

Mail Applications to:

County of Santa Clara  
Office of Supportive Housing  
3180 Newberry Drive, #150  
San Jose, CA 95118  
Attn: RMCC Program  
(408) 793-0550



**Santa Clara County**  
**Reissued Mortgage Credit Certificate Program (RMCC)**

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**RMCC Checklist and Transmittal Form**

Applicant Last Name: \_\_\_\_\_

Submit the following documents **AFTER** the Close of Escrow of the refinanced loan.

**CHECKLIST:**

- \_\_\_\_\_ 1. **\$350 RMCC Application Fee** (Payable to Santa Clara County)
- \_\_\_\_\_ 2. **(RMCC-003 including Exhibit A to RMCC-003)** RMCC Application Affidavit plus Exhibit A  
*On RMCC-003-Applicant/s and Lender signatures required. Applicant/s signature must be Notarized.*
- \_\_\_\_\_ 3. **(RMCC-009)** RMCC Lender's Closing Certificate (*Lenders signature only*)
- \_\_\_\_\_ 4. **(RMCC-015)** RMCC Notice of Potential Recapture Tax (*Applicant/s signature only*)
- \_\_\_\_\_ 5. **(RMCC-019)** RMCC Ownership Change Addendum (*Applicant/s signature only*)

**Attach Copies of the Following Documents:**

- \_\_\_\_\_ 6. **1003 Loan Application** for New Loan
- \_\_\_\_\_ 7. **Final HUD-1** Settlement Statement for New Loan (*NOT ESTIMATED*)
- \_\_\_\_\_ 8. **Preliminary Title Report** for New Loan
- \_\_\_\_\_ 9. **Promissory Note** for New Loan
- \_\_\_\_\_ 10. **Deed of Trust** for New Loan

If this is the applicant's **1<sup>st</sup> Refinancing** of their original loan, attach copies of:

- \_\_\_\_\_ 11. **Original MCC** Certificate
- \_\_\_\_\_ 12. **Original Promissory** Note

If this is the applicant's **2<sup>nd</sup> or more Refinancing** attach copy of:

- \_\_\_\_\_ 13. Last RMCC Certificate Issued

**TIPS:**

- 1. The Funding / Direct Lender must be Participatin in Santa Clara County's RMCC Program, evidenced by a signed RMCC Participation Agreement current and on file at the County.
- 2. A Mortgage Broker may assist the applicant complete the RMCC application but cannot sign the RMCC documents as the Lender.
- 3. The RMCC application is forwarded to the County **AFTER** the Close of Escrow.

**Lender Contact Information:**

Name of Loan Officer/Broker: \_\_\_\_\_

Phone and email of Loan Officer/Broker: \_\_\_\_\_

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 Office of Supportive Housing  
 3180 Newberry Drive, #150  
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**Santa Clara County**  
**Reissued Mortgage Credit Certificate Program (RMCC)**

**APPLICATION AFFIDAVIT & EXHIBIT A to RMCC-003**

THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS LEGAL AFFIDAVIT:  
 READ IT CAREFULLY BEFORE SIGNING

I (We) the undersigned, as part of my (our) application for a reissued mortgage credit certificate ("Reissued Mortgage Credit Certificate") from Santa Clara County (the "County"), issuer of such certificates under the Reissued Mortgage Credit Certificate program of the County (the "Program"), and as a material inducement to the County to issue such certificate to the undersigned, in connection with the refinancing mortgage loan (the "New Loan") from a participating lender of the undersigned's choosing (the "Lender"), being first duly sworn, state the following:

1. I (We) certify that the following are:

- a) My (Our) legal name(s): 1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_

- b) Current residence: \_\_\_\_\_  
 Street  
 \_\_\_\_\_  
 City, State, Zip

- c) Contact: 1. ( ) \_\_\_\_ - \_\_\_\_ 2. ( ) \_\_\_\_ - \_\_\_\_ 3. \_\_\_\_\_  
 Cell Work Email

