationship: _____
Address: _____ City: _____ State: _____
Phone # (include area code): _____ From: _____ To: _____

Prior Residences

Enter Prior Residences for the last 3 years.

Section (1) Be sure to list landlords and dates.

Section (2) Use if living with relatives.

Section (3) Describe any other living arrangements

SETH Issues MCC Conditional Commitment Letter

FAX TRANSMISSION

SOUTHEAST TEXAS HOUSING FINANCE CORP.

11111 S. Sam Houston Pkwy East
Houston, Texas 77089
281 – 484-4663
Fax: 832-379-2518 or 281-484-1971
www.sethfc.com

To: _____ Date: _____
Fax #: email Pages: 2, including this cover
From: Phyllis Constance sheet
p.constance@sethfc.com
Subject: /SETHFC- MCC Conditional Commitment letter

COMMENTS:

Please find enclosed a copy of the SETHFC (MCC) Conditional Commitment letter.

Within 15 days of closing send to my office the following:

1. MCC Submission Cover Sheet / **with Census Track number.**
2. Tax Certificate (Property Tax) if not sent with application
3. SETHFC- **Home Buyers Education Certificate**
4. Tax Return Affidavit or, including last 3 years return/ transcripts or no return documentation
5. Certificate of Lender
6. Affidavit of Seller
7. Closing Affidavit with Executed Closing Disclosure Notice
8. Notice of Potential Recapture Tax
9. Executed CD.

Thank you for your assistance in this matter. Please feel free to contact me for questions or comments.

Thanks,

Phyllis

MCC Commitment #: SETH 2021-

Expiration Date:

Applicant:

Lender:

Loan Amount: \$

Combo-SETH 5 Star or GoldStar:

SOUTHEAST TEXAS HOUSING FINANCE CORPORATION MORTGAGE CREDIT CERTIFICATE COMMITMENT LETTER- MCC rate 40%

(*Program ends when funds are expended or 12/31/2023 whichever comes first)

TO THE ABOVE APPLICANT AND LENDER:

An Application in the form of an Affidavit of Applicant and related documentation pursuant to the Southeast Texas Housing Finance Corporation 2021 Mortgage Credit Certificate 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 Credit Certificate pursuant to the Program Manual, the Administrator will execute and deliver a Mortgage Credit Certificate 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 Credit Certificate shall be furnished to the Lender for its records, and a copy shall be furnished to the Southeast Texas Housing Finance Corporation.

The terms of this MCC Commitment Letter are governed by the Program Manual which is

STEP TWO: Closing

What you will need-

1. Fillable forms located at <http://sethfc.com/lenders-mortgage-credit-certificate/>
2. Documents Listed

Step Two:
These items
will go to
the Title
Company

SCAN/FAX the above list of documents to P.constance@sethfc.com or 832-379-2518

STEP TWO DOCUMENTS FOR CLOSING / ISSUANCE:

DOCUMENT 3	—	Certificate of Lender	Page 11
DOCUMENT 4	—	Affidavit of Seller	Page 12
DOCUMENT 5	—	Closing Affidavit (Along with executed Closing Disclosure)	Page 13
DOCUMENT 6	—	Notice of Potential Recapture Tax	Page 14

Within 15 days after Funding SCAN/FAX the above list of documents to P.constance@sethfc.com or 832-379-2518


*****NO MCC FEES*****

*(SETH 5 Star, HomeStar & GoldStar fees remain the same)

If submitted after 15 days of Funding file is subject to \$75 late fee.

STEP TWO: Closing

Update with any changes in loan amount or interest rate, but not property address or income.

