INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

FIRST PLACE CONVENTIONAL PROGRAM GUIDE

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FIRST PLACE CONVENTIONAL PROGRAM
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FIRST PLACE CONVENTIONAL PROGRAM
PREAMBLE

The First Place Conventional Program is a conventional thirty (30) year fixed rate program offered by IHCDA that assist the mortgagor with Down Payment Assistance (DPA) on the purchase of a single-family home. The First Place Conventional Program can be financed as either a Fannie Mae ("FP MAE") or Freddie Mac ("FP MAC") loan. The First Place Conventional Program provides DPA in an amount not to exceed six percent (6.0%) of the lower of the Subject Property's purchase price or appraised value. These loans must meet the requirements set forth in this Program Guide, the Master Servicer and either Fannie Mae or Freddie Mac, whichever of the two is appropriate.

Due to the variations in the type of financing that can be provided through this Program, it is important that you not only review the requirements set forth in this Program Guide, but also review the requirements of Fannie Mae or Freddie Mac (whichever of the two is appropriate), and the Master Servicer.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
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DEFINITIONS

"Accessory Unit" is typically an additional living area independent of the primary dwelling unit, and includes a fully functioning kitchen and bathroom.

"Acquisition Cost" shall have the meaning set forth in Section 3 of this Program Guide.

"Affordability Period" is the time between the closing date and the end of the full nine (9) years after the execution of the second mortgage (DPA 2nd mortgage).

"AMI" is the Area Median Income and the program being utilized by the Mortgagors determines which AMI to review for compliance.

"Commitment Expiration Date" means the date on which IHCDA's commitment under the Program expires.

"Co-Mortgagor" means any additional individual(s), in addition to the primary Mortgagor, meeting the qualifications of the First Place Conventional Program, who is responsible for any primary and secondary liability associated with the Subject Property and as the context requires, for which the Subject Property is their primary residence.

"Conventional financing" means financing provided through either the Federal National Mortgage Association ("Fannie Mae") home loan program or the Federal Home Loan Mortgage Corporation ("Freddie Mac") home loan program.

"CreditSmart" is a homebuyer educational class that is accepted by Freddie Mac.

"Date of Closing" is the closing date listed on the Closing Disclosure signed by the borrower(s) at closing.

"DPA" means down payment assistance.

"DTI" is the debt-to-income ratio of the Mortgagor or debt/income.

"Federal Recapture Tax" has the meaning set forth in Section 5 of this Program Guide.

"First-Time Homebuyer" is an individual who has not, at any time during the three (3) years preceding the date of the loan closing, had a present ownership interest in his or her principal residence.

"FP MAC" means the First Place Conventional Program utilizing Freddie Mac conventional financing.

"FP MAE" means the First Place Conventional Program utilizing Fannie Mae conventional financing.

"Framework" is a homebuyer educational class accepted by both Fannie Mae and Freddie Mac.

"GSE" means Government Sponsored Enterprise, there are three separate and distinct GSE's, which include "Ginnie Mae", "Fannie Mae" and "Freddie Mac".

"IHCDA" means Indiana Housing and Community Development Authority.

“IHCDA Online” means the online system used by IHCDA and participating lenders to access, manage and verify the program being utilized.

“Master Servicer” means US Bank, N.A.

“Mortgagor” means any individual(s) meeting the qualifications of the First Place Conventional Program, who is responsible for any primary and secondary liability associated with the Subject Property.

“MOSA” means Mortgage Origination and Sales Agreement.

“Participating Lender” means a lender that has signed the IHCDA Universal Mortgage Origination and Sale Agreement (MOSA).

“Program” means the First Place Conventional Program, distinctions (FP MAC or FP MAE) associated with the type of financing will be noted with the identifiers listed above.

“Program Guide” means this IHCDA First Place Conventional Program Guide, distinctions (FP MAC or FP MAE) associated with the type of financing will be noted with the identifiers listed above.

“Purchase Agreement” means an agreement to purchase real property between, at a minimum, the seller of such property and the Mortgagor.

“Qualified Census Tract” (QCT) has the meaning set forth in Section 1 of this Program Guide.

“Recapture Amount” has the meaning set forth in Section 5 of this Program Guide.

