

GALVESTON COUNTY HOUSING FINANCE CORPORATION

AFFIDAVITS/CERTIFICATIONS

MORTGAGOR AFFIDAVIT

There are important legal consequences to this Affidavit. Read carefully before signing.

STATE OF TEXAS

COUNTY OF _____

SERVICER LOAN # _____

The undersigned, as part of my(our) application for a single family mortgage revenue bond loan (the Mortgage Loan) for a single-family residence (the Residence) that will become my (our) permanent, primary residence from a participating lender (the Lender) of my (our) choice, being first duly sworn state the following information to be true and correct:

MORTGAGOR LAST NAME	FIRST	MIDDLE	SOCIAL SECURITY #
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COMORTGAGOR LAST NAME	FIRST	MIDDLE	SOCIAL SECURITY #
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ADDRESS BEING PURCHASED _____

TEXAS

CITY	COUNTY	ZIP CODE
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CHECK AS APPLICABLE: _____ New Construction _____ Existing _____ Non-targeted Area _____ Targeted

Federal Income Tax Returns for the past three (3) years for all resident adults are submitted herewith or the reasons for exemption from filing are stated as follows: _____

Household Income includes the Anticipated Annual Gross Income from All Sources of All Persons in the Household 18 Yrs of Age and over. Income listed below must include, but not be limited to, 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), or withdrawals of cash or assets from the operation of a business or profession, 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 trust, the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, Veterans Administration (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 a unemployment and disability compensation, Workers Compensation, and severance pay, the maximum amount of welfare assistance or any other form of public assistance available to all adult residents of the residence, 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 household or spouse of other person whose dependents are residing in the residence and any earned income tax credit to the extent it exceeds income tax liability.

Total Persons in Household _____ Number of Income Recipients _____ Number of Minors _____

OCCUPANTS	MORTGAGOR	COMORTGAGOR/ SPOUSE	OTHER
Annual Wages, Commission, Bonuses	\$ _____	\$ _____	\$ _____
Self-Employment (Plus Depreciation)	\$ _____	\$ _____	\$ _____
Dividends/Interest/Annuities/Pensions	\$ _____	\$ _____	\$ _____
Child Support/Alimony/Public Assistance	\$ _____	\$ _____	\$ _____
Other Income	\$ _____	\$ _____	\$ _____
Grand Total Annual Household Income (Add All Amounts Above)	\$ _____	\$ _____	\$ _____

The Adjusted gross income of the Mortgagor and all adult persons intending to reside with the Mortgagor in the residence as set forth on the federal income tax returns for such persons is \$_____.

SERVICER LOAN # _____

TOTAL ACQUISITION COST of the property includes all amounts paid previously or in the future, in cash or in kind by the Mortgagor(s) or any other person(s) to or for the benefit of the Seller(s); points paid by the seller(s) excluding "usual and reasonable settlement and financing costs," additional amounts paid for fixtures under state law (i.e., light fixtures, window treatments, floor carpeting; capitalized value using discount rate of 6.05% of ground rent (leasehold estate); additional amounts to be paid if dwelling is incomplete or unfinished for which a written estimate of completion cost is attached; additional amounts for land purchased separately and not owned by the mortgagor(s) for at least two (2) years prior to the commencement of construction of the residence; and other amounts including any agreements, whether oral or written, property taxes in excess of the mortgagor(s) pro rata share and settlement and financing costs in excess of the usual and reasonable costs, hook-up, tap-in, site improvements, architectural and builder fees, permits, subcontracted items, construction loan interest and commissions. Apart from any normal real estate agents' commissions, no money is being paid, no promissory note is being delivered, nor is anything else of value (including, without limitation, personal property) being exchanged for or transferred to the seller of the residence or any other persons by me, or to my knowledge, by any other person in connection with the purchase of the property except as indicated in the escrow and settlement documents. I have not entered into any agreement with the seller of the residence, the developer, the contractor or any other person pursuant to which any portion of the residence has been left unfinished or any fixtures or other necessary architectural appointments have been omitted or removed from the residence in order to reduce the acquisition cost. I am not buying any unattached items of personal property from the seller in connection with the residence except as itemized with the amount of their purchase price that does not exceed their fair market value and attached hereto and incorporated into this Affidavit.