		DOCUMENT 1	
2021 MCC SUBMISSION COVER SHEET - SOUTHEAST TEXAS HOUSING FINANCE CORPORATION			
Company: _____		<input type="checkbox"/>	5 Star Texas Advantage Program
Telephone: _____		<input type="checkbox"/>	GoldStar Loan Confirmation page required for Combo MCC
Fax: _____		<input type="checkbox"/>	
Email: _____		<input type="checkbox"/>	
Branch Manager: _____			
SETH 5 Star, & GoldStar fees remain same.			
Applicant: _____		_____	
Taxpayer ID#: _____		_____	
Subject Property Address: _____		_____	
Subject Property Sub division: _____		Builder (if New Construction): _____	
Subject Property County: _____		Type of Residence: <input type="checkbox"/> New <input type="checkbox"/> Existing	
Targeted Area: _____ Yes _____ No			
MCC Commitment Number: _____		Closing Date: _____	
MCC Commitment Expiration Date: _____		Census Tract #: _____	
Loan Type: FHA <input type="checkbox"/> VA <input type="checkbox"/> Conv <input type="checkbox"/>		Acquisition Cost: \$ _____	
Loan Amount: \$ _____		First Time Homebuyer: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Loan Maturity: _____		<input type="checkbox"/> Qualified Veteran (with form DD214)	
Interest Rate on Loan: _____ %		L/O E-mail: _____	
Lender (Contact & Phone) _____		Phone #: _____	
Lender Loan Reference Number: _____		Lender Title _____	
Anticipated Annual Family Income: \$ _____		Prior Year's Adjusted Gross Income: \$ _____	
Family Size: _____			
Ethnicity of Borrower (Optional): _____			
Applicable Acquisition Cost Limit <input type="checkbox"/> \$294,600 Non-Targeted Area <input type="checkbox"/> \$360,067 (Targeted Area)			

All blanks must be completed or the documentation may be rejected by the Program Administrator and Lender may be subject to a Resubmission Fee

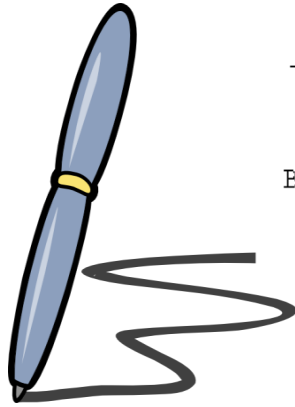
STEP TWO: Closing

SEI

DOCUMENT 3

CERTIFICATE OF LENDER

To the best knowledge of the Lender, the Applicant nor the Seller of the Residence has submitted any negligent or fraudulent statements, contained in any of the documents submitted in connection with the issuance of the Mortgage Credit Certificate and that they are true and correct. The Lender certifies that no portion of the financing of the Residence has come from the proceeds of qualified mortgage bonds or qualified veterans' mortgage bonds. The lender also certifies 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.



Lender

By: _____
Name: _____
Title: _____

Document 3: Certificate of Lender

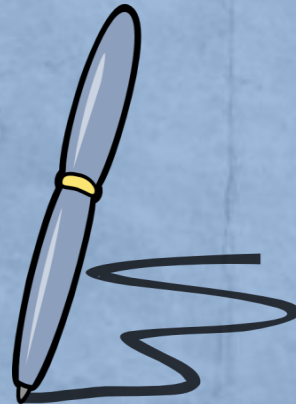
Lender certifies that the income of the homebuyer has not changed since they submitted the application.

Lender completes & signs
or e-signs.

STEP TWO: Closing

Document 4: Affidavit of Seller

- This document must be signed by Seller on or before closing date.
- If it's an REO- no signature required/ blank must be checked on REO line.



DOCUMENT 4

AFFIDAVIT OF SELLER

I, the undersigned, the proposed Seller (whether one or more) of a Residence located in the Eligible Loan Area understands the Party purchasing your home are applying for a Mortgage Credit Certificate under The Southeast Texas Housing Finance Corporation's 2021 Mortgage Credit Certificate Program. I further understand that the Internal Revenue Service requires that I sign this document as an agreement that the buyer and I have agreed upon the sales price listed below. I have not received any money from the Buyer, outside of funds paid for escrow. Further, the buyer and I have not entered into a contract or agreement regarding the disposition of the property other than the sales contract.

The Residence is located at _____ within the geographical area for the Southeast Texas Housing Finance Corporation's Mortgage Credit Certificate Program and the purchase price does not exceed the published limits. The Property is complete and ready for residency.

The purchase price is \$_____, excluding all settlement costs, title and transfer costs, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and points paid by the buyer.

I understand that the above Lender, the Internal Revenue Service, The Southeast Texas Housing Finance Corporation, The Southeast Texas Housing Finance Corporation, 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.

