



## SETH 2023 MCC SUBMISSION GUIDE

### STEP ONE DOCUMENTS REQUIRED FOR RESERVATION:

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SETH Homebuyer Education Certificate

Previous 3 Years Signed Tax Returns or IRS Transcripts

Subject Property Tax Certificates or Appraisal District Print Out

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### STEP TWO DOCUMENTS REQUIRED FOR MCC ISSUANCE:

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Executed CD

Direct all MCC correspondence to: [compliance@sethfc.com](mailto:compliance@sethfc.com)



**DOCUMENT 1: MCC SUBMISSION COVER SHEET  
SOUTHEAST TEXAS HOUSING FINANCE CORPORATION**

Company Name: \_\_\_\_\_  
Lender Contact: \_\_\_\_\_  
Lender Phone: \_\_\_\_\_

Lender Title: \_\_\_\_\_  
Email: \_\_\_\_\_

Applicant 1: \_\_\_\_\_  
Taxpayer ID # (TIN): \_\_\_\_\_  
First Time Home Buyer: \_\_\_\_\_ YES \_\_\_\_\_ NO  
Anticipated Annual Family Income\*\*: \$ \_\_\_\_\_  
\*\*Enter all income in Document 2  
Prior Year Adjusted Gross Income: \$ \_\_\_\_\_

Applicant 2: \_\_\_\_\_  
Taxpayer ID # (TIN): \_\_\_\_\_  
Qualified Veteran: \_\_\_\_\_ YES \_\_\_\_\_ NO  
Family Size: \_\_\_\_\_  
Ethnicity (Optional): \_\_\_\_\_

Subject Property Address: \_\_\_\_\_

Subject Property County: \_\_\_\_\_  
Targeted Area: \_\_\_\_\_ YES \_\_\_\_\_ NO  
Loan Amount: \$ \_\_\_\_\_

Residence: \_\_\_\_\_ New \_\_\_\_\_ Existing  
Census Tract #: \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

MCC Commitment Number: \_\_\_\_\_

MCC Commitment Expiration Date: \_\_\_\_\_

Loan Maturity: \_\_\_\_\_  
Loan Term (Years): \_\_\_\_\_  
Closing Date: \_\_\_\_\_

Interest Rate on Loan (%): \_\_\_\_\_  
Lender Loan Number: \_\_\_\_\_

Is mortgage financed by a DPA Program? \_\_\_\_\_ NO \_\_\_\_\_ YES, Name: \_\_\_\_\_

**Commitment: Mark as attached**

- \_\_\_\_\_ Affidavit of Applicant (optional forms Certification of No Income & Tax Return Affidavit)
- \_\_\_\_\_ 3 years tax returns with W-2's or transcripts
- \_\_\_\_\_ Prior Residences Form
- \_\_\_\_\_ SETH - Homebuyer Education Certificate
- \_\_\_\_\_ Tax Certificate/ Appraisal District Print Out for Property

**For Issuance of MCC: Mark as attached**

- \_\_\_\_\_ Lender Certification (Doc 3)
- \_\_\_\_\_ Affidavit of Seller (Doc 4)
- \_\_\_\_\_ Closing Affidavit (Doc 5) with signed Closing Disclosure
- \_\_\_\_\_ Notice of Potential Recapture Tax (Doc 6)

Submit MCC files to: [compliance@sethfc.com](mailto:compliance@sethfc.com)  
Need assistance: Give us a call at 281.484.4663  
\$2,500 Grant awarded to all SETH MCCs

## 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, or 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" defined as a person who is a veteran per 38 U.S.C. Section 101 and 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.