TOTAL ACQUISITION COST \$ _____

AND THAT (a) the residence, or one of the units in a two-four unit residence, will be occupied as my (our) principal residence within a reasonable time not to exceed 60 days of loan closing, will not be used as investment property, vacation, or recreational home, or in conjunction with business activities (as evidenced by the use of more than fifteen percent (15%) of the total floor space in a trade or business except for the rental of one to three of the units in a two-to-four family residence; and I(we) will immediately notify the Mortgage Servicer in writing if the residence ceases to be my(our) principal, permanent residence; (b) this is not a refinancing and an existing, previously occupied residence for which this mortgage loan is being requested will not replace my(our) existing mortgage or land contract or a newly constructed residence has not and will not be occupied prior to loan commitment and the proceeds of the mortgage loan will not be used to replace my(our) existing mortgage, unless such loan is a construction, bridge or temporary initial financing of 24 months or less; (c) for homes in non-targeted areas, all resident adults have submitted the most recent 3 years federal income tax returns or reasons exempted by law to do so, and individually or together have not had an ownership interest in a principal residence within 3 years of loan closing (principal residence includes single family detached, condominium, shares in housing cooperative, occupancy in an owned multi-family housing unit, factory made housing affixed to real property; ownership includes full or partial ownership interest, fee simple, joint ownership interest by joint tenancy, tenancy in common or tenancy in entirety, in interest of a tenant-stockholder in a cooperative, a land contract under which possession and the burdens and benefits of ownership are transferred, even if legal title is until some later date, ownership interest in trust or life estate interest); (d) no portion of the financing of the residence will receive a Mortgage Credit Certificate; (e) I(we) do not have an application in process nor have I(we) received a commitment for a mortgage loan under any other single family mortgage revenue bond program; (f) no person related to me(us) has or is expected to have an interest as a creditor in the mortgage loan; (g) I(we) must meet all federally and locally mandated requirements to qualify for the mortgage loan; (h) this Affidavit will be relied upon for the purposes of determining my(our) eligibility and if any information contained in this certification contains a material misstatement which is due to fraud or intentionally made, I(we) are subject to criminal penalty.

_____ Check here if the only present ownership interest that the Mortgagor had during the past three (3) year period ending on the date of execution of the mortgage has been the land on which the residence is being built, and that is the subject of a contract for deed, and that contract for deed is a seller-financed contract for the conveyance of land under which (i) legal title does not pass to the purchaser until consideration under the contract is fully paid to the seller and (ii) the seller's remedy for nonpayment is forfeiture rather than judicial or nonjudicial foreclosure. I(we) acknowledge that such a contract for deed will be treated as a present ownership interest unless my family income as shown herein is less than 50 percent of the applicable family income as determined under the program.

The land associated with the residence is not greater than the normal and usual size of a lot within the area and is not in excess of that necessary to maintain the basic livability of the residence, and in no event more than 2 acres. I do not expect to derive any income from the land associated with the residence.

If the residence is a two-to-four family residence (CHECK ONE)
_____ it was first occupied for residential purposes at least five (5) years prior to the execution of the mortgage, or
_____ it is a two-family residence located in a "Targeted Area" and my (our) household income does not exceed the maximum applicable household income for this program.

I(We) will not, and no related person to me (us) will purchase any of the Galveston County Housing Finance Corporation Single Family Mortgage Revenue Bonds in an amount related to the amount of my (our) mortgage loan.

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

Signature of CoMortgagor

PERSONALIZED
SEAL

Notary Public Signature

SERVICER LOAN # _____

return for all of the three years preceding the execution of the Mortgage Note, the Participant has obtained the Affidavit executed by the Mortgagor stating that fact.) If the requirements of the preceding were not, satisfied by the Mortgagor, the Mortgage Loan was for a Residence in a Targeted Area.

4. No facts have come to my attention as a result of said investigation or otherwise that would cause me to disbelieve or doubt the truth of the Affidavit of Mortgagor, the Affidavit of Seller, or if applicable, the Affidavit of Cosignor/Guarantor, or any portion of any of such affidavits and/or certificates. The Mortgage Loan satisfies all provisions of the Agreement that are applicable to the Mortgagor.

5. The information set forth in the Affidavit submitted is true and correct as of the date hereof and will be true as of the Closing Date, as appropriate, and on the Purchase Date, unless the Servicer/Administrator is notified in writing to the contrary prior to the Purchase Date. Each Mortgage Loan satisfies all applicable requirements set forth in the Agreement. The Residence is (check one): a single-family residence a two-family residence a three-family residence a four-family residence

If the Residence is a two to four family Residence, the sum of the principal amount of such Mortgage Loan and the principal amount of all Mortgage Loans previously made by the undersigned for two to four family Residences does not exceed 13% of the sum of the principal amount of such Mortgage Loan and all Mortgage Loans previously made by the undersigned.