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.

_____ Seller signature is not required for REO properties. Check here if the property is a real estate owned (REO) property.

Date: _____

PRINTED NAME(S) OF SELLER:

SIGNATURE (S) OF SELLER:

STEP TWO: Closing

SETH

DOCUMENT 5

CLOSING AFFIDAVIT

I hereby reaffirm that the statements and information contained in the Affidavit which I executed in connection with The Southeast Texas Housing Finance Corporation 2021 Mortgage Credit Certificate 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.*

Name: _____ Tax ID# _____

The undersigned, in connection with The Southeast Texas Housing Finance Corporation's 2021 Mortgage Credit Certificate Program, hereby certifies, with respect to the closing of the loan pertaining to the residence located at _____

Purchased by the above Applicant 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: _____ NO _____ YES**

Lender: _____

By: _____

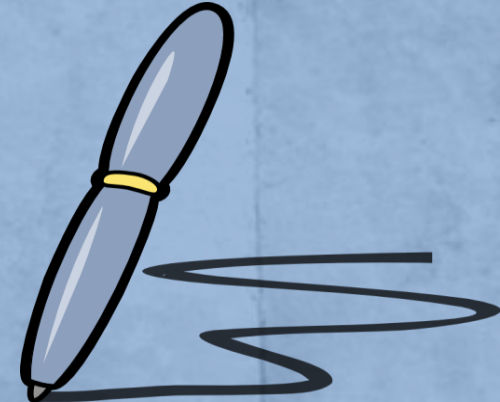
Name: _____

Title: _____

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

Document 5: Closing Affidavit

Lender completes
and signs.



STEP TWO: Closing



DOCUMENT 6

NOTICE OF POTENTIAL RECAPTURE TAX

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

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 includes 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.

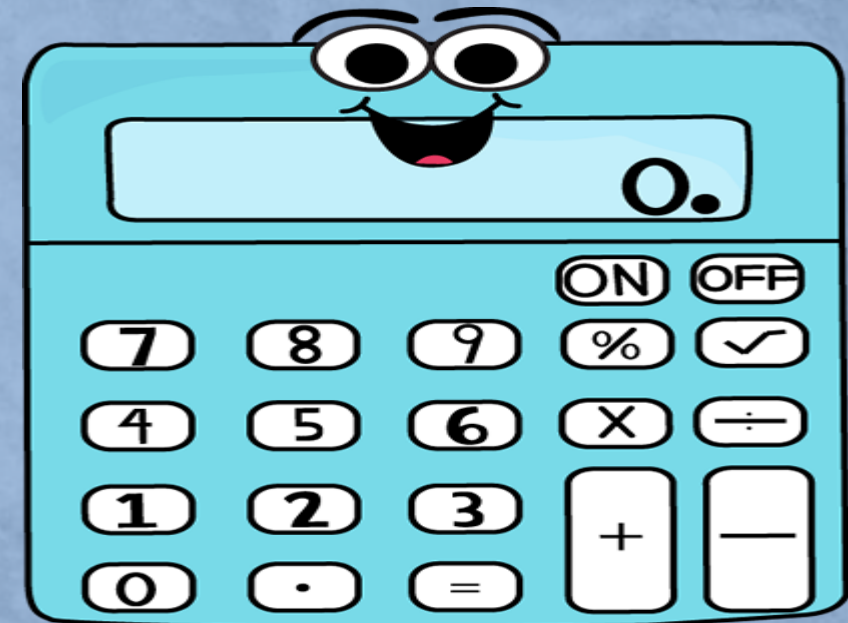
B. *Maximum Recapture Tax.* The maximum recapture tax that you may be required to pay as an addition to your federal income tax is \$_____ [insert the total Loan amount times 6.25%]. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

C. *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 total Loan amount times 6.25%] (the maximum recapture tax, as described in paragraph B above),
- (ii) The holding period percentage, as listed in Column 1 in the Table, and