**List all who will live in the residence (including minor children):**

NAME	RELATIONSHIP	AGE	SOCIAL SECURITY # - TIN

**Name and address of employer for all adult members that will contribute to the family income, including all non-purchasing spouses.**

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

Total Monthly Gross Income: \$ \_\_\_\_\_

**X 12 =**

Anticipated Annual Family Income: \$ \_\_\_\_\_

**I UNDERSTAND THAT INCOME MEANS THE CURRENT ANTICIPATED ANNUAL FAMILY INCOME AT THE TIME OF CLOSING, REQUIRED TO COMPLY WITH FEDERAL INCOME TAX LAWS RELATING TO THE MCC PROGRAM.**

(a) *“Monthly gross income”* includes all amounts that I receive or expect to receive, whether or not I receive that amount on a regular basis. 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; 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. In the State of Texas, Income will include all mortgagors occupying the residence and liable on the Deed of Trust must be taken into account, including the income of the non-purchasing spouse and he/she must meet all other MCC requirements and sign all affidavits.

(b) My adjusted gross income for the prior year, when added to the adjusted gross income of all persons who intend to live with me in the Residence, is \$\_\_\_\_\_. Taken directly from Tax Returns.

(c) I agree to furnish true copies of the federal income tax returns (with W-2s attached) **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 who will be liable on the loan. If I or any of my Co-Applicants were not required to file federal income tax returns for the previous three years, I have provided a signed statement listing the years that I or my Co-Applicants were not required to file. *If the Residence is located in a Targeted Area or applicant/ co -applicant is a Qualified Veteran, only tax returns for the year most recently ended need to be provided.*

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 \_\_\_\_\_.

*“Cost” or “Purchase Price” of the Residence to me is \$\_\_\_\_\_ or less and does not exceed the applicable maximum Purchase Price limit. “Cost” and “Purchase Price” includes fixtures, but does not include personal property, reasonable and usual settlement and financing costs. If the Applicant agrees to pay a cost usually paid by the Seller, that amount must be included in the above figure representing the Purchase Price.*

I intend to live in the Residence within a reasonable time (not to exceed 60 days) as my Principal Residence after closing of the Mortgage. 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.

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.

*Prior Ownership of a Residence.* If the applicant or co-applicant is not a Qualified Veteran or purchasing in a Targeted area, the following statements are true: I have not owned a “Principal Residence” at any time during the last three years. I understand that “Principal Residence” means the same thing that it did in the paragraph above. I understand that owning a “Principal Residence” could include the following types of arrangements: direct ownership; 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; an interest in a mobile home that is permanently affixed to land, customarily used at a fixed location, or required to be taxed as real property under the State law, and (iv) any other arrangements that would give me ownership in the future. I neither the co-applicant have claimed any deductions on my/our income tax returns during the last three years for real property taxes or interest on a home.

**The Residence** is \_\_\_\_\_ is not \_\_\_\_\_ in a Targeted Area. (Select the correct line)

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). No portion of the financing for the Residence may come from the proceeds of qualified mortgage bonds or qualified veterans’ mortgage bonds.

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.

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.

*Verification.* I have been furnished a copy of the MCC Information Guide and am familiar with and understand the provisions of the Program.

I have not made application to and been rejected by another Lender for a Mortgage Credit Certificate under the Program for a loan similar in type and amount. I have not previously received a Mortgage Credit Certificate under the Program.

I have not been required to use any particular lender to finance the purchase of the Residence in order to qualify for the Mortgage Credit Certificate Program. No portion of the Mortgage has been made by or will be repaid to a person who is related to me.

I understand that the Mortgage Credit Certificate may not be transferred unless the Corporation, through the Administrator, issues a new Mortgage Credit Certificate. If I ever want to transfer my Mortgage Credit Certificate under the transfer provisions of the Program, the person to whom my Mortgage Credit Certificate is transferred must qualify as an Applicant and must meet all of the requirements for a Mortgage Credit Certificate that are in place at the time the new certificate is to be issued.

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. **I further acknowledge that I have received and read the preliminary notice of potential recapture tax** that describes the potential interest recapture in detail and that was provided to me by the lending institution that is providing the financing for my purchase of the Residence.