The Residence will be (and has been) occupied and used as my (our) principal place of residence continuously from the closing date of the Old Loan, and the Residence has not been (and will not be) used as investment property, a vacation home, or recreational home; and not more than 15 percent of the area of the Residence has been (or will be) used in a trade or business. **I (we) certify that I (we) will notify the County in writing if the Residence ceases to be my (our) principal residence.**

1. I (We) certify the following:

- a) The New Loan Closed on (date): \_\_\_\_\_

2. To Calculate the Certified Indebtedness Ratio:

- a) For the **FIRST** refinance of the borrower's ORIGINAL Loan go to number 3 below.  
 b) For a **SECOND or more** refinance of the borrower's ORIGINAL Loan (RMCC previously Issued) skip to number 4 below.

3.

- a) The New Loan Amount as of the date of issuance is \$ \_\_\_\_\_

- b) As of the date of closing of the New Refinance Loan, the outstanding principal balance of the Old (Original Loan (loan paid off) was \$ \_\_\_\_\_ (This is the Certified Indebtedness Amount).

- c) The Certified Indebtedness Ratio is calculated by dividing the Certified Indebtedness Amount by the New loan Amount:

**Table 1**

\$ _____	/	\$ _____	=	_____ %
Certified Indebtedness Amount	Divide By:	New Loan Amount	Equals	Certified Indebtedness Ratio (%)

**Skip to No. 5.**



4. For a **SECOND or more** refinance of the borrower's ORIGINAL Loan (RMCC previously Issued).

To find the NEW Certified Indebtedness Amount and the NEW Certified Indebtedness Ratio perform the following:

- a) List the New Loan Amount as of the date of issuance is \$ \_\_\_\_\_
- b) Find the old "Certified Indebtedness Ratio" located on the last RMCC issued (section 5a of Reissued RMCC):  
Old Certified Indebtedness Ratio: \_\_\_\_\_ %
- c) The NEW Certified Indebtedness Amount is calculated by multiplying the OLD Certified Indebtedness Ratio (from b. above) by the Principal balance of the Old loan paid off at time of refinance.

**Table 2**

_____ %	X	\$ _____	=	\$ _____
Old Certified Indebtedness Amount <u>Ratio</u>	Multiply By:	Principal balance of the Old loan paid off at time of refinance.	Equals	New Certified Indebtedness Amount

d) The NEW Certified Indebtedness Ratio is calculated by dividing the NEW Certified Indebtedness Amount by the New Loan Amount at time of refinance:

**Table 3**

\$ _____	/	\$ _____	=	_____ %
New Certified Indebtedness Amount	Divide By:	New Loan Amount	Equals	<b>New Certified Indebtedness Ratio (%)</b>

**Continue:**

5. The amount of tax credit the R/MCC holder can claim is the lesser of:

- a) Total Annual Interest in the taxable year (x) the Certified Indebtedness Ratio (determined by Table 1 or Table 3 above) (x) the tax credit rate (either 10%, 15%, or 20%) as shown on the existing MCC or RMCC.
- OR**
- b) The Reissued Credit Cap Limit as defined in the following MCC-003 Exhibits A, A1, and A2.

**PART II  
 REISSUED MCC APPLICATION AFFIDAVIT  
 (PLEASE READ CAREFULLY)**

1. The Old Loan is the subject of a mortgage credit certificate issued by the County (the "Existing Mortgage Credit Certificate").
2. The Reissued Mortgage Credit Certificate is to be issued with respect to the Residence, the same property to which the Existing Mortgage Credit Certificate relates.
3.
  - a. The certificate credit rate with respect to the Existing Mortgage Credit Certificate is 20 percent for MCCs issued through June 30, 1995, and the certificate credit rate with respect to the Reissued Mortgage Credit Certificate (20 percent) is not in excess of that rate.
  - b. The certificate credit rate with respect to the Existing Mortgage Credit Certificate is 15 percent for MCCs issued after June 30, 1995, and through January 31, 1998, and the certificate credit rate with respect to the Reissued Mortgage Credit Certificate (15 percent) is not in excess of that rate.
  - c. The certificate credit rate with respect to the Existing Mortgage Credit Certificate is 10 percent for MCCs issued between February 1, 1998 through January 24, 2001, and the certificate credit rate with respect to the Reissued Mortgage Credit Certificate (10 percent) is not in excess of that rate.