6. If the Mortgagor was not required to satisfy the income limits set forth in the definition of Eligible Borrower in the Agreement due to the limited exception for one-third of the Targeted Area Mortgage Loans, the principal amount of such Mortgage Loan was \$_____. The sum of the principal amount of such Mortgage Loan and all other Targeted Area Mortgage Loans originated by the undersigned under which the Mortgagor did not satisfy the income limits set forth in the definition of Eligible Borrower does not exceed one-third of the Targeted Area Mortgage Loans made by the undersigned. The Mortgagor is not using the special rule for Contract for Deeds or the special rule for two-family residences that were not occupied for residential purposes at least five years prior to the date the Mortgage Loan was executed.

7. The Mortgage Loan is secured by a valid first lien on a Residence located within the Eligible Loan Area. To the knowledge of the Participant the Residence or one of the units in a two to four family Residence is occupied by or is to be occupied by the Mortgagor as his or her Principal Residence (e.g., not more than 15% of the total area is used as a trade or business). The Mortgage Loan is made in accordance with the Agreement, the GNMA Guide and the GNMA Guaranty Agreement and qualifies for purchase under the terms of the Agreement. The Mortgage Loan is made for the purpose of financing the purchase of the Residence subject to the related Mortgage and 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 the Closing Date, having an original term not exceeding 24 months, and not providing for scheduled payments of principal during such term or a Contract for Deed), is for a term of years permitted under the Agreement. To the Participant's best knowledge, the Mortgagor is an Eligible Borrower as specified in the Agreement.

8. Participant has complied with all rules and requirements of the insuring company and the contract of insurance, and such insurance is in full force and effect in compliance with the GNMA Guide and will, upon purchase of the Mortgage Loan, inure to the benefit of the Servicer/Administrator.

9. As of the Closing Date and the Purchase Date, the Mortgage Loan is and will be secured by a valid first lien in favor of the Participant and the Servicer/Administrator, respectively, on the property financed by the Mortgage Loan in accordance with the GNMA Guide subject only to the lien of current real property taxes and assessments, covenants, conditions and restrictions, rights of way, easements, and other matters of public record as of the date of recording of the related Mortgage, all as are acceptable to GNMA under the GNMA Guide. The improvements on the property covered by the Mortgage Loan have been fully completed and the mortgaged property is free and clear of all mechanic's and materialmen's liens, or liens in the nature thereof, and no rights are outstanding that could give rise to such liens, and the mortgaged property is free from all other liens, encumbrances, restrictions and covenants that would materially and adversely affect the value of the mortgaged property. In the event the Mortgage Loan was made to finance the purchase of a Newly-Constructed Residence, said Residence was constructed in accordance with all applicable building codes and standards and the builder has warranted all materials, workmanship, and mechanicals for a minimum period of one year.

10. Prior to the Closing Date, Participant had in its possession, with respect to the property financed by the Mortgage Loan and secured thereby, a mortgagee guaranty title insurance policy in accordance with the Agreement and the GNMA Guide.

11. As of the Purchase Date, the improvements upon the real property subject to the Mortgage Loan will be covered by a valid and existing Standard Hazard Insurance Policy, condominium insurance, and flood insurance, as applicable, and as required by the Agreement and GNMA, with an endorsement in favor of the Servicer/Administrator.

12. The terms, covenants and conditions of the Mortgage Loan have not been, and will not be as of the Purchase Date, waived, altered, impaired, or modified in any respect that materially affects the value, validity, enforceability, or prompt payment of the Mortgage Loan, or the security of the lien securing the Mortgage Loan, except for such waivers, alterations, and the like accomplished by Participant prior to the Purchase Date and disclosed to and approved in writing by the Servicer/Administrator and acceptable to GNMA pursuant to the GNMA Guide.

13. As of the Purchase Date, there is no default or delinquency under the terms and covenants of the Mortgage Loan; all costs, recording and other fees, and expenses incurred in making, closing and recording the Mortgage Loan have been paid; and, within the three month period preceding the submission of the Mortgage Loan by Participant for purchase by the Servicer/Administrator, there has not been outstanding any advance of funds by Participant, to or on behalf of the Mortgagor, to be used by the Mortgagor for the payment of any monthly installment, principal, interest, or other charges payable under the Mortgage Loan.

14. As of the Purchase Date, there are no delinquent tax or delinquent assessment liens against the property financed by the Mortgage Loan.