All documents attached to this affidavit and marked as attachments are part of this affidavit and are true and correct and not misleading. I understand that 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 Mortgage Credit Certificate. Revocation will occur if the Residence to which the Mortgage Credit Certificate relates ceases to be Applicant's Principal Residence.

Because the Lender has explained the Program to me, I am familiar with and understand the provisions of the Program. I understand that the Lender, the Administrator, the Internal Revenue Service, the Corporation 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 Corporation and their authorized representatives access to any information, including all closing statements and forms, 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. I authorize the Lender listed to submit such other evidence of income that may be required for review but not limited to pay stubs, and copies of the federal income tax returns. I authorize The Southeast Texas Housing Finance Corporation (the "Administrator"), the Lender, the Corporation and their agents to review the returns and any other documents as may be necessary to process my application for a Mortgage Credit Certificate under the Program.

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

APPLICANT:

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

APPLICANT:

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**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 A MORTGAGE CREDIT CERTIFICATE BECAUSE I WAS NEGLIGENT WILL RESULT IN A CIVIL PENALTY OF \$1,000, *REVOCATION OF ANY MORTGAGE CREDIT CERTIFICATE 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 MORTGAGE CREDIT CERTIFICATE 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.

## DOCUMENT 2A

### CERTIFICATION OF NO INCOME

Complete for any adult in the household who will be named on Deed of Trust and earns 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/Annuities
Workers Compensation	Pensions
Child Support	General Assistance
Education Grants/Work Study	Disability
Self-Employment	Union Benefits
Aid to Families with Dependent Children	Family Support

I certify that the foregoing is true, complete and correct. I consent to the making of any reasonable inquiries to verify the statements herein. I also understand that false statements or omissions are grounds for disqualification and/or prosecution under the full extent of the law.

Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature



## DOCUMENT 2B

### TAX RETURN AFFIDAVIT

Complete for any adult in household not required to file taxes in the past 3 years and who will be named on Deed of Trust.

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.

Printed Name(s):	Signature(s)	Taxpayer ID Number(s):
_____	_____	_____
_____	_____	_____

## DOCUMENT 2C

### PRIOR RESIDENCES:

NOT REQUIRED IF RESIDENCE IS LOCATED IN A TARGETED AREA

During the previous 3 years I have either:

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

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

(Indicate additional addresses on separate sheet, if necessary)

- 2) Lived with the following members of my family (without ownership of 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: \_\_\_\_\_

### DOCUMENT 3: LENDER CERTIFICATION

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 under penalty of perjury that this statement is true and correct.

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Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## DOCUMENT 4: AFFIDAVIT OF SELLER

To the Seller: The party purchasing your home has applied for a Mortgage Credit Certificate ("MCC") with The Southeast Texas Housing Finance Corporation ("SETH"). IRS and Program Guidelines require you (the Seller) to sign this document as verification that you and the buyer have agreed to the purchase price shown below. All blanks should be completed prior to receiving this Affidavit. We appreciate your cooperation with providing access to affordable housing programs like our MCC Program.

I, as the Seller of a residence located at \_\_\_\_\_, recognize that the buyer, \_\_\_\_\_, is applying for an MCC from The Southeast Texas Housing Finance Corporation's Mortgage Credit Certificate Program.

The purchase price for this property 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 borrower.

The property is a complete unit and suitable for occupancy.

Excluding funds provided for the escrow, I have received no money from the buyer. Outside of the contract for the sale of the property listed above, the buyer and I have not entered into no other contract or agreement regarding the disposition of this property.

I acknowledge that any material misstatement negligently or fraudulently made by me in connection with the MCC application is a federal violation punishable by a fine and revocation of the MCC, in addition to any criminal penalty imposed by law.

Date: \_\_\_\_\_

PRINTED NAME(S) OF SELLER:

\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE (S) OF SELLER:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Seller signature is not required for REO properties. Check this box if the property is a real estate owned (REO) property.

