

Colorado Housing and Finance Authority  
www.chfainfo.com

**Final Applicant Affidavit and Notice of Potential Recapture Tax**

This Affidavit, together with the **Initial Applicant Affidavit**, which you signed previously as a part of your application for a Mortgage Loan, is necessary to help establish that the Mortgage Loan is eligible for sale to Colorado Housing and Finance Authority under a specific program.

\* \* \* \* \*

**I, we, us, you, refer to those person(s) whose name(s) appear as owner on the deed to the property securing the Mortgage Loan.**

1. I (we), as applicant(s) for the Mortgage Loan (each a "Borrower"), hereby swear or affirm that no changes in the circumstances relating to my (our) application for the Mortgage Loan and the purchase of the residence to be financed with said Mortgage Loan have occurred since the date I (we) executed the Initial Applicant Affidavit, and that all of the certifications and representations made in the Initial Applicant Affidavit are true and correct as of the date of the closing of the Mortgage Loan.

**If above is not applicable, complete the following:**

The circumstances relating to my (our) application for the Mortgage Loan and/or the purchase of the residence to be financed with said Mortgage Loan have changed since the date I (we) executed the Initial Applicant Affidavit and I (we), as Borrower(s), hereby swear or affirm that the following statements contained therein are no longer complete and accurate and such statements should be corrected, amended, or modified as follows:

2. I (we), as Borrower(s), hereby swear or affirm that either:

No additional Individual Federal Income Tax returns have been filed by me/us since the date of the Initial Applicant Affidavit and, under applicable law, no such additional Federal Income Tax returns are required to have been filed; or attached hereto are true and correct signed copies of any additional Federal Income Tax returns, as filed with the Internal Revenue Service since the date of the Initial Applicant Affidavit.

3. **Notice of Potential Recapture Tax on Sale of Home**

Because you are receiving a Mortgage Loan from the proceeds of a tax-exempt bond, you may be receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell, transfer or otherwise dispose of your home during the next nine (9) years, this benefit may be "recaptured".

The recapture is accomplished by an increase in your Federal Income Tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain, and if your income increases above certain specified levels, as provided for in the Internal Revenue Code.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the Recapture Tax. Within the next 90 days, you will be given additional information that will be needed to calculate the Recapture Tax.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

State of Colorado )  
County of \_\_\_\_\_ ) ss

The foregoing instrument was signed and sworn to [or affirmed] before me on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_,  
by \_\_\_\_\_ and \_\_\_\_\_  
and \_\_\_\_\_ and \_\_\_\_\_  
[Borrower(s)].

My Commission Expires: \_\_\_\_\_

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public