15. As of the Purchase Date, Participant has not done any act to create an offset, defense, or counterclaim to the Mortgage Loan, including the obligation of the Mortgagor to pay the unpaid principal of and interest on the Mortgage Loan.

16. There is pending no proceeding for a total or partial condemnation of the physical property financed by the Mortgage Loan and, based upon an inspection performed in connection with making the Mortgage Loan, said

SERVICER LOAN # _____

property is free of material damage and shall be in general good repair on the Purchase Date. The Participant has no knowledge that any improvement covered by the Mortgage Loan is in violation of any applicable zoning law or regulation.

17. The Mortgage loan, at the time it was made, conformed to all disclosures required to be made by the Real Estate Settlement Act and the Federal Truth-in-Lending Act or any similar applicable federal or state laws. All closing and settlement costs and all other charges in connection with the Mortgage Loan, paid or borne by the Mortgagor and by the Seller of the property securing the Mortgage Loan, have been disclosed to such parties and have been clearly itemized, identified, and explained in detail (with the party paying or bearing each such items of cost or other charge clearly indicated) on a closing or settlement statement, a signed copy of which was furnished on or before closing or settlement to such Mortgagor and Seller.

18. The Mortgage has been filed and recorded in the public records of the county in which the Residence is located and any different or other recording that might be required by the laws of the State to perfect the lien of real estate mortgages against the adverse or competing claim of third parties by giving public notice thereto have been accomplished as required by the GNMA Guide.

19. The Mortgage loan at the time of closing was in compliance with applicable State and federal usury laws and regulations.

20. Immediately prior to the transfer and assignment of the Mortgage Note and related Mortgage, the Participant has good title to, and is the sole owner of, such Mortgage Loan, and there is not now nor has there been any other sale or assignment thereof. The assignment of the Mortgage Note and Mortgage will have been, as of the Purchase Date, properly recorded or filed for record.

21. To the best knowledge of Participant, the Mortgagor has not conveyed the Mortgagor'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 Mortgagor's immediate family.

22. The Origination Fee, the stated interest rate, and all other fees and charges collected by the Participant for the Mortgage Loan are in compliance with the Agreement. The amounts collected by the Participant to reimburse the Participant for reasonable and customary charges paid or incurred for hazard or mortgage insurance premiums, surveys, title insurance, appraisal fees, abstract and attorney's fees, application fees, credit reports, and similar charges do not exceed the reasonable and customary amounts charged by the Participant for mortgage loans not funded from the proceeds of tax-exempt bonds.

23. Participant has no knowledge of any circumstances or conditions with respect to the Mortgage Loan, the Mortgage, the mortgaged property, or the Mortgagor or his credit standing that can be reasonably expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment, cause the Mortgage Loan to become delinquent, or adversely affect the value or marketability of the Mortgage Loan.

24. The principal amount of the Mortgage Loan does not exceed any applicable loan-to-value limits as established by FHA, VA or GNMA.

25. The Mortgage Loan is subject to FHA insurance or VA guaranty for the total principal amount of the Mortgage Loan, and meets all other requirements of a Mortgage Loan, and meets all other requirements of the GNMA Guide, as well as the rules and requirements of FHA or VA, as applicable. Such insurance or guaranty is in full force and effect and inures to the benefit of the holder of the Mortgage Loan.

26. The Participant has reviewed applicable credit reports and related documents required in connection with any application by the potential Mortgagor to assure itself, prior to approving such application, that such potential Mortgagor has the capacity to repay the Mortgage Loan.

27. As of the date on which the Servicer/Administrator determines to pool the Mortgage Loan(s) purchased by the Servicer/Administrator from the Participant, such Loan(s) will be eligible in all respect for pooling into a GNMA Certificate.

28. Upon purchase of this Mortgage Loan, Participant hereby certifies that all representations, warranties, and covenants of Participant contained in the Agreement are true and correct as of the Purchase Date unless written notice is given to Servicer/Administrator or Trustee on or before the Purchase Date.

29. The representations, warranties, and covenants of Participant contained in the Agreement are, as of the date hereof, and as of the Closing Date and Purchase Date will be, true and correct.

30. All terms used herein and not otherwise defined herein shall have the respective meanings assigned in the Agreement.

After completion of all underwriting, verifications and investigations the Lender has financed the mortgage loan and certifies that the information contained in all affidavits and certifications are true and correct to the best of its knowledge as of the closing date of the Mortgage Loan detailed as follows:

If New Construction, Certificate of Occupancy Date _____

Dated Signature of Authorized Officer

Telephone Number of Authorized Officer Name & Title of Authorized Officer