“Relock” means that the interest rate of a loan will need to be re-established at the higher of the current interest rate and the original interest rate.

“Second Mortgage” has the meaning set forth in Section 10 of this Program Guide.

“Single-Family Dwelling” is a structure designed for residential use by one family, or a unit so designed, whose owner owns, directly or through a non-profit cooperative housing organization, an undivided interest in the underlying real estate, including property owned in common with.

“Subject Property” is the property the Mortgagors are purchasing and will reside in.

“Targeted Area” has the meaning set forth in Section 1 of this Program Guide.

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EXECUTIVE SUMMARY

What a Participating Lender should know about a Mortgagor and their home:

1. Both IHCDA and the Participating Lender reserve their rights to request any additional documentation needed to make an accurate determination on any given file.

2. IHCDA cannot email, fax or mail any document, including any mortgage documents provided by the Participating Lender containing the Mortgagor's Social Security Number.

3. Reservations for loans will only be taken Monday through Friday between the hours of 9:00 am and 5:00 pm (EDT).

4. A rate sheet will appear in IHCDA Online when a Participating Lender reserves a loan.

5. All reservations must be for either Fannie Mae or Freddie Mac thirty (30) year fixed rate mortgages.

6. All loans must be underwritten to and meet GSE, IHCDA and the Master Servicer guidelines.

7. The Mortgagor(s) must be a first-time homebuyer unless purchasing in a designated Targeted Area.

8. The "Framework" homeownership education online training is required for all Fannie Mae loans, which can be found at https://www.frameworkhomeownership.org/get-started/homebuyer-education.

9. The "CreditSmart" homeownership education online training is accepted for all Freddie Mac loans, which can be found at https://sf.freddiemac.com/working-with-us/creditsmart/overview.

10. Freddie Mac will accept either the "Framework" or the "CreditSmart" educational certificate, but one or the other is required.

11. A Mortgagor must not have had an ownership interest in his or her principal residence within the past three (3) years. This restriction is waived for Mortgagor who purchase in targeted areas and when the Mortgagor is an eligible Veteran.

12. Household size will be determined by the number of Mortgagor(s), along with dependents listed on the Uniform Residential Loan Application (URLA Form 1003) and any/all individuals expected to cohabitate in the residence.

13. The Mortgagor(s) must meet special income guidelines set forth in Section 2 of this Program Guide. Furthermore, income limits vary by county and are dependent on family size.

14. Household income will be determined for Mortgagor and Co-Mortgagor(s) only based off qualifying Gross Annual Income provided by the Participating Lender on the Uniform Residential Loan Application (URLA Form 1003) and the required supplement thereto, if any.

15. Participating Lender must disclose all forms of qualifying income for Mortgagor and Co-Mortgagor(s) on the Uniform Residential Loan Application (URLA Form 1003), including any required supplement, thereto and as described in Section 2 of this program guide.

16. The cost of purchasing the home must fall under the federally determined acquisition limits. Acquisition limits vary by county.

17. The property may only be a one (1) unit dwelling.

18. The home must be used as the Mortgagor's principal residence.

19. The Auxiliary Unit Affidavit is to be used when an in-law quarters or an additional living space is included within the Subject Property.

20. If a Mortgagor is purchasing a property that he or she is renting or has rented previously, the Participating Lender must supply a current lease agreement, purchase agreement, appraisal and a thirty-six (36) month chain of title with the IHCDA Affidavit. If there is no current lease agreement, then a submission of a signed buyer/seller agreement encompassing all terms of the rental agreement is required. The buyer/seller agreement may be submitted in lieu of the lease agreement, from the time the buyer has occupied the rental. In addition, no amount of the rent paid can be applied towards the lowering of the purchase price and/or cannot be used towards the purchase of the property in any fashion; provided however, that the foregoing shall not prevent the financing of a land contract (as described herein).

21. An IHCDA Mortgage Rider is required.

22. Federal Recapture Tax may apply.

23. Mortgagor and Co-Mortgagor tax transcripts are required.

24. The purchase price of the property cannot exceed the fair market value (appraised value).

25. If originating a Fannie loan, Desktop Underwriter (DU) must be used.

26. If originating a Freddie loan, Loan Product Advisor (LPA) must be used.

27. The Mortgagor(s) must have a minimum FICO credit score that meets the requirement set forth by the Master Servicer. Verification of current FICO credit scores, for Conventional financing, must be verified with the Master Servicer.

