

This form is issued under authority of Act 346 P.A. 1966. Execution of this form is required. Failure to execute this form may result in your inability to participate in the home improvement program operated by the Michigan State Housing Development Authority.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 E. MICHIGAN AVENUE, PO BOX 30044
LANSING, MICHIGAN 48909

PROPERTY IMPROVEMENT PROGRAM
LOAN APPLICATION

EQUAL HOUSING LENDER

This application is submitted to obtain credit under the provisions of Title 1 of the National Housing Act (PL 479. 48 Stat., USC 1701 et seq.) and the Michigan State Housing Development Authority (MSHDA) Act (PA 346 1966, as amended). Only "DIRECT LOANS" may be submitted.

Privacy Act Notice – The information requested in this form is to be used by the Department of Housing and Urban Development (HUD) in the accounting of Title 1 loans and in the monitoring of Title 1 funds. It will not be disclosed or released outside of HUD, MSHDA, and the Lending institution that will provide the funds except as required and permitted by law. You do not have to give us this information, but, if you do not provide the information necessary to make an evaluation of credit worthiness, your application may be delayed or rejected. The Department of HUD is authorized to ask for this information by Title 1. Section 2 of the National Housing Act (48 Stat., 1246, 12 USC 1701 et seq.).

General Information – Applicants are required to provide their social security number. The answers to questions relating to marital status, race, and sex are voluntary and are requested solely for the purpose of determining compliance with Federal Civil Rights law, and your response will not affect consideration of your application. By providing this information, you will assist us in assuring that this program is administered in nondiscriminatory manner.

- Yes No 1. Do you have any past due obligations, including student loans, owed to or insured by any agency of the Federal Government? *If "Yes", you are not eligible to apply until the existing debt has been brought current).*
- Yes No 2. Have you filed or declared bankruptcy in the past two years? *If "Yes", you are not eligible to apply.*
- Yes No 3. Do you have any other application for a FHA Title 1 insured loan pending at this time?
- Yes No 4. Do you have any unsatisfied collections or judgments? *If "Yes", applicant will have to pay any balances in full prior to MSHDA's approval of this loan request.*
- Yes No 5. Have you filed or declared bankruptcy in the past five years?
- Yes No 6. Are you a party in a pending lawsuit?
- Yes No 7. Is your property currently in foreclosure?

Explain any "Yes" answers (items 3 through 7) on a separate sheet.

Please complete and submit to Lender/Agent along with the following items:

- PIP Loan Application (H-1)**
- Proof of Homeownership** ~ Copy of recorded Warranty Deed or Land Contract
- Proof of State Equalized Value (SEV)** ~ Copy of Property Tax Statement
- Property Tax Statement** ~ Copy of Paid Property Taxes
- Copy of Hazard Insurance Policy** ~ Copy of Homeowners Insurance Policy
- Income Verification** ~ Copies of most recent one month's pay stubs
- Income Tax Return** ~ Copy of most recent Federal AND Michigan income tax returns with all schedules. If self-employed, provide two years.
- Credit References** ~ If no outstanding debt, provide copies of recent billings from credit references (telephone, electricity, etc.)
- Contractor's Estimate or Materials List**
- Contractor's Worksheet (H-3)** ~ Worksheet is attached and is to be completed by the contractor.

PROPERTY INFORMATION	
Address of Property to be Improved	
Street	
City	
State	
Zip Code	
County	
Property Tax ID #	
Property is Located in a	<input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village
Enter Township or Village Name	
Property Type	<input type="checkbox"/> Single Family <input type="checkbox"/> Manufactured/Mobile Home (where Borrower owns underlying land) <input type="checkbox"/> Manufactured/Mobile Home (where Borrower does not own underlying land) <input type="checkbox"/> Condominium <input type="checkbox"/> Multi-Unit Building. List number of units: _____ (Buildings containing over 11 units not eligible.)
Is Property Currently Vacant?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Property Is or Will Be Occupied by	<input type="checkbox"/> Owner <input type="checkbox"/> Renter
Year Dwelling Built	
State Equalized Value (Attach copy of Property Tax Statement)	\$ _____