d. The certificate credit rate with respect to the Existing Mortgage Credit Certificate is 15 percent for MCCs issued after January 25, 2001, and the certificate credit rate with respect to the Reissued Mortgage Credit Certificate (15 percent) is not in excess of that rate. (Teacher MCCs are issued at a 20% tax credit rate)

4. The undersigned agrees to carefully read the terms of the Reissued Mortgage Credit Certificate (including Exhibit A). The undersigned understands that the reissued credit (the "Reissued Credit") pursuant to the Reissued Mortgage Credit Certificate may not be larger in any taxable year than the Reissued Credit Cap Limit (as calculated in Exhibit A to the Reissued Mortgage Credit Certificate). The undersigned certifies that the undersigned will not claim a Reissued Credit pursuant to the Reissued Mortgage Credit Certificate with respect to any taxable year unless the Reissued Credit Cap Limit has been calculated by Lender for such taxable year, in accordance with Exhibit A of the Reissued Mortgage Credit Certificate. The undersigned acknowledges that the calculation of the Reissued Credit Cap Limit is the responsibility of the Lender and that the County is not responsible for any errors made in such calculations.

5. The undersigned understands that the maximum MCC credit that can be taken in each year is the lesser of the amount listed in the Exhibit A or the calculation from Part 5b of the Reissued MCC, and that to claim more would be a violation of the Internal Revenue Code.

6. The undersigned understands that the Reissued Mortgage Credit Certificate completely replaces the Existing Mortgage Credit Certificate or Existing Reissued Mortgage Credit Certificate.

7. A related person to the applicant does not have, and is not expected to have, an interest as a creditor in the New Loan.

8. The Reissued Mortgage Credit Certificate was not limited to indebtedness incurred from particular lenders.

9. The New Loan is not (or will not be) used in connection with a qualified mortgage bond or qualified veterans mortgage bond.

10. The undersigned understands that the County has no liability to the undersigned with respect to the issuance of a Reissued Mortgage Credit Certificate and makes no representation or warranty that an application will be processed and accepted and a Reissued Mortgage Credit Certificate will be issued.

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**PART III**  
**REISSUED MCC APPLICATION AFFIDAVIT**  
**(PLEASE READ CAREFULLY)**

The undersigned understands that this affidavit is made under penalties of perjury. Any fraudulent statement made in this affidavit will result in (a) revocation of the applicant's Reissued Mortgage Credit Certificate, and (b) a \$10,000.00 penalty pursuant to Section 6709 of the Internal Revenue Code of 1986, as amended (the "Code")

MUST BE SIGNED BEFORE A NOTARY PUBLIC

DATED: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF APPLICANT

\_\_\_\_\_  
SOCIAL SECURITY #

\_\_\_\_\_  
SIGNATURE OF APPLICANT

\_\_\_\_\_  
SOCIAL SECURITY #

**NOTARY ACKNOWLEDGEMENT of BORROWERS NEXT PAGE**

**County of Santa Clara**  
**RMCC Program**  
**3180 Newberry Drive, Suite 150**  
**San Jose, Ca 95118**  
**(408) 793-0550**



STATE OF CALIFORNIA s.

COUNTY OF \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

### **LENDER CERTIFICATION**

To the best of its knowledge, the undersigned Lender certifies that no material misstatements appear in this affidavit for a Reissued Mortgage Credit Certificate. The undersigned has contacted the lender with respect to the Old Loan (if different from the Lender) to verify (or has verified in some other manner) (a) the outstanding principal balance of the Old Loan (exclusive of accrued interest and other charges) as of the date of closing of the New Loan; (b) that the terms of the Old Loan are the same as the terms of the Old Loan stated in the documents provided by the applicant in this affidavit. The Lender certifies that it will calculate and provide to the applicant the Reissued Credit Cap Limit and the Reissued MCC Ratio (as defined in Exhibit A to the Reissued Mortgage Credit Certificate) and, if the Old Loan is an adjustable rate, the annual percentage rate (APR) of the New Loan, calculated in accordance with the Federal Truth in Lending Act, 15 U.S.C.A. §1601, et seq., and the regulations promulgated thereunder. The undersigned understands that these certifications are made under penalties of perjury. Any fraudulent statement made with respect to these certifications will result in (a) revocation of the applicant's Reissued Mortgage Credit Certificate, and (b) a \$10,000.00 penalty pursuant to Section 6709 of the Code.