## DOCUMENT 5: CLOSING AFFIDAVIT

I hereby reaffirm that the statements and information contained in the MCC Affidavit of Applicant which I executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ were true, accurate and complete when made by me and remain true, accurate, complete and unchanged. This applies and is not limited to anticipated annual family income and sales price of subject property. \*

Name:

Tax ID#

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Property Address: \_\_\_\_\_

Closing Date: \_\_\_\_\_

Sales Price: \$ \_\_\_\_\_

Loan Term (Years): \_\_\_\_\_

Loan Amount: \$ \_\_\_\_\_

The undersigned hereby certifies the statements above as accurate.

By: \_\_\_\_\_

Lender Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

\*

If the acquisition cost of the residence or applicant's anticipated annual income has changed, please update the Affidavit of Applicant and resubmit after executed.

## DOCUMENT 6: NOTICE OF POTENTIAL RECAPTURE TAX

To be completed by Lender and delivered to Applicant at the time of Loan Closing

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 \$\_\_\_\_\_ [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) \$\_\_\_\_\_ [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

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

D. *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 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%.

E. *Limitations and Special Rules on Recapture Tax.* (1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

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

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Signature of Applicant

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Date

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Signature of Applicant

---

Date



## Recapture Calculation Table: Austin County Effective 5.23.2022

Re: Properties located in Austin County

DETERMINED BY DATE HOME IS SOLD:	HOLDING PERIOD %	NON TARGETED AREA ADJUSTED QUALIFYING INCOME	
		2 OR LESS*	3 OR MORE*
Before the first anniversary of closing **	20%	\$86,900	\$99,935
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$91,245	\$104,932
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$95,807	\$110,178
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$100,598	\$115,687
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$105,627	\$121,472
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$110,909	\$127,545
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	\$116,454	\$133,922
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$122,277	\$140,619
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$128,391	\$147,650

- \* NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE
- \*\* CLOSING REFERS TO THE CLOSING DATE OF ORIGINAL PURCHASE.
- THIS NOTICE MUST BE PROVIDED TO THE MCC APPLICANT. 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(I) 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 FORMULA FOR DETERMINING THESE NUMBERS IS SET FORTH IN SECTION 143(M)(5) OF THE CODE.

# Recapture Calculation Table: Brazoria County Effective 5.23.2022

Re: Properties located in Brazoria County

DETERMINED BY DATE HOME IS SOLD:	HOLDING PERIOD %	Non Targeted Area Adjusted Qualifying Income	
		2 OR LESS *	3 OR MORE *
Before the first anniversary of closing **	20%	\$107,000	\$123,050
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$112,350	\$129,203
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$117,968	\$135,663
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$123,866	\$142,446
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$130,059	\$149,568
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$136,562	\$157,046
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	\$143,390	\$164,899
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$150,560	\$173,144
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$158,088	\$181,801

- \* NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE
- \*\* CLOSING REFERS TO THE CLOSING DATE OF ORIGINAL PURCHASE.
- THIS NOTICE MUST BE PROVIDED TO THE MCC APPLICANT. 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(I) 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 FORMULA FOR DETERMINING THESE NUMBERS IS SET FORTH IN SECTION 143(M)(5) OF THE CODE.

## Recapture Calculation Table: Multiple Program Areas Effective 5.23.2022

Re: Properties located in the following program areas: Counties of Chambers, Liberty and Waller or within the Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, League City, Pasadena, Santa Fe, Shoreacres, Texas City or Tomball

	HOLDING PERIOD %	NON TARGETED AREA ADJUSTED QUALIFYING INCOME		TARGETED AREA ADJUSTED QUALIFYING INCOME	
		2 OR LESS*	3 OR MORE*	2 OR LESS*	3 OR MORE*
DETERMINED BY DATE HOME IS SOLD:					
Before the first anniversary of closing **	20%	\$88,600	\$101,890	\$106,320	\$124,040
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$93,030	\$106,985	\$111,636	\$130,242
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$97,682	\$112,334	\$117,218	\$136,754
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$102,566	\$117,950	\$123,079	\$143,592
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$107,694	\$123,848	\$129,233	\$150,771
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$113,079	\$130,040	\$135,694	\$158,310
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	\$118,732	\$136,542	\$142,479	\$166,225
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$124,669	\$143,369	\$149,603	\$174,537
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$130,903	\$150,538	\$157,083	\$183,264