BORROWER AND CO-BORROWER INFORMATION			
BORROWER		CO-BORROWER	
First Name		First Name	
Middle Initial		Middle Initial	
Last Name		Last Name	
Birth Date		Birth Date	
Social Security #		Social Security #	
Years at Current Address		Years at Current Address	
Home/Cell Phone #		Home/Cell Phone #	
Email Address		Email Address	
<input type="checkbox"/> Check if Current Address is same as Property Address		<input type="checkbox"/> Check if Current Address is same as Property Address	
Street		Street	
City		City	
State		State	
Zip Code		Zip Code	
County		County	
Former Address (if less than 2 years at current address)		Former Address (if less than 2 years at current address)	
Street		Street	
City		City	
State		State	
Zip Code		Zip Code	
Years at Former Address _____		Years at Former Address _____	
<input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Living with parents/relatives <input type="checkbox"/> Living in a shelter <input type="checkbox"/> Homeless		<input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Living with parents/relatives <input type="checkbox"/> Living in a shelter <input type="checkbox"/> Homeless	

Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (including single, divorced, widowed)		Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (including single, divorced, widowed)	
Sex <input type="checkbox"/> Male <input type="checkbox"/> Female		Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	
Ethnicity <input type="checkbox"/> (11) White <input type="checkbox"/> (12) Black / African American <input type="checkbox"/> (13) Asian <input type="checkbox"/> (14) American Indian / Alaska Native <input type="checkbox"/> (15) native Hawaiian / Pacific Islander <input type="checkbox"/> (16) American Indian / Alaska Native AND White <input type="checkbox"/> (17) Asian AND White <input type="checkbox"/> (18) Black / African American AND White <input type="checkbox"/> (19) American Indian/Alaska Native AND Black/African American <input type="checkbox"/> (20) Other Multi-Racial		Ethnicity <input type="checkbox"/> (11) White <input type="checkbox"/> (12) Black / African American <input type="checkbox"/> (13) Asian <input type="checkbox"/> (14) American Indian / Alaska Native <input type="checkbox"/> (15) native Hawaiian / Pacific Islander <input type="checkbox"/> (16) American Indian / Alaska Native AND White <input type="checkbox"/> (17) Asian AND White <input type="checkbox"/> (18) Black / African American AND White <input type="checkbox"/> (19) American Indian/Alaska Native AND Black/African American <input type="checkbox"/> (20) Other Multi-Racial	
Hispanic or Latino <input type="checkbox"/> Yes <input type="checkbox"/> No		Hispanic or Latino <input type="checkbox"/> Yes <input type="checkbox"/> No	
Total Number in Household (including you) _____ Ages (separated by commas)		Total Number in Household (including you) _____ Ages (separated by commas)	
Total Number in Household (including yourself)		Total Number in Household (including yourself)	
Ages of Household Members		Ages of Household Members	
Name of Nearest Relative Not Living With You		Name of Nearest Relative Not Living With You	
Address		Address	
City		City	
State		State	
Zip Code		Zip Code	
Relationship		Relationship	
Phone #		Phone #	
Employment Information <input type="checkbox"/> Self-Employed <input type="checkbox"/> Employed <input type="checkbox"/> Unemployed		Employment Information <input type="checkbox"/> Self-Employed <input type="checkbox"/> Employed <input type="checkbox"/> Unemployed	
Number of Years _____		Number of Years _____	
Describe Self-Employment (if applicable)		Describe Self-Employment (if applicable)	
Name of Employer		Name of Employer	
Address		Address	
City		City	
State		State	
Zip Code		Zip Code	
Phone #		Phone #	
Position		Position	
If Employed In Current Position for Less than One Year, complete the following		If Employed In Current Position for Less than One Year, complete the following	
Previous Employer		Previous Employer	
City, State, Zip		City, State, Zip	
Phone #		Phone #	
Date From		Date From	
Date To		Date To	
Monthly Income	\$	Monthly Income	\$

Previous Employer		Previous Employer	
City, State, Zip		City, State, Zip	
Phone #		Phone #	
Date From		Date From	
Date To		Date To	
Monthly Income	\$	Monthly Income	\$
Previous Employer		Previous Employer	
City, State, Zip		City, State, Zip	
Phone #		Phone #	
Date From		Date From	
Date To		Date To	
Monthly Income	\$	Monthly Income	\$

