

**MONTANA BOARD OF INVESTMENTS
MORTGAGOR'S AFFIDAVIT AND CERTIFICATION
MONTANA VETERANS' HOME LOAN PROGRAM**

MORTGAGE LOAN INTEREST RATE _____%

INVESTOR: Montana Board of Investments

MORTGAGOR(S) _____

PROPERTY ADDRESS _____

LEGAL DESCRIPTION: _____

The undersigned (jointly and severally, the "Mortgagor"), as applicant for a Mortgage Loan, or as applicant to assume a Mortgage Loan provided under the Montana Veterans' Home Loan Program ("Program") by the Montana Board of Investments (the "Board"), and as purchaser of a Residence (the "Residence") which is the subject of such Mortgage Loan, being first duly sworn (or affirmed) under oath, hereby states and certifies that:

1. I am a Montana resident.
2. I am eligible as a veteran or deceased veteran spouse under the requirements of the program.
3. I have successfully completed a homebuyer education class approved by the Montana Board of Housing.
4. I possess the legal capacity to incur the obligations of the Mortgage Loan.
5. I shall use the Residence to be purchased as my principal residence promptly and in no event later than sixty (60) days following the Mortgage Loan closing, and thereafter to maintain the property as my principal residence throughout the term of the Loan. I do not intend to, or have not entered into an arrangement to rent, sell, assign or transfer the Residence. I will not use the Residence as an investment property or a recreational home. The land purchased with the Residence does not exceed forty (40) acres.
6. The information included in the residential loan application is true, accurate and complete. No part of the cash down payment or closing costs has been borrowed from any source other than disclosed upon this application. Mortgagor(s) name(s), the property address and legal description for the Trust Indenture applied for are all true and correct.
7. I understand that the purpose of the Montana Veterans' Home Loan Program is to honor Montana veterans by helping them purchase a home. I understand that the Montana Board of Housing is administering this program on behalf of the Board. I understand that the program has limited resources and is not intended to create rental properties. To meet the intent of the Program, I understand that I must maintain the Residence as my primary residence. I understand that, should I cease to use the home as my primary residence, I have the responsibility to return the funds to the Program by selling or refinancing the Residence. I understand that if I do not return the funds within 12 months of ceasing to use the home as my primary residence, at the option of the Board or its designee, the entire loan indebtedness may become immediately due and payable. I understand that at my written request, the Board or its designee may in its sole discretion extend or decline to extend this 12 month period as provided in the Administrative Rules of Montana.

Initials of Mortgagor(s)

8. I understand that the Montana Board of Housing will request verification of my continued primary residency from time to time, and that failure to provide documentation of my primary residency within a reasonable amount of time will constitute grounds for the loan to be declared immediately due and payable.
9. I understand that under the applicable above referenced Program, all or a part of the Mortgage Loan proceeds may be used to pay or replace a short term construction loan or temporary interim construction financing on the residence to be financed where the term of such interim financing is 24 months or less and where any mortgage or other lien on the property securing such construction or interim financing is satisfied and released so that the Mortgage Loan provided under the Program is

secured by a first priority trust indenture. Complete and accurate copies of all documents have been provided to the Originating Lender pertaining to the construction or interim financing (if applicable) of the Residence to be financed under the Program. I have not granted a mortgage or other financing lien (whether paid off or not) on the Residence at any time prior to the execution of the trust indenture securing the Mortgage Loan provided under the Program (other than to secure such construction loan or financing). A Mortgage Loan under the Program may include replacement financing for previously financed land upon which the residence has been constructed. Previous financing on such land must be paid off and any existing mortgage or other lien must be satisfied and released so that the Mortgage Loan provided under the Program is secured by a first priority trust indenture on the Residence, including land and improvements.

10. I understand that for purposes of the following, examples of interests which constitute "Present Ownership" interests are as follows: (i) a fee simple interest, (ii) a joint tenancy, a tenancy in common, or tenancy by the entirety; (iii) the interest of a tenant-shareholder in a cooperative; (iv) a life estate; (v) a contract for deed (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred presently although a legal title is not transferred until some later time); and (vi) an interest held by another person or entity in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor.

Also for the purposes of the following, I understand that examples of interests which DO NOT constitute "Present Ownership" interests are as follows: (i) a remainder interest, (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest in a principal residence; (iv) the interest that a purchaser of a residence acquires on the execution of a purchase contract (other than a contract for deed) prior to closing the purchase transaction and taking title to the property; and (v) an interest in real estate other than a principal residence.

Select (a) or (b) as appropriate:

____ (a) At no time during the three-year period prior to the closing of this Mortgage Loan have I had any Present Ownership interest in my principal residence. During the three-year period prior to the closing of this Mortgage Loan I have lived as a tenant, lived with members of my immediate family, or under some other arrangement without having a "Present Ownership" interest in the principal residence in which I lived.

____ (b) At some time during the three-year period prior to the closing of this Mortgage Loan I have had a "Present Ownership" interest in my principal residence.

11. I am required to attach and have attached hereto copies of my signed Montana State Income Tax Return for the most recent year and signed Federal Income Tax Returns for the three previous years or as otherwise required, unless I did not and was not required to file such a return or returns in accordance with the applicable provisions of Title 15, Chapter 30 of the Montana Code Annotated or Section 6012 of the Internal Revenue Code, in which case I have provided alternate documentation acceptable to the Montana Board of Housing. Full disclosure and documentation of such tax returns has also been provided to the Mortgage Lender if applicable. The years for which I was not required to file Federal or state Income Tax Returns were as follows:_____. Indicate reason not required to file returns, if applicable:_____.

If the Mortgage Loan is closed between January 1 and April 15 of this calendar year, I understand that a complete copy of my federal income tax return for the previous year must be provided to the Montana Board of Housing through the Originating Lender as soon as reasonably possible, or by April 15, whichever is earlier.

12. The "Acquisition Cost" of the Residence is \$_____. I hereby certify the information used in computing Acquisition Cost to be true, accurate and complete. Attached hereto is a complete and accurate copy of the buy/sell agreement (purchase or sales contract) or other relevant documentation executed by the Mortgagor(s) and seller(s). There exists no other agreement, written or oral, between the Mortgagor and seller. For purposes of this paragraph, "Acquisition Cost" does not include the cost or purchase price of any separately valued or priced personal property.

13. I have provided a minimum of Two Thousand Five Hundred dollars (\$2,500.00) towards the loan amount of the Residence from my own funds, or those funds fully allowed and fully disclosed in my financial statement and/or Mortgage Loan application, and not directly or indirectly in any part from funds or collateral provided, given or financed directly or indirectly from, by or through the seller or any other party acting upon request of seller or myself.

14. I understand I am not allowed to sell my home to any person and permit such person to assume my obligations under the trust indenture and related note (with or without release of my liability) unless such person (i) satisfies all requirements of this affidavit and so certifies as such; (ii) meets all assumption requirements of FHA, RD or VA (as applicable); and (iii) has obtained prior written consent of the Board or its designee and, if required, the Originating Lender.

15. I have read the Note, Trust Indenture and Rider (the "Mortgage Loan Documents"), and understand that the failure to meet one or more of the requirements, or misrepresentation by me as to one or more of the requirements, of the Mortgage Loan Documents may constitute a default under one or more of the Mortgage Loan Documents and result in