- \* NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE
- \*\* CLOSING REFERS TO THE CLOSING DATE OF ORIGINAL PURCHASE.
- THIS NOTICE MUST BE PROVIDED TO THE MCC APPLICANT. 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(I) 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 FORMULA FOR DETERMINING THESE NUMBERS IS SET FORTH IN SECTION 143(M)(5) OF THE CODE.

# Recapture Calculation Table: Matagorda, Walker, Wharton Effective 5.23.2022

Re: Properties located in Matagorda, Walker or Wharton Counties

	HOLDING PERIOD %	NON TARGETED AREA ADJUSTED QUALIFYING INCOME		TARGETED AREA ADJUSTED QUALIFYING INCOME *WALKER COUNTY ONLY	
		2 OR LESS	3 OR MORE	2 OR LESS	3 OR MORE
DETERMINED BY DATE HOME IS SOLD:					
Before the first anniversary of closing **	20%	\$85,300	\$98,095	\$102,360	\$119,420
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$89,565	\$103,000	\$107,478	\$125,391
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$94,043	\$108,150	\$112,852	\$131,661
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$98,745	\$113,557	\$118,494	\$138,244
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$103,683	\$119,235	\$124,419	\$145,156
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$108,867	\$125,197	\$130,640	\$152,414
On or after the sixth anniversary of closing, but before the seventh anniversary of closing	60%	\$114,310	\$131,457	\$137,172	\$160,034
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$120,026	\$138,030	\$144,031	\$168,036
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$126,027	\$144,931	\$151,232	\$176,438

- \* NUMBER OF FAMILY MEMBERS LIVING IN YOUR HOME AT THE TIME OF SALE
- \*\* CLOSING REFERS TO THE CLOSING DATE OF ORIGINAL PURCHASE.
- THIS NOTICE MUST BE PROVIDED TO THE MCC APPLICANT. 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 FORMULA FOR DETERMINING THESE NUMBERS IS SET FORTH IN SECTION 143(M)(5) OF THE CODE.

## **STATUS CHANGE FORMS**

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 the Corporation.

NOTICE OF CANCELLATION/DENIAL OF ELIGIBILITY FOR MCC - Must be submitted to cancel an existing MCC commitment.

MCC REISSUANCE APPLICATION (REFINANCE) - Use this form for Refinancing the MCC.

## DOCUMENT 7: EXTENSION REQUEST FORM

The Applicant and Lender are hereby requesting a thirty (30) day extension of the MCC Commitment Letter referenced above. Enclosed is a check or money order payable to The Southeast Texas Housing Finance Corporation (the “Administrator”) for payment of the \$50 MCC Extension Fee.

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

DATED: \_\_\_\_\_

Applicant(s):

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Signature of Applicant

Lender: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

ADMINISTRATOR’S ISSUANCE OF EXTENSION

The above-referenced MCC Commitment Letter is hereby extended to \_\_\_\_\_.

