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**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA  
SINGLE FAMILY MORTGAGE CREDIT CERTIFICATE PROGRAM  
LENDERSOLICITATION**

The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) has established a mortgage credit certificate program which provides qualified first-time homebuyers with a federal income tax credit (the “Program”). Under the Program, qualifying homebuyers can receive a mortgage credit certificate entitling homebuyers to reduce their taxes by twenty-five percent (25%) of the amount of interest paid on their home loan (not to exceed \$2,000 per year). The tax credit is available each year that the borrower continues to live in the home financed under the Program.

The Phoenix IDA is hereby soliciting lenders who are interested in making loans to qualified homebuyers under the Program to participate in the Program. Any person or entity that is willing to provide financing for the acquisition, completes training provided by the Program Administrator and enters into a Participation Agreement may participate in the Program. Lenders desiring to participate in the Program should complete the Participation Agreement, as well as the eHousing Contact Sheet and return them as shown below. A list of participating Lenders may be published or provided by the Program Administrator to qualified homebuyers who request it. Neither the Phoenix IDA nor the Program Administrator will recommend any particular lender to a qualified homebuyer, nor will the Phoenix IDA or the Program Administrator prohibit a qualified homebuyer from using a Program lender of his or her choice.

The Program may be used in conjunction with the Home in Five Advantage Program or any other type of purchase mortgage loan (except loans from tax-exempt bond programs), but only within the city of Phoenix (see #7 below). The Program is solely that of the Phoenix IDA and is not a joint program with Maricopa IDA as is the Home in Five Advantage Program. However, any lender who is an approved Home in Five Advantage Program lender will have the \$1,000 fee waived for participation in this Program.

The general requirements pertaining to qualified homebuyers under the Program are set forth below. These requirements are subject to change in accordance with federal and state law.

1. *Principal Residence.* The homebuyer must occupy the home financed under the Program as his/her principal residence within a reasonable period, not to exceed 60 days, after the financing is provided. A principal residence is a home occupied primarily for residential purposes. A principal residence does not include a home used as an investment property, as a recreation home or a home 15 percent or more of the total area of which is used in a trade or business.

2. *First-Time Homebuyer.* Each homebuyer must be a first-time homebuyer. Any person who has not owned his/her principal residence at any time during the three years prior to closing a loan financed in connection with the Program is considered a first-time homebuyer. This requirement does not apply to loans in certain areas designated as targeted areas (collectively, the “Targeted Area”) or to loans to veterans if such veteran has not previously qualified for and received financing under either a mortgage credit certificate program or a qualified mortgage revenue bond program.

3. *Purchase Price.* Under the Program, the purchase price for residences may not exceed 90 percent (110 percent with respect to residences located in Targeted Areas) of the average area purchase price applicable to the residence. For this purpose, the “average area purchase price” is based upon the average purchase price of single family residences determined pursuant to applicable federal law with respect to both new and existing one, two, three and four unit residences. The current maximum purchase prices for homes under the Program are as follows:

<u>Non-Targeted Area</u>	<u>Targeted Area</u>
\$258,690	\$316,177

These limitations are subject to adjustment periodically.

4. *New Mortgage.* The mortgage loan financed in connection with the Program is required to be a new mortgage loan and may not replace a prior mortgage loan on the home (whether or not previously repaid). The mortgage credit certificates are available in connection with any not to exceed 30-year, fixed rate mortgage loan which is (i) a government loan eligible for purchase by GNMA, or (ii) a conventional loan eligible for purchase by Fannie Mae or Freddie Mac. Any lending institution is eligible to provide mortgage loans in connection with the Program as long as they are willing to follow Program requirements. A list of lenders that have agreed to follow Program requirements can be found at [www.ehousingplus.com](http://www.ehousingplus.com).

5. *Income.* Under the Program, the maximum family income for households of 3 or more persons may not exceed 115 percent (140 percent with respect to residences located in Targeted Areas) of the applicable median family income, subject to adjustment for high housing cost areas. For a family of 2 or fewer persons, the maximum family income may not exceed 100 percent (120 percent with respect to residences located in Targeted Areas) of the applicable median family income, subject to adjustment for high housing cost areas. The current limits on annual gross income for households under the Program (after adjustment for high housing cost areas) are as follows:

	<u>Non-Targeted Area</u>	<u>Targeted Area</u>
Families of 1 or 2 persons	\$64,000	\$76,800
Families of 3 or more persons	\$73,600	\$89,600

These limitations are subject to adjustment periodically. Gross income includes salary and wages, including overtime, as well as dividends, alimony, public assistance, social security, unemployment compensation and investment income.

6. *One- to Four-Family Home.* The residence financed in connection with the Program must be a one- to four-family residence. A one-family residence includes a detached home, one unit of a duplex, a townhouse or a condominium unit. If the residence is a two- to four-family residence, one unit of the residence must be the principal residence of the owner of the units and (with limited exceptions) the residence must have been first occupied for residential purposes at least five years prior to closing the loan financed in connection with the Program. Land adjoining the home is considered part of the home only if it maintains the home's livability and is not, other than incidentally, a source of income to the owner.

7. *Program Area.* In order to be eligible for a certificate, the home financed in connection with the Program must be located within the city of Phoenix, Arizona.

8. *Homebuyer Education Class.* Each homebuyer is required to participate in a Homebuyer Education Class approved by the Phoenix IDA prior to being eligible to receive a mortgage credit certificate.

9. *Fees due at Time of Loan Closing.* Two fees will apply to each application submitted: the MCC fee and the eHousingPlus Compliance/Admin Fee. The MCC fee is 0.5% of the mortgage loan amount and is payable to the Phoenix IDA. eHousingPlus charges a Compliance/Admin fee of \$275 if a person is using just an MCC. If the borrower uses just the MCC with the lender's own first mortgage, the fee would be \$275. This is called a standalone MCC. If the borrower chooses the Home in Five first mortgage (and grant) and an MCC, the fee is \$175 more for a total of \$450 (saving \$100) This is called a COMBO loan. If the borrower chooses just the Home in Five first mortgage (and grant), the fee under the Home in Five program continues to be \$275.

Under the Program, mortgage credit certificates will be issued to eligible borrowers on a first-come, first-served basis. The certificates are available in connection with only those types of new mortgages as discussed in paragraph 4 above. Any lending institution that signs a Participation Agreement is eligible to provide mortgage loans in connection with the Program, following approval by the Phoenix IDA.

This solicitation contains a summary of the requirements for qualified homebuyers under the Program. All potential lenders are encouraged to contact the Program Administrator at the address above to state an interest in lending to qualified homebuyers under the Program. More detailed information will be

made available in the Program Guidelines.

Contact information for returning Participation Agreements and eHousing Contact Sheets:

Participation Agreements:

Murray Boess  
Phoenix IDA  
251 W. Washington Street, 9th Floor  
Phoenix, AZ 85003  
(602) 534-0180  
mboess@phoenixida.com  
Scanned copy and original

Participation Agreement copy and  
eHousing Contact Sheet:

eHousingPlus  
3588 Lincoln Way  
Cooper City, FL 33026  
(954) 430-6072  
Scanned copy acceptable, email to:  
patt@ehousing.cc