Document 6 : Notice of Potential Recapture Tax

Formula for B & C =
Loan amount x 6.25%



STEP TWO: Closing

 Table COUNTIES OF CHAMBERS, LIBERTY & WALLER, AND THE CITIES OF BAYTOWN, DEER PARK, DICKINSON, LA MARQUE, LA PORTE, LEAGUE CITY, PASADENA SANTA FE, SHOREACRES, TEXAS CITY AND TOMBALL					
DATE THAT YOU SELL YOUR HOME	EFFECTIVE 5/2017	(COLUMN 2) NON TARGETED AREA ADJUSTED QUALIFYING INCOME		(COLUMN 3) TARGETED AREA ADJUSTED QUALIFYING INCOME	
	(COLUMN 1) HOLDING PERIOD PERCENTAGE	NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE		NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE	
		2 OR LESS	3 OR MORE	2 OR LESS	3 OR MORE
Before the first anniversary of closing (See note below)	20%	\$71,500	\$82,225	\$85,800	\$100,100
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$75,075	\$86,336	\$90,090	\$105,105
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$78,828	\$90,653	\$94,594	\$110,360
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$82,770	\$95,185	\$99,324	\$115,878
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$86,908	\$99,945	\$104,290	\$121,672
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$91,254	\$104,942	\$109,504	\$127,755
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	\$95,816	\$110,189	\$114,980	\$134,143
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$100,607	\$115,698	\$120,729	\$140,850
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$105,638	\$121,483	\$126,765	\$147,893

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 Program Administrator in order to complete Column 2.

Recapture Tax Table

Choose correct
Recapture Tax
Table for
County

STEP TWO: Closing



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

Signature of Applicant

Date

Signature of Applicant

Date

Document 6: Notice of
Potential Recapture Tax
Borrower Signature Page
Cont.



Borrower/co-borrower
and all Non Purchasing
Spouses sign/ e-sign.

LENDER: SEND TO TITLE COMPANY FOR CLOSING

- ✓ Please make sure to have Borrower/Co Borrower, (Non Purchasing spouse) sign. (Doc 6)
- ✓ Seller or Representative signs Doc 4
- ✓ Lender signs Doc 3 & 5.

SCAN/FAX the above list of documents to P.constance@sethfc.com or 832-379-2518

STEP TWO DOCUMENTS FOR CLOSING / ISSUANCE:

DOCUMENT 3	—	Certificate of Lender	Page 11
DOCUMENT 4	—	Affidavit of Seller	Page 12
DOCUMENT 5	—	Closing Affidavit (Along with executed Closing Disclosure)	Page 13
DOCUMENT 6	—	Notice of Potential Recapture Tax	Page 14

Within 15 days after Funding SCAN/FAX the above list of documents to P.constance@sethfc.com or 832-379-2518

*****NO MCC FEES*****
*(SETH 5 Star & GoldStar fees remain the same)

If submitted after 15 days of Funding file is subject to \$75 late fee.

STATUS CHANGE FORM



CONGRATULATIONS!!

**YOUR BORROWER HAS CLOSED
WITH A SETH MCC**

**DON'T FORGET TO RETURN
THE DOCUMENTS LISTED IN
STEP TWO TO ME!**



- Once I receive all Step Two documents, your buyer will receive their MCC Certificate in the mail.
- Remind them to make a copy of their MCC Certificate. They will need it for tax time.
- To help your buyer remember to claim their credit SETH will mail an example of the tax form to take advantage of this valuable credit.

STATUS CHANGE DOCUMENTS

Document 7 Extension Request Form

This form extends the commitment for an additional 30 days. Must be submitted prior to commitment expiration date. Must accompany a lender company check, money order or cashier's check of \$50 payable to SETH.

Document 8 Notice of Cancellation/Denial of Eligibility for MCC.

Must be submitted to cancel an existing MCC commitment .

Document 9 MCC Reissuance Application (Refinance) Use this form for Refinancing the MCC.

These forms are located at the back of the Fillable forms.

- ❖ See Extension Request Form if needed
- ❖ Need to cancel an MCC?
- ❖ Avoid losing your MCC Benefit. Reissuance to be used when refinancing

Contact Us for Help:



MCC Program Admin:

Phyllis Constance 281.484.4663 x111

p.constance@sethfc.com

SETH Homebuyer Education Assistance:

Nell Turk 281-484-4663 x107

nturk@sethfc.com

www.sethfc.com

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