DATED: \_\_\_\_\_

THE SOUTHEAST TEXAS HOUSING FINANCE  
CORPORATION, as Administrator

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DOCUMENT 8: NOTICE OF DENIAL OF ELIGIBILITY FOR MCC**  
Submitted by Lender to cancel MCC Application with SETH

To: Administrator  
Southeast Texas Housing  
Finance Corporation  
11111 South Sam Houston Parkway East  
Houston, Texas 77089

Applicant 1: \_\_\_\_\_ Applicant 2: \_\_\_\_\_  
Taxpayer ID # (TIN): \_\_\_\_\_ Taxpayer ID # (TIN): \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
MCC Commitment Letter been issued: Yes \_\_\_\_\_ No \_\_\_\_\_  
If Yes, what is the MCC Commitment Number: MCC Commitment #: \_\_\_\_\_

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

- ☐ Loan withdrawn or will not close using an MCC.
- ☐ Applicant's current ANTICIPATED ANNUAL FAMILY INCOME exceeds the Program income limits.
- ☐ Applicant's prior year's ADJUSTED GROSS INCOME exceeds \$ \_\_\_\_\_.
- ☐ The ACQUISITION COST of the Residence exceeds the applicable Program limits.
- ☐ Applicant does not meet the FIRST-TIME HOMEBUYER requirement.
- ☐ 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 \_\_\_\_\_

This information is being tendered to the Administrator for the sole purpose of compliance with the Program Manual and is not to be used for any other purpose.

Date: \_\_\_\_\_, Lender  
Loan Officer Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## DOCUMENT 9: MCC REISSUANCE APPLICATION FOR REFINANCE TRANSACTIONS

### THE SOUTHEAST TEXAS HOUSING FINANCE CORPORATION MORTGAGE CREDIT CERTIFICATE PROGRAM

MCC # \_\_\_\_\_ Date \_\_\_\_\_

MCC Applicant Name:

\_\_\_\_\_ TIN: \_\_\_\_\_

\_\_\_\_\_ TIN: \_\_\_\_\_

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This constitutes my application for a reissued Mortgage Credit Certificate (a *“Reissued MCC”*) from The Southeast Texas Housing Finance Corporation (the *“Issuer”*) in connection with the refinancing of Mortgage Loan on my Principal Residence. I acknowledge, understand, agree and certify under oath to the following:

1. I was previously issued an MCC (the *“Existing MCC”*) by the Issuer pursuant to The Southeast Texas Housing Finance Corporation’s Mortgage Credit Certificate Program on \_\_\_\_\_, 20\_\_\_\_. My Mortgage Credit Certificate Number is \_\_\_\_\_.

2. I have refinanced the Mortgage Loan for which the Existing MCC applied.

3. I understand that, as a result of the refinancing of my previous Mortgage Loan the federal income tax credits may not be claimed on the interest paid on the new Mortgage Loan unless my MCC is reissued.

4. I hereby certify that the Residence refinanced in connection with this application for a Reissued MCC is the same Residence financed in connection with the Existing MCC.

5. I understand that the Certified Indebtedness Amount specified on the Reissued MCC may not exceed the outstanding balance as of the date of refinancing of the Certified Indebtedness Amount of the Existing MCC. I also understand, The Reissued MCC will be issued for a Mortgage Loan amount that is not greater than the amount that was required to pay off the remaining principal balance of the previous mortgage loan.)

If the principal amount of your new Mortgage Loan exceeds the amount required to pay off the previous Mortgage Loan, then only a portion of the interest on the new Mortgage Loan Amount is eligible for a tax credit.



I understand that the Reissued MCC will not entitle me to take tax credits in any taxable year that exceed the Credit that would otherwise have been allowable to me with the Existing MCC.

My new (refinancing) Mortgage Loan closed on \_\_\_\_\_.

The following items have been enclosed with this MCC Reissuance Application and Affidavit:

- A. A copy of the Existing MCC.
- B. A copy of the Pay-Off Statement for the previous loan.
- C. Certified copy of the Closing Disclosure- Settlement Statement for the new loan.
- D. A cashier's check, money order or a check from the Title Company in the amount of \$325 payable to The Southeast Texas Housing Finance Corporation as fee for processing the MCC Reissuance Application and reissuing an MCC.

I understand that the Reissued MCC will entirely replace the Existing MCC (that is, I cannot retain the Existing MCC with respect to any portion of the outstanding amount of the Certified Indebtedness Amount on the Existing MCC).

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date