

**MINNEAPOLIS/SAINT PAUL HOUSING FINANCE BOARD (the "Issuer")
MORTGAGE CREDIT CERTIFICATE PROGRAM**

NOTICES TO BUYERS

NOTICE OF POTENTIAL RECAPTURE

I am applying for a Mortgage Credit Certificate of the Issuer's *TakeCredit!* program, therefore, the Borrower(s) is (are) receiving a federal income tax benefit. If the Borrower(s) sell or otherwise dispose of the residence during the next 9 years, this benefit may be "recaptured". Such recapture is accomplished by an increase in the Borrower's(s)' federal income tax for the year in which the residence is sold or disposed. This recapture only applies if there is a gain resulting from the sale or disposition of the residence and the total annual household income increases above specified levels. You may wish to consult a tax advisor or the Internal Revenue Service at the time of sale or disposition of the residence to determine the amount, if any, of the recapture tax. Following loan closing, you will be provided additional information that will be needed to calculate the maximum recapture tax liability at the time you sell or dispose of the residence.

**IMPORTANT INFORMATION REGARDING YOUR
MORTGAGE CREDIT CERTIFICATE**

You are permitted to use 20% of each year's mortgage interest paid as a federal income tax credit for the term of the mortgage as long as the property for which the MCC was issued continues to be your principal residence. Each year when you file your federal income taxes, you will use Form 8396 or any form that the IRS designates that may succeed it to claim the MCC benefit. If you cannot use the full amount of the credit in any year, you may carry forward the unused amount for up to the next three tax years. You may use 80% of the mortgage interest as a deduction on your federal income tax return.

If you refinance your property, you may apply for a continuation of the MCC benefit. The MCC will be reissued for the amount of the remaining principal balance of the original mortgage. So, if the refinance, results in an increased mortgage amount, you will not receive the MCC benefit on any amount over the remaining balance of the original loan.

**NOTICE TO QUALIFIED HEROES PURCHASING IN SAINT PAUL
UTILIZING THE SAINT PAUL HRA SECOND MORTGAGE (If Applicable)
AMOUNT OF SECOND \$ _____**

I/We have applied for a second mortgage loan in the amount set forth above under the HRA's Program to be used toward the down payment and/losing costs incurred by me/us in connection with my/our purchase of the property (the "Property"). The lender has fully explained the terms and conditions of the second mortgage and has indicated that the second mortgage has been reserved along with the application for an MCC in the program internet reservation system .

DISCLOSURE OF BORROWER INFORMATION

The Borrower(s) hereby consent and agree that all information furnished by the Borrower(s) to the Lender, the Administrator and the Issuer, including but not limited to, non public personal and financial information (the "Information"), in connection with the application for mortgage loan(s) requesting an MCC under this program, may be disclosed to any person or other third parties in connection with the processing of the Borrower(s) loan application, verification of information concerning the loan or the Borrower(s), and for any other purpose in furtherance of or connected with the Issuer's program.

I/We have read and understand this Notices to Buyers.

Date: _____

BORROWER SIGNATURE

CO BORROWER SIGNATURE