By: \_\_\_\_\_  
(Signature of Loan officer)

Printed Name: \_\_\_\_\_

Company: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**EXHIBIT A of RMCC-003**

*(A copy of this form must be attached to the RMCC, when issued, for the borrower to keep for their records)*

(For Fixed Rate Original Mortgages)

(For Variable Rate Original Mortgages use the Hypothetical Loan Definition listed Exhibit A-1)

Attach Amortization Table using Original Loan and Terms

This Reissued Mortgage Credit Certificate shall entitle Holder(s) to a Reissued Credit, under Section 25(a) of the Internal Revenue Code of 1986, as amended, (the "Code") of up to the MCC Tax Credit Rate of the interest paid or accrued by Holder(s) during the taxable year (the "Taxable Year") upon the outstanding principal amount of the Certified Indebtedness Amount of the Original Loan; provided, the Reissued Credit rate may not be larger in any Taxable Year than the existing credit (the "Existing Credit") that otherwise would have been allowable for the Taxable Year under the mortgage credit certificate issued in connection with the old Loan (the "Reissued Credit Cap Limit"). Thus, the Reissued Credit for any Taxable Year is calculated as follows:

**TABLE 1**

<b>REISSUED MCC CERTIFIED INDEBTEDNESS RATIO =</b>					
	Principal Balance Payoff Amount of the Original Loan:	\$ _____	=	_____ % (r)	
		Divided by (/):			
	Principal Amount of the New Loan:	\$ _____			

<b>REISSUED MCC CREDIT = THE LESSER OF:</b>							
(a)	Total Interest Paid on New Loan for Taxable Year \$ _____	X	Certified Indebtedness Amount Ratio <i>From (r) above:</i> _____%	x	MCC Tax Credit Rate _____%	=	\$ _____
	<b>OR</b>						
(b)	Reissued Credit Cap Limit for the Applicable Tax Year <i>(See Table 2)</i>					=	\$ _____

If the original principal amount of the NEW Loan equals the original principal balance of the certified indebtedness of the OLD Loan, the Certified Indebtedness Amount Ratio is equal to one (1). The certified indebtedness amount of the New Loan may not be greater than the original principal balance of the OLD Loan, and in any event, may not exceed the outstanding principal balance of the certified indebtedness amount of the Original Loan as of the date of issuance of the New Loan (after taking into account any prepayments—other than pursuant to the refinancing with the New Loan—as of the date of closing of the New Loan).

The Taxable Year [Column A] on Table 2 must be completed for each Taxable Year the New Loan is to be outstanding based on the maturity date of the original loan. The first day of the first Taxable Year is the date of issue of the New Loan. The first date of the first Taxable Year is the date of issue of the NEW loan.

In the Column C of Table 2, enter the total amount of annual interest that would have been paid based on an amortization schedule of the Original (purchase) Loan.

**Variable Rate Loan:** If the Existing Mortgage Credit Certificate was with respect to a variable rate loan, enter the total amount of interest to be paid or accrued on the "Hypothetical Loan" (as defined on Exhibit A1), for each taxable year, as if the "Hypothetical Loan" is outstanding.

The total amount of interest to be shown for each Taxable Year should be based on the terms of the Original Loan (or Hypothetical Loan) as of the date of closing of the New Loan and based on the certified indebtedness amount of the Original Loan as of the date of issuance of the Original Loan, and by taking into account all reasonably expected scheduled principal payments on the Original Loan. The total amount of interest to be paid or accrued on the Original Loan (or Hypothetical Loan) for each Taxable Year does not include amounts paid by parties other than the mortgagor (e.g., does not include “buydowns”).