INCOME DETERMINATION

GROSS MONTHLY INCOME			
	Borrower	Co-Borrower	Total
Wages or Salary	\$	\$	\$
Social Security	\$	\$	\$
Interest Income from Taxes	\$	\$	\$
Pension	\$	\$	\$
Rental Income	\$	\$	\$
Self-Employment	\$	\$	\$
Other Income	\$	\$	\$
TOTAL	\$	\$	\$
Describe Any Other Income for All Adult Household Members 18 Years or Older			Monthly Income
			\$
			\$
			\$
Bank Information			
Bank Account #			
Bank's Name			
Address			
City			
State			
Zip Code			
Checking Account	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Savings Account	<input type="checkbox"/> Yes <input type="checkbox"/> No		

OUTSTANDING DEBTS

Select one	<input type="checkbox"/> Mortgage	<input type="checkbox"/> Land Contract	<input type="checkbox"/> None
Balance of Mortgage or First Lien	\$		
Payments Made to:			
Mortgage Payment Amount (monthly)			
Taxes and Insurance Escrowed	<input type="checkbox"/> Yes <input type="checkbox"/> No		
If Taxes and Insurance are Not Escrowed, complete the following:			
Property Taxes (total yearly amount, including summer and winter, divided by 12 months)	\$		
Homeowners Insurance (annual premium divided by 12 months)	\$		

List All Debts. *If more space is needed, list on attached sheets.*

If no outstanding debt, list three previous credit references (such as telephone, electricity, etc.) and include copies of recent billings.

	Creditor's Name, Address and Account Number AND/OR Auto Lien Holder Name(s), Year and Make(s)	FHA-GOV Insured?	Original Amount of Debt	Present Balance	Monthly Payment
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
<input type="checkbox"/> Borrower <input type="checkbox"/> CoBorrower		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	\$
Amount paid for Child Care, Child Support and/or Alimony					\$
TOTAL OF MONTHLY OBLIGATIONS					\$
MSHDA Loan Payment Amount					\$
TOTAL OF MONTHLY DEBT					\$

IMPROVEMENTS AND BUDGET

Description of Planned Improvements. Copies of estimate(s) or itemized cost breakdown must be attached.

THIS SECTION IS TO BE COMPLETED WITH THE LENDER AND/OR AGENT

Estimated Cost of Improvements	\$
Less CDBG	\$
Less HOME	\$
Less Other Funds	\$
Total Improvements Costs for PIP Loan	\$
Plus Origination Fee (2% of Improvements, minimum \$100)	\$
Plus Underwriting / Loan Processing Fee \$100 on loans below \$7,500, unless lien is required \$200 on all loans \$7,500 and above	\$
Plus Inspection Fee of \$100 (may be paid out-of-pocket by Borrower)	\$
TOTAL LOAN AMOUNT REQUESTED	\$
Term (in months)	
Estimated Monthly Payment	\$

IMPORTANT! READ THIS BEFORE SIGNING

I/we certify that the above statements are true, accurate, and complete to the best of my/our knowledge and belief, and further certify, for owner occupied units only, that I/we have disclosed in this application the total income(s) of all adults who now are, or are reasonably expected to be, within 60 days of my/our receiving the loan applied for, member of the household. This application shall remain the property of the lending institution to which it is submitted and/or MSHDA. Verification may be obtained from any source including but not limited to those named in this application.

I/we hereby consent to and authorize the lending institution, community agency, MSHDA, or HUD, after giving reasonable notice, to enter the improved property to determine that the improvements specified in this application have been completed. Additionally, I/we consent to keep all receipts for work completed with this loan for a period of three years and make these receipts available to the lender, community agency, MSHDA or HUD. I/we understand that community agency, MSHDA, or HUD does not guarantee the quality or workmanship of the improvements.

I/we understand that it may be a federal crime punishable by fine or imprisonment, or both, to knowingly make and false statements concerning any of the above facts as applicable under the provisions of the United States Criminal code.

I/we have received a copy of the MSHDA Property Improvement Program "Working With Home Improvement Contractors" brochure.