28. The maximum debt to income ratio (DTI) must meet the requirements set forth by the Master Servicer. Verification of the current DTI, for Fannie Mae and Freddie Mac conventional financing, must be verified with the Master Servicer.

29. DPA may be used for down payment assistance, closing costs, and pre-paids.

30. The amount of DPA cannot exceed six percent (6%) of the lower of the purchase price or appraised value.

31. A Mortgagor may contribute additional cash resources for down payment and closing costs.

32. A Mortgagor using DPA funds is not eligible to receive any cash back at closing, except what can be documented as an investment made by the Mortgagor.

33. This program does have a Second Mortgage and Promissory Note.

34. The DPA funds will be funded directly by IHCDA once the loan has reached the stage of Committed "Approved". The Participating Lender is required to input the Title Insurance Company's ACH/routing information into IHCDA Online when the loan has reached the Committed "Approved" stage. The funds will be ACH/wired to the Title Company closing the loan. Please allow forty-eight (48) business hours for wire disbursements (one (1) day for disbursement and an additional day to verify funds being received by the Title Company). Wires are processed once, daily.

35. If the loan does not close within three (3) business days of the original closing date, the Participating Lender must return the funds associated with the Second Mortgage to IHCDA. In addition, if the Master Servicer is unable to purchase the loan, the Participating Lender must return the funds associated with the Second Mortgage to IHCDA within thirty (30) days after receiving notification from the Master Servicer that it is unable to purchase the loan.

36. The Participating Lender is not allowed to fund the DPA at the time of closing. A refund of the DPA from IHCDA to the Participating Lender is not allowed. If the Participating Lender funds the DPA, the loan is out of compliance and the Participating Lender must return the DPA funds IHCDA has provided, if sent, and the Participating Lender will be assigned the Second Mortgage and the loan will be terminated.

37. The Mortgage may not be closed prior to the Committed "Approved" date shown in IHCDA Online. If there is a violation of the foregoing, the originating Participating Lender shall retain the First Mortgage. If the First Mortgage is not purchased by the Master Servicer or sub-servicer, for any reason, the originating Participating Lender shall retain the First Mortgage.

38. The maximum amount that can be charged on each loan with respect to origination fees will be limited to one percent (1%) regardless who is paying it. In addition, the maximum amount a lender may charge in lender fees will be limited to one thousand two hundred dollars ($1,200), without respect to who is paying them.

39. If a loan is refinanced, foreclosed upon, or sold during the Affordability Period, as defined in Section 10 of this Program Guide, the Second Mortgage is due and payable in full immediately.

40. The reservation fee for reserving a loan through the Program is a flat fee of $100.00.

41. Co-signers of the Mortgagor are not allowed.

42. Participating Lender must advise each Mortgagor of the importance of obtaining an independent home inspection for any home it plans to purchase in accordance with the Master Servicer, Fannie Mae and Freddie Mac guidelines.

43. Final Approval from IHCDA and purchase by the Master Servicer must occur by the Commitment Expiration Date (60 days from the date of reservation).

44. If there are any conflicts between the GSE guidelines and the Program guidelines, please contact IHCDA. IHCDA will also address all questions regarding tax compliance. All other questions should be directed to the Master Servicer.

45. Any employee, agent, or associate of the Participating Lender caught forging or altering documentation or otherwise misrepresenting information will be suspended from the Program and the pertinent information will be turned over to the proper state and local authorities.

46. IHCDA strongly encourages Participating Lenders to print this program guide from https://www.in.gov/ihcda/4117.htm

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
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GEOGRAPHIC ELIGIBILITY
SECTION 1

Certain geographic areas in Indiana have been designated as "Targeted Areas". Areas in the State not designated as Targeted Areas are referred to as "Non-Targeted Areas".