For purposes of determining the total amount of interest to be calculated for the Old Loan (or Hypothetical Loan) for each Taxable Year, or Old Loans with balloon payments or extension features should be considered retired on the scheduled maturity date (described in the extension).

**Reissued Credit Cap Limit:** The product of Column C (Annual Interest Paid) multiplied by Column D (Certificate Credit Rate) on Table 2-Reissued Credit Cap Limit.

**Lender:** The entity that appears on the Deed of Trust with respect to the New Loan.

**APPLICANT(S) CERTIFICATION**

The undersigned has read and understands the terms of this RMCC, including this Exhibit A, A-1 and A-2, and agrees to abide by the terms thereof with respect to the reporting of a credit pursuant to Section 25 of the Code. The undersigned understands that these certifications under penalties of perjury. Any fraudulent statement made with respect to these certifications will result in (a) revocation of the applicant’s RMCC, and (b) a \$10,000 penalty pursuant to Section 6709 of the Code.

**APPLICANTS CERTIFICATION**

_____	_____	_____
Printed Name of Applicant	Signature of Applicant	Date
_____	_____	_____
Printed Name of Applicant	Signature of Applicant	Date

**LENDER CERTIFICATION**

To the best of its knowledge, the undersigned certifies that this Exhibit A of MCC-003 has been completed in accordance with the terms of the RMCC and this Exhibit A of MCC-003. The undersigned understands that these certifications are made under penalty of perjury. Any fraudulent statement made with respect to these certifications will result in (a) revocation of the applicant’s RMCC, and (b) a \$10,000 penalty pursuant to Section 6709 of the Code.

_____		
Company Name (Lender not Broker)		
_____	_____	_____
Printed Name of Lender Representative	Signature of Lender Representative	Date
_____	_____	
Phone	Email	

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**EXHIBIT A1 of MCC-003  
THE HYPOTHETICAL LOAN  
For VARIABLE RATE MORTGAGES on the ORIGINAL LOAN in CONJUCTION  
For REISSUED MORTGAGE CREDIT CERTIFICATE**

The Hypothetical Loan\* has a principal amount equal to the remaining outstanding balance of the certified indebtedness amount of the Original Loan, a maturity equal to that of the Original Loan, and interest equal to the annual percentage rate (APR) of the New Loan, calculated in accordance with the Federal Truth in Lending Act, 15 U.S.C.A. § 1601, et. seq., and regulations promulgated thereunder. The Hypothetical Loan has an amortization schedule with level payments.

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**Reissued Mortgage Credit Certificate  
LENDER'S CLOSING CERTIFICATE**

**NAME OF LENDER (the "Lender") :** \_\_\_\_\_ Lender's ID# \_\_\_\_\_  
(For purposes of this certificate, the term "Lender" means the entity to appear on the Deed of Trust with respect to the New Loan.)

**ADDRESS OF LENDER:** \_\_\_\_\_

After reasonable investigation, the Lender hereby certifies that the following information is true:

1. The Lender has accepted and reviewed the reissued mortgage credit certificate (the "Reissued Mortgage Credit Certificate") application for:

(Name(s)) \_\_\_\_\_

(Address) \_\_\_\_\_

who shall be referred to as the applicant.

2. The Lender has provided refinancing (the "New Loan") in the amount of \$ \_\_\_\_\_ (mortgage amount). The New Loan closing occurred on \_\_\_\_\_ (date, to be completed by Lender or Title Company).

a. The Term of the New Loan is \_\_\_\_\_ months.

b. The interest rate on the New Loan is \_\_\_\_\_%. (If variable rate, enter "VR.")

c. Type of mortgage is \_\_\_ FHA, \_\_\_ VA, or \_\_\_ Conventional (check appropriate one).

d. The monthly PI (without RMCC benefit) is \$ \_\_\_\_\_.

e. If the refinanced loan (the "Old Loan") is adjustable rate, the annual percentage rate (APR) of the New Loan, calculated in accordance of the Federal Truth in Lending Act, is \_\_\_\_\_.