Borrower initial here: _____
Co-Borrower initial here: _____

✓ _____
Borrower's Signature Date

✓ _____
Co-Borrower's Signature Date

The undersigned has reviewed and/or assisted the Borrower(s) with this Application in a face-to-face or telephone interview

Interviewer's Name Date Participating Lender/Community Agent's Organization

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PROPERTY IMPROVEMENT PROGRAM WORKSHEET AND CONTRACTOR/BORROWER AGREEMENT

This Worksheet and Agreement does not represent the agreement for services to be rendered by the Contractor in its entirety. However, to obtain MSHDA financing each Contractor must complete the first page of this form. If the Borrower(s) are using a Contractor both must sign page 2. This form is to be individually completed by EACH contractor (use additional forms if necessary). **BE SURE TO ENTER INTO A WRITTEN CONTRACT WITH ALL CONTRACTORS!**

If the Borrower(s) are providing all or some of the labor, they must sign and date below and also complete this first page (*ignore 2nd page for Homeowner Labor*) listing the work they will perform.

Borrower's Signature (if performing labor) _____ Date _____

PIP Code	PROPOSED IMPROVEMENTS (check each appropriate line)	Estimated Dollar Cost
21	STRUCTURAL ADDITIONS AND ALTERATIONS <input type="checkbox"/> Garages, carports, porches <input type="checkbox"/> Added rooms, baths, closets <input type="checkbox"/> Doors, new windows (not replacement windows, see below under Insulations), chimneys <input type="checkbox"/> Other structural additions or alterations	\$
31	EXTERIOR FINISHING <input type="checkbox"/> Painting, waterproofing <input type="checkbox"/> Siding and exterior wall finishing	\$
41	INTERIOR FINISHING <input type="checkbox"/> Painting, papering <input type="checkbox"/> Plastering, wall board, composition and wood paneling, acoustical, ceramic, plastic, and metal tile <input type="checkbox"/> Kitchen remodeling including cabinets <input type="checkbox"/> Composition, linoleum, tile, carpeting, and wood flooring	\$
51	ROOFING – REPAIR OR REPLACEMENT <input type="checkbox"/> Asphalt, built-up, metal, or wood shingle <input type="checkbox"/> Replace/repair roof boards <input type="checkbox"/> Gutters and downspouts	\$
61	PLUMBING – INSTALLATION OR REPLACEMENT <input type="checkbox"/> Bathroom fixtures and connections <input type="checkbox"/> Domestic water heaters, softeners, and connections <input type="checkbox"/> Wells, pumps, water and sewage connections/disposal systems	\$
71	HEATING, COOLING AND VENTILATING <input type="checkbox"/> Furnaces and boiler systems, pipes, ducts, radiation devices, and wall heaters <input type="checkbox"/> Exhaust and ventilating fans <input type="checkbox"/> Energy conserving improvement such as heat pumps and attic fans	\$
81	INSULATION <input type="checkbox"/> Blanket, batt, reflective, or loose-fill types <input type="checkbox"/> Storm doors and windows, insulating glass and replacement windows <input type="checkbox"/> Weather stripping, awnings, caulking, and other insulation	\$
91	MISCELLANEOUS <input type="checkbox"/> Electrical wiring <input type="checkbox"/> Building permits, title search, etc. <input type="checkbox"/> Paving, driveways, sidewalks, porch and window screen, termite control, and other miscellaneous work not classified elsewhere	\$
ESTIMATED TOTAL COST OF IMPROVEMENTS		\$

CONTRACTOR AGREEMENT – Contractor, for and in consideration of the Owner’s agreement to pay for the repairs indicated, agrees with Owner(s) as follows:

HOLD HARMLESS – Contractor shall defend, indemnify, and hold harmless the Owner, and the officers, members, and employees of the Michigan State Housing Development Authority (MSHDA), the Lending Institution, and Community Agency from liability and claim for damages or bodily injury, death, property damage, sickness, disease, or loss and expense arising from Contractor’s operations under this Agreement. Furthermore, in the event some or all of the obligation to pay is excused because of faulty contractor performance, the Contractor shall indemnify and hold harmless MSHDA, the Lending Institution, and any subsequent holder of the note given by the Owner to evidence the Owner’s obligation to pay for the improvements.

