

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
StartSmart PROGRAM**

EXHIBIT B

Application For Conditional Commitment, Certifications & Affidavit

The undersigned hereby states and certifies as part of the application for the StartSmart Program from the Arkansas Development Finance Authority ("ADFA") as a material inducement to ADFA to make a mortgage loan to the undersigned in connection with the financing, through a lender of the undersigned's choosing, the purchase of a Single-Family Residence as follows:

Borrower Legal Name: _____

Co-Borrower Legal Name: _____

Current Address: _____

PURCHASER OF SINGLE-FAMILY RESIDENCE CERTIFICATION

(I)(We) will be the purchaser and mortgagor of a new ___ or existing ___ (Please X one) Single Family residence located at:

Street Address: _____

City/County/ Zip: _____

(I)(We) will use the proceeds of the mortgage loan to purchase a home which is (____) is not (____) (please check one) located in a Targeted County or Qualified Census Tract.

The home is a private Single-Family residence and will be occupied by me and my family. Neither the home nor the land will be used to provide a source of income.

PRINCIPAL RESIDENCE CERTIFICATION

(I)(We) intend to occupy the home as my principal residence within sixty (60) days from the date of the mortgage loan closing, and (I)(We) will continue to occupy the home as (my)(our) principal residence until the loan is paid in full or assumed by a qualifying borrower. (I)(We) have no present intention to sell, lease, rent, assign, or otherwise transfer or dispose of the home.

NEW MORTGAGE CERTIFICATION

No part of the mortgage proceeds will be used to acquire or replace an existing mortgage, and (I)(We) did not have a mortgage (whether or not paid off) on the home at any time prior to the execution of this mortgage. This does not include a construction loan, bridge loan, or other temporary financing with a term of 24 months or less.

FEDERAL TAX RETURNS

A true and correct copy of the most recent one-year federal tax return is included in the compliance file (unless in a Targeted County). This tax return is primarily used to verify First Time Homeownership status and not to verify household income.

I have **NOT** filed, and was under no obligation to file, Federal tax returns for the following tax year:

I have filed Federal tax returns for the most recent tax year.

(Please check one)

NO PARTICULAR LENDER

(I)(We) understand that (I)(We) may seek financing for the first mortgage loan from any lender of (my)(our) choosing provided that the lender has signed the Master Servicer's Participation Agreement required by Arkansas Development Finance Authority.

ACQUISITION COST CERTIFICATION

The acquisition cost of the home, excluding any personal property separately purchased at fair market value, but including fixtures, is \$_____. Such acquisition cost reflects all amounts paid or to be paid to acquire the residence, plus reasonable costs of completing construction, if the residence is not finished, plus the capitalized value of ground rent, if the home is subject to a ground rent. The purchase price of the residence is as stated in the real estate contract. The real estate contract, and any other contracts and agreements in connection with the purchase and occupancy of the residence between myself and anyone acting directly or indirectly on my behalf and the seller, or anyone acting directly or indirectly on behalf of the seller are attached to this Affidavit. I/We understand that the applicable maximum purchase price allowable under the ADFA StartSmart Program is \$425,000.00, or an amount that will be set by ADFA from time to time.

FIRST TIME HOMEBUYER CERTIFICATION

Unless the residence is located in a Targeted County or granted a veteran's exception by ADFA, (I)(we) hereby certify that (I)(we) have not had a present ownership interest in a principal residence at any time during the three (3) year period prior to the date of application for the first mortgage loan. To the best of (my)(our) knowledge, the same is true with respect to each person (if any) purchasing and mortgaging the residence with me.

(I)(We) understand that for purpose of the foregoing, examples of interests which constitute present ownership interest (and thus would result in my/our not meeting such requirement) are as follows:

- *A joint tenancy
- *A tenancy in common
- *A tenancy by the entirety
- *A fee simple interest
- *A life estate
- *A community property interest
- *A land contract or contract for deed
- *The interest of a tenant shareholder in a cooperative
- *A lease with the option to purchase for a nominal sum

INCOME CERTIFICATION

(I)(We) understand that annual household income includes total gross income from all sources of all borrowers and spouses that reside or intend to reside in the residence to be financed with the proceeds of the mortgage loan and whose name(s) will appear on the home mortgage. I certify that the gross annual income is \$_____.

The total number of all persons who will reside or intend to reside in this residence is _____.
The total number of all Note holders and spouses who will reside or intend to reside in this residence is _____.

ASSUMABILITY

(I)(WE) UNDERSTAND THAT (I)(WE) CANNOT PERMIT ANY PERSON TO ASSUME (MY)(OUR) OBLIGATIONS UNDER THE MORTGAGE (AND RELATED MORTGAGE NOTE), NOR WILL (I)(WE) TRANSFER TITLE TO THE RESIDENCE (EXCEPT AS SET FORTH IN THE MORTGAGE), UNLESS SUCH PERSON(S) SATISFIES THE FOREGOING REQUIREMENTS, AND UNLESS THE PURCHASE PRICE OF THE RESIDENCE DOES NOT EXCEED THE MAXIMUM PURCHASE PRICE ALLOWED BY ADFA AND SUCH PERSON(S) SO STATES UNDER OATH AND APPROVED IN WRITING BY ADFA.

CONSEQUENCES OF FALSE STATEMENTS

(I)(We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining (my)(our) eligibility for the ADFA StartSmart Program. (I)(We) acknowledge that a material misstatement negligently made by (me)(us) in this application will constitute a federal violation punishable by a fine of \$1,000, and that a material misstatement fraudulently made by (me)(us) in this Affidavit or in any other statement in connection with application for the ADFA StartSmart Program will constitute a federal violation punishable by a fine of \$10,000. Any misstatement will result in a denial of (my)(our) application for the ADFA StartSmart Program.

(I)(We), _____, certify the information contained in this Affidavit to be true and correct to the best of (my)(our) knowledge.

Borrower: _____

Date: _____

Co-Borrower: _____

Date: _____

Notary Acknowledgment

State of Arkansas

County of _____

On this _____ day of _____, 20____, before me, a Notary Public within and for said County and State, personally appeared _____

_____, known to me (or satisfactorily proven) to be the person whose name(s) is/are subscribed to the within/instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____, day of _____, 20____.

Signature of Notary Public

[Seal of Office]

My commission expires: _____