3. The **Old Loan** (loan being refinanced and may be different from the original) is of the following type: (please  $\checkmark$ )

\_\_\_ Fixed rate \_\_\_ Balloon payment \_\_\_ 5 yr Adjustable \_\_\_ 1 yr Adjustable \_\_\_ Other (describe)

a. The term of the Old Loan was \_\_\_\_\_ months.

b. The interest rate (stated on note) of the Old Loan was \_\_\_\_\_%.

c. Monthly PI of Old Loan was \_\_\_\_\_.

4. The Lender has calculated the Reissued Credit Cap Limit (as defined in Exhibit A) and the Certified Indebtedness Ratio.

5. The Loan Agent has included the payoff breakdown of the principal balance of the loan being paid off from the HUD-1 closing statement included in this application. **NOTE:** The certified indebtedness amount does not include borrowings of amounts subsequent to the closing of the Loan. Further, any retirement of principal of the certified indebtedness amount of the Old Loan as of the date of closing of the Old Loan (other than as a result of the refinancing with the New Loan), must be considered to reduce such principal balance.

6. The Reissued Mortgage Credit Certificate is with respect to the same property to which the mortgage credit certificate with respect to the Old Loan (the "Existing Mortgage Credit Certificate") relates.

7. The Reissued Mortgage Credit Certificate entirely replaces the Existing Mortgage Credit Certificate or Existing Reissued Mortgage Credit Certificate.

8. The certified indebtedness amount (\$ \_\_\_\_\_) to be specified on the Reissued Mortgage Credit Certificate does not exceed the outstanding principal balance (exclusive of accrued interest and other fees and charges) of the loan being paid off.

9. The certificate credit rate of the Reissued Mortgage Credit Certificate does not exceed the certificate credit rate of the Existing Mortgage Credit Certificate.

10. The Lender has examined the Preliminary Title report with respect to the property. The Lender has verified that the date of recording of the old deed of trust is the same as the date of issuance of the most recent MCC or RMCC. The Lender has also verified that the title to the property is held in the same names as on the most recent MCC or RMCC.

(a) Any alteration of the terms of an Old Loan (e.g., principal amortization or interest rate) either (i) by mutual agreement between the Old Loan holder and the mortgagor or (ii) through a unilateral action by one party which requires

consent of the other party (rather than mere notification) or the payment of consideration (e.g., a mortgagor converts a variable rate mortgage to a fixed rate pursuant to the terms of the note after obtaining the required consent of the lender).  
(b) The date of any deemed refinancing (as described above) will be considered the date the extension or alteration is effective)(i.e., the closing date of the extension or alteration). The County is under no obligation to consult with counsel or to consent to the treatment of an extension or alteration as other than a refinancing.

11.The New Loan has not been (and will not be) used in connection with a qualified mortgage bond or a qualified veterans mortgage bond. The Lender has no reason to believe that the property has not been continuously used as the principal residence of the applicant from the date 60 days from the closing of the Old Loan.

12.Based upon reasonable investigation, the Lender has no reason to believe that the applicant has made any negligent or fraudulent material misstatements in connection with the applicant’s application for a Reissued Mortgage Credit Certificate.

13.The Lender hereby agrees to immediately forward to the County of Santa Clara (the “County”) all information which it or any of its successors may receive during the life of the New Loan which tends to indicate that the applicant may have made a misrepresentation in applying for a Reissued Mortgage Credit Certificate, or that may affect the applicant’s eligibility for a Reissued Mortgage Credit Certificate.

14.The Lender understands that the covenants herein remain for each taxable year while the New Loan is outstanding; provided, the Lender, if consent is obtained from the County (at County’s sole discretion), may transfer the calculation responsibilities described in paragraph 4 above to another person or entity.

The undersigned understands that the certifications being made herein are being made under penalties of perjury. Any fraudulent statement made in this certificate will result in (a) revocation of the applicant’s Reissued Mortgage Credit Certificate, and (b) a \$10,000.00 penalty pursuant to Section 6709 of the Internal Revenue Code of 1986, as amended.

Dated: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF LOAN OFFICER

\_\_\_\_\_  
PRINTED NAME OF LOAN OFFICER

\_\_\_\_\_  
Loan Officer Phone No. / Fax No.