LIEN WAIVERS – Contractor shall protect, defend and indemnify Owner from any claims for unpaid work, labor, or materials. Payment shall not be due until the Contractor has delivered to the Owner a sworn statement and final waivers of lien from all contractors, subcontractors, suppliers, and laborers who provided labor or materials in connection with this home improvement.

PERMITS AND CODES – Contractor shall secure all necessary permits and licenses required to do the work, and comply with all building code regulations and ordinances whether or not covered by the specifications and drawings for the work.

LICENSE – Contractor holds a current license as a residential builder or maintenance and alterations contractor issued pursuant to Act No. 383 of the Public Acts of 1965, as amended, being Sections 338.1501 to 338.1519 of the Michigan Compiled Laws. No license of a principal of the Contractor, or license of another contractor in which a principal of the Contractor is a principal, is currently revoked or suspended by the Michigan Department of Energy, Labor and Economic Growth, Bureau of Commercial Services.

DEBARRED LIST – Contractor certifies that they are not listed on the debarred, suspended, or ineligible list of the U.S. Department of Housing and Urban Development or the U.S. Farmers Home Administration.

HOME SOLICITATION SALES ACT – Contractor certifies that in the event solicitation for the sale of goods or services was made at the residence of the Borrower in conjunction with the home improvement, any subsequent contract or agreement will be in compliance with Act No.227 of the Public Acts of 1971, as amended, being Sections 445.11 to 445.17 of the Michigan Compiled Laws, under which the Borrower may have explicit rights to cancel the transaction in accordance with the provisions of the Act.

WARRANTIES – For good and valuable consideration, the Contractor hereby warrants to the Owner, and to subsequent Owners of the property to be improved, that all materials, hardware, fixtures, and utilities, of whatever kind of nature, incorporated in said dwelling by the Contractor are of good quality, and free from defects in workmanship or material. The Contractor shall repair, correct, or replace, at no cost to Owner or subsequent Owners, any instances of defective workmanship or materials or any deficiencies, provided written notice of same shall have been given by the Owner or subsequent Owners to the Contractor, at its principal place of business, within two (2) years from the date of the note to be executed by the Owner to finance the above listed improvements.

ACKNOWLEDGEMENT – The above stated warranties are in addition to, and not in limitation of any and all warranties, rights, and remedies to which the property owner, or subsequent owners, may be entitled, at law or in equity, and shall survive the conveyance of title, delivery of possession of the property, or other final settlement made by the owner and shall be binding on the undersigned contractor notwithstanding any provision to the contrary contained in any instrument heretofore or hereafter executed by the owner.

Contractor Name		License #	
Business Name			
Address, City, State, Zip			
Contractor Title		Phone #	
Contractor Signature		Date	
<input type="checkbox"/> Minority Owned (over 51%) Business <input type="checkbox"/> Female Owned (over 51%) Business			

BORROWER’S ACCEPTANCE OF CONTRACTOR’S AGREEMENT:

Borrower Signature		Date	
Co-Borrower Signature		Date	

NOTES:

- Original to MSHDA
- Copy to Borrower(s)
- Copy to Contractor
- Copy to Lender/Agent

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

PROPERTY IMPROVEMENT PROGRAM

BORROWER'S REPRESENTATION OF ACCOUNTABILITY and ESCROW AGREEMENT

I am applying for a property improvement loan (the "Loan") through a local community agency (the "Agent"), a local financial institution (the "Lender"), or in conjunction with both the Agent and Lender. I understand that this Loan will be financed by the Michigan State Housing Development Authority ("MSHDA"). I understand that a number of requirements are imposed upon recipients of loans financed in this manner. Therefore, in order to qualify for this Loan, I state the following:

1. The property to be improved (the "Property") is located in the State of Michigan, is permanently affixed to the land, is considered "real property" for taxing purposes, and consists of one to eleven units (the "Units"). I represent that I have at least 50% legal ownership interest in the Property. **For the life of the Loan I have no intent to sell, assign, or transfer any interest in the property to another party and have not entered into any agreement, understanding or other arrangement to sell, assign, or transfer the property and shall not do so without the prior written consent of MSHDA. I understand that a sale or transfer includes but is not limited to: an assumption of the Loan, a sale by means of a land contract, or a sale subject to a mortgage;**
2. The proceeds of this Loan will be used only for alterations, repairs, or improvements which substantially improve the basic livability or energy efficiency of the Unit(s) as listed on MSHDA's Forms H-1 and the attached contractor/supplier estimates (the "Approved Improvements");
3. I/we do not currently occupy the property, but the property which is to be improved by this loan is located in the State of Michigan and will become my/our principal residence within sixty (60) days after closing.
4. I do not now nor do I intend to use more than 15% of the Property in a trade or business, other than rental of the Units where appropriate;
5. None of the improvements to be financed with the proceeds of the Loan were or will be commenced before the date of the signed MSHDA note without prior MSHDA approval;
6. In the event that I receive a Loan, upon endorsement of the check for the proceeds of the Loan, I agree to allow _____, the Lender or Agent (the "Escrow Agent"), to deposit the funds into a non-interest bearing (to the borrower) escrow account from which disbursements will be made
 - a. I may request disbursements on MSHDA's Disbursement Request Form (H-10) anytime within six months of the date of the Note under the following conditions:
 - i. To receive a disbursement made payable only to me, I must provide paid receipts from the contractor and/or supplier.
 - ii. To receive a disbursement made payable jointly to supplier and me, I must provide an invoice of the supplies to be purchased on the letterhead of the supplier.
 - iii. To receive a disbursement made payable jointly to me and the contractor, the disbursement together with all previous disbursements, must not exceed: (1) Up to 40% of the Loan amount, if less than 40% of the Approved Improvements are complete, (2) 70% of the Loan amount, if less than 70% of the Approved Improvements are complete, or (3) 100% of the Loan amount, if all Approved Improvements are complete;
7. Six months from signing the Note, any un-disbursed funds in the Escrow account shall be used to repay my Loan unless I request in writing to the Escrow Agent, an extension of time which shall not exceed three additional months. No additional extensions will be made without written approval from MSHDA. Within this time frame, I will submit to the Escrow Agent the Final Disbursement Request signed by me, verifying that the work is completed and that MSHDA or its agents may inspect the completed improvements;
8. I further acknowledge that any false pretense, including any false statement or representation; or the fraudulent use of an instrument, facility, article, or other valuable thing or service pursuant to my participation in any MSHDA program, is punishable by imprisonment for not more than ten (10) years or by a fine of not more than \$5,000.00.
9. In this document, the word "I", "me", and "my" mean the person or persons signing this affidavit, each of whom

shall be separately responsible.

- 10. We have approved your application for a property improvement loan that is to be insured by the Department of Housing and Urban Development. As one of the conditions of loan approval, you have agreed to furnish us with a completion certificate after the work is completed, and to permit us, or our agent, to inspect the completed improvements. If you fail to repay this loan as agreed, we may assign the loan and any mortgage to HUD for collection.

Failure to pay this debt to HUD may result in offset of Federal payments due you (including Federal income tax refunds, Social Security benefit payments, and Federal employee wages or retirement) or may result in the administrative garnishment of your wages. In addition, failure to pay may result in the referral of the debt for collection by the Department of Justice, by the Department of the Treasury, or by private collection agencies. In addition to principal and interest on the debt, you will be liable for the payment of any penalties or administrative costs that may be imposed by HUD as authorized by Section 3717 to Title 31 of the United States Code.

Your signature below indicates that you have read and understand this notice, and that you consent to pay any penalties, administrative costs, and interest that may be assessed by HUD.

EACH BORROWER MUST SIGN THIS DOCUMENT UPON APPLICATION.

Date: _____, 200__

Borrower

Co-borrower

EACH BORROWER MUST REAFFIRM THE INFORMATION CONTAINED IN THIS DOCUMENT AT CLOSING.

Date: _____, 200__

I have reviewed all of the foregoing representations and warranties made by me as of today's date (the closing date of the Loan). I reaffirm all of the foregoing representations and warranties previously made and state that I have not incurred any additional financial obligations and still receive the same amount of income as stated on my Credit Application.

Borrower

Co-borrower

Escrow Agent agrees to administer escrow account in accordance with this agreement.

Escrow Agent

Representing

*(ORIGINAL TO MSHDA WITH CLOSING PACKAGE,
PHOTOCOPIES TO ESCROW AGENT AND BORROWER)*