1. Targeted Areas are either:

    a. A Qualified Census Tract: seventy percent (70%) or more of the families have an income which is eighty percent (80%) or less of the statewide median family income.

    b. An "Area of Chronic Economic Distress" as designated by the State and approved by the Secretary of the United States Department of Treasury and the Secretary of the United States Department of Housing and Urban Development.

2. Targeted Areas, as of the date of this Program Guide, include the following counties in the State of Indiana:

Brown	Clinton	Crawford	Daviess	Dearborn	Decatur
Fayette	Franklin	Fulton	Greene	Jackson	Jasper
Jefferson	Knox	Lawrence	Miami	Ohio	Orange
Owen	Parke	Perry	Pike	Rush	Scott
Shelby	Spencer	Vermillion	Vigo	Washington	Wayne

Targeted Areas also include the following census tracts within counties that themselves are not Targeted Areas. The property appraiser must note the qualifying census tract information on the appraisal for a property to be designated within a Targeted Area.

2020 IRS SECTION 42(d)(5)(B) QUALIFIED CENSUS TRACTS

County	Census Tract				
Allen	0005.00	0006.00	0007.01	0012.00	0013.00
	0016.00	0017.00	0020.00	0021.00	0023.00
	0026.00	0028.00	0029.00	0030.00	0031.00
	0035.00	0036.00	0040.00	0043.00	0044.00
	0106.04	0112.01	0113.02	0113.03	9800.01
Cass	9515.00				
Clark	0502.00	0503.06	0505.04		
Clay	0401.00				
Dearborn	0805.00				
Delaware	0003.00	0004.00	0005.00	0006.00	0009.02
	0009.03	0010.00	0012.00	0016.00	0017.00
	0020.00	0028.00			
Elkhart	0015.01	0019.01	0021.02	0023.00	0026.00
	0027.00				
Floyd	0702.00	0704.00	0705.00	0707.00	0708.01
	0709.02				

County	Census Tract				
Grant	0001.00	0002.00	0004.00	0007.00	0008.00
	0009.00				
Henry	9763.00	9765.00			
Howard	0002.00	0004.00	0009.00	0012.00	
Jay	9630.00	9633.00			
Lake	0102.01	0102.03	0102.05	0103.02	0103.04
	0104.00	0105.00	0106.00	0109.00	0110.00
	0111.00	0112.00	0113.00	0114.00	0115.00
	0116.00	0117.00	0118.00	0119.00	0120.00
	0121.00	0122.00	0123.00	0124.00	0126.00
	0127.00	0128.00	0203.00	0204.00	0205.00
	0206.00	0207.00	0208.00	0214.00	0218.00
	0301.00	0302.00	0303.00	0304.00	0305.00
	0306.00	0308.00	0310.00	0411.00	0412.00
	0415.00	0417.00			
LaPorte	0401.00	0403.00	0409.00	0413.00	0414.00
	0423.00	0430.00			
Madison	0003.00	0004.00	0005.00	0008.00	0009.00
	0010.00	0119.00	0120.00		
Marion	3103.05	3103.06	3201.08	3209.02	3209.03
	3225.00	3226.00	3301.06	3306.00	3307.00
	3308.03	3308.04	3308.05	3308.06	3309.00
	3401.08	3402.01	3402.02	3403.00	3404.00
	3405.00	3406.00	3407.00	3409.02	3411.00
	3412.00	3416.00	3417.00	3419.03	3422.00
	3423.00	3424.00	3425.00	3426.00	3501.00
	3503.00	3504.00	3505.00	3506.00	3507.00
	3508.00	3510.00	3512.00	3515.00	3517.00
	3519.00	3521.00	3523.00	3524.00	3526.00
	3527.00	3533.00	3535.00	3536.00	3545.00
	3547.00	3548.00	3549.00	3550.00	3551.00
	3553.00	3557.00	3559.00	3564.00	3569.00
	3572.00	3554.00	3555.00	3556.00	3570.00
	3571.00	3573.00	3574.00	3576.00	3578.00
	3580.00	3581.00	3601.01	3601.02	3602.01
	3603.02	3604.01	3604.02	3604.04	3608.00
	3609.00	3702.02	3802.00	3803.00	3804.02
	3805.02	3806.00	3807.00	3810.01	3812.03
	3812.04	3905.00	3907.00		
Marshall	0205.00				
Monroe	0001.00	0002.01	0002.02	0003.01	0006.01
	0006.02	0009.01	0009.03	0016.00	
Noble	9718.00				
Porter	0509.00				
Randolph	9516.00				

