BORROWER'S AFFIDAVIT
PART I

STATE OF MISSISSIPPI]
COUNTY OF _____]

The undersigned _____jointly, the ("Borrower"), being duly sworn according to law, deposes and says:

1. **Residency**. I am (or intend to become) a legal resident of the State of Mississippi and a U.S. Citizen or an Alien admitted for legal residency.
2. **Principal Residence.** The proceeds of the mortgage loan will be used to purchase a Residential Housing Unit located in the state of Mississippi. The Residential Housing Unit shall be my permanent and principal residence and I will occupy the Residential Housing Unit within 60 days after loan closing and intend to occupy the property as a principal residence for the life of the loan. If you cease to use the residence as your principal residence for a period in excess of twelve (12) months, no deduction will be allowed for mortgage interest accruing after the first day in such period in the calculation of your federal income taxes.
3. **Legal Capacity.** I have the legal capacity to incur the obligation of the mortgage loan.
4. **Income Tax Returns.** Attached are copies of the Federal Income Tax Returns filed with the I.R.S. in each of the last three years.
5. **New Mortgage.** No part of the Mortgage loan proceeds will be used to refinance or replace an existing mortgage or other owner financing of the Borrower(s), except that all or any part of the Mortgage loan proceeds may be used to pay, replace either (a) a construction loan which I received or (b) a bridge or similar temporary initial financing which had a term of twenty-four months or less. I understand that conditional land sale contracts or a lease with an option to purchase or any other form of owner financing are considered existing loans or mortgages for the purpose of this section, and such instruments are not eligible for financing.
6. **Prior Home Ownership.** During the past three years I have _____/ have not _____ had a present ownership interest in my principal residence. I understand that "present ownership" includes ordinary ownership (a fee simple interest), a joint tenancy, a tenancy in common, a tenancy by the entirety, an interest in a cooperative, a life estate, a conditional land sale contract, a lease with options to purchase or an interest in trust established by myself or some other person. No ownership interest has occurred in a principal interest during the prior three (3) years, unless the property is located within a "Targeted Area" or otherwise exempt from this requirement under federal law
7. **Income Produced by the Property.** The Residential Housing Unit, or any part thereof, will not be used in any manner that may permit a trade or business use deduction under Section 280-A of the Internal Revenue Code. No more than fifteen percent (15%) of the total area of the Residential Housing Unit will be used in a trade or business.
8. **Size of the Real Estate.** The land associated with the Residential Housing Unit is not to excess of that necessary to maintain the basic livability of the Residential Housing Unit.
9. **Current Annual Family/Household Income.** The combined income of all persons intending to reside in the Residential Housing Unit as shown on the Income Calculation worksheet is $ _____, which does not exceed the limit of $ _____for _____County so I (We) meet the income limitations established by MHC.
10. **Acquisition Cost.** The acquisition cost of the Residential Housing Unit as computed below is $ _____and does not exceed the maximum acquisition cost of $ _____, for existing ____ or ____new (Check One) homes in _____County and these requirements are that the sales price of the property does not exceed MHC requirements for existing/new properties.
11. **Due-On-Sale Consent Statement.** Your home is being financed with a mortgage loan made available with the assistance of the Mississippi Home Corporation (MHC). This mortgage loan may be made at an interest rate below that which other mortgage lenders loaning their funds are currently charging. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from MHC, unless you pay your loan in full. If you sell your home to a party ineligible for MHC assistance and do not pay-off your loan in full, MHC may demand immediate and full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property. If the lender takes your home through foreclosure of the mortgage because of these reasons, the mortgage insurer (HUD, VA, Rural Development, Fannie Mae or Freddie Mac approved PMI Company) will not be able to help you.

    If the money received from foreclosure sale is not enough to pay the remaining interest amount of the money you owe on the loan, MHC may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by the insuring agency if MHC files an insurance claim against the agency because of the foreclosure. MHC or the insurer may bring action against you to collect the judgment.

ADDITIONS:

1. Amount paid, in cash or in kind, by the Borrower to or for the benefit of the Property Seller for the residence, all fixtures, and all land. (See item 2 if land is acquired separately from residence and fixtures). $_____
2. Cost of land on which the residence is or will be located (if purchased separately within two (2) years of construction start date, and not included in item 1 above). **Note**: Land owned for more than two (2) years by Borrower need not be included. $_____
3. Interest paid during construction period (if not included in item 1). $_____
4. Cost of all other work necessary to complete the residence $_____
5. Settlement cost, included here only if they are over and above the usual and reasonable amounts for a similar loan not financed with tax exempt bonds. $_____
6. Installation cost of manufactured housing; including costs of transportation, anchorage, utility hook-ups and similar items (if not included in item 1 above). $_____
7. Leasehold Mortgages Only*:* The capitalized value of the ground rent (formula to be provided by your originating lender.) $_____

SUBTRACTIONS:

8. Personal Property items expected to be purchased from the property Seller(s), other than fixtures. $_____
9. The value of services performed by the Borrower(s) or donated by family members in constructing, improving or completing the residence. $_____

Total Acquisition Cost: $_____

Under the provisions of the Internal Revenue Code of 1986, as amended, persons receiving benefits from qualified mortgage revenue bond financing may be required to rebate unto the federal government a portion of the mortgage loan interest deduction upon resale of the residence within nine (9) years.

_____ _____

Borrower's Signature Co-Borrower's Signature

Acknowledged and sworn to, before me, a notary public, this _____ day, of _____, 20_____.

Commission expires: _____

Seal

_____

Notary Signature