NOTE: This form should be completed and signed by Lender as close to loan closing as possible. Loan closing date is the settlement date of the new loan closing.

County of Santa Clara  
Office of Supportive Housing  
3180 Newberry Drive, #150  
San Jose, CA 95118  
Attn: RMCC Program  
(408) 793-0550

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**REISSUED MORTGAGE CREDIT CERTIFICATE**  
**NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME**  
(Only for RMCCs with respect to Old Loans closing after December 31, 1990.)

Because you are receiving a reissued mortgage credit certificate with your refinancing loan (the “New Loan”), you are receiving the benefit of a credit against your federal income taxes. If you sell or otherwise dispose of your home during the nine years subsequent to the closing of the original refinanced loan (the “Old Loan”), part or all of 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 specified levels.

(The recapture was enacted in 1988 and affects only those homebuyers who closed and recorded their old loans after December 31, 1990, regardless of the date of closing of the New Loan. According to the United States General Accounting Office, the purpose of the recapture is to retrieve the subsidy from owners who experience rapid income increases after purchasing their homes and, as a result, do not need the subsidy to remain homeowners. If your income does not increase more than 5 percent per year, you will likely not incur a recapture liability.)

You are encouraged to consult a tax advisor at the time of sale of your home to determine the amount, if any, of your actual recapture tax. (See Section 143(m) of the Internal Revenue Code generally.) Along with this notice, you are being given additional information that will be needed to calculate the recapture tax.

The undersigned Mortgagor(s) has (have) received and read a duplicate copy of the foregoing Reissued Mortgage Credit Certificate Notice of Potential Recapture Tax on Sale of Home.

Dated: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
of Applicant

Dated: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
of Applicant

Santa Clara County  
Office of Supportive Housing  
3180 Newberry Drive, #150  
San Jose, CA 95110  
Attn: RMCC Program

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**Reissued Mortgage Credit Certificate Program (RMCC)**  
**OWNERSHIP CHANGE ADDENDUM**

**The MCC may be Reissued:**

1. If two or more persons hold interests in the Residence, the Reissued Credit shall be allocated among such persons in proportion to their respective ownership interests in the Residence.
2. A Reissued Mortgage Credit Certificate may only be issued to a Holder of an Existing Mortgage Credit Certificate and not to a spouse or other co-owner of the Residence if such spouse or co-owner was not a Holder of the Original Mortgage Credit Certificate.
3. A Reissued Mortgage Credit Certificate may be issued with respect to a Residence if the following requirements are satisfied:
  - (a) The Holder initially owned 100 percent of the Residence under the Existing Mortgage Credit Certificate;
  - (b) The Holder subsequently marries; and the Holder retains 100% ownership of the Residence; provided, a Reissued Mortgage Credit Certificate may be issued if the Holder does not retain 100 percent ownership of the Residence because of the operation of California community property laws which provide for a transfer to a spouse of a portion of the Residence; however, the Holder is urged to consult its own tax advisor as to the continued availability of the Reissued Credit under such circumstances and the amount of such a credit for any Taxable Year.

**The RMCC may NOT be Reissued when:**

4. A Reissued Mortgage Credit Certificate **may not be issued** if any Holder of the Existing Mortgage Credit Certificate has disposed of any portion of an interest in the Residence (either through sale, transfer, payments, gift, or including transfer of ownership through divorce).

**APPLICANT CERTIFICATIONS**

The undersigned has read and understands the terms of this Reissued Mortgage Credit Certificate, including this Ownership Change Addendum, and agrees to abide by the terms thereof with respect to the reporting of a credit pursuant to Section 25 of the Code. The undersigned understands that these certifications are made under penalties of perjury. Any fraudulent statement made with respect to these certifications will result in (a) revocation of the applicant's Reissued Mortgage Credit Certificate, and (b) a \$10,000.00 penalty pursuant to Section 6709 of the Code.

Signature of Applicant \_\_\_\_\_

Dated: \_\_\_\_\_

Signature of Applicant \_\_\_\_\_

Dated: \_\_\_\_\_