County	Census Tract				
St. Joseph	0002.00	0004.00	0005.00	0006.00	0010.00
	0015.00	0017.00	0019.00	0020.00	0021.00
	0022.00	0023.00	0024.00	0027.00	0028.00
	0029.00	0030.00	0034.00	0035.00	0112.01
	0112.02	0113.01	0115.01		
Switzerland	9657.00				
Tippecanoe	0001.00	0002.00	0004.00	0053.00	0054.00
	0055.00	0102.04	0105.00		
Vanderburgh	0003.00	0009.00	0010.00	0011.00	0012.00
	0013.00	0014.00	0015.00	0017.00	0019.00
	0020.00	0021.00	0023.00	0025.00	0026.00
	0032.00	0033.00	0037.02		
Wells	0406.00				

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
MORTGAGOR ELIGIBILITY
SECTION 2

A Mortgagor applying for the First Place Conventional Program must meet the following eligibility requirements:

1. Must be a First-Time Homebuyer:

   a. A "First-Time Homebuyer" is someone who has not, at any time during the three (3) years preceding the date of the loan closing, had a present ownership interest in his or her principal residence. This requirement does not apply to all members of the household only to those persons executing the loan documents and intended to occupy the property. However, Mortgagors acquiring residences in Targeted Areas and eligible veterans are exempt from the First-Time Homebuyer requirement.

2. Hold an ownership interest:

   a. An ownership interest includes:

      i. A fee simple interest;

      ii. A joint tenancy, a tenancy in common, or a tenancy by the entirety;

      iii. The interest of a tenant shareholder in a cooperative;

      iv. A life estate;

      v. A land contract (i.e. a contract under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time);

      vi. An interest held 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; or

      vii. Ownership of a factory-made home permanently affixed to real property and taxed as real estate.

   b. Interests that do not constitute ownership interest include:

      i. A remainder interest;

      ii. A lease;

      iii. A mere expectancy to inherit an interest in a principal residence;

      iv. The interest that a purchaser of a residence acquires upon the execution of a purchase contract;

      v. An interest in other than a principal residence during the previous three (3) years; or

      vi. Ownership of a factory-made home not permanently affixed to real property and taxed as personal property.

3. Must be income eligible:

    a. Mortgagors applying for financing through the Program must meet income limits for First Place Conventional Program, which are based on the income limits of the county in which the residence to be purchased is located. The IHCDA website contains the county-by-county income limits.

    b. Income will be determined for Mortgagor(s) using qualifying Gross Annual Income, provided on the Uniform Residential Loan Application (URLA Form 1003), as described below**,** and the required supplement thereto, if any. IHCDA and/or the Participating Lender can request any additional information either needs to make this determination.

       NOTE: All sources of income shown below <u>must</u> be included on the URLA Form 1003, and the required supplement thereto, if any.

    c. Gross Annual Income includes gross wages and salaries from employment, including any part-time, seasonal, or sporadic income, shift differentials, overtime pay, commissions, fees, tips, and bonuses. Gross Annual Income also includes:

        i. Child support, alimony and separate maintenance payments in which the mortgagor(s) is responsible of informing the lender if this income is received, which amounts must be disclosed on a supplement to the signed Uniform Residential Loan Application (URLA Form 1003);

        ii. Periodic payments for trust, annuities, inheritances, insurance policies, pensions, retirement funds and lotteries;

        iii. All public assistance payments (excluding Medicaid and food stamps) including any amount by which educational grants, scholarships, and/or Veteran Administration educational benefits exceed expenses for tuition, fees, books, and equipment and reasonable rent and utility costs for a student living away from home;

        iv. Interest and dividends;

        v. Payments in lieu of earnings, including social security, unemployment benefits, worker's compensation, severance pay, disability or death benefits;

        vi. Income from partnerships;

        vii. Rental income from property owned;

        viii. Recurring monetary contributions or gifts regularly received from a person not living in the residence;

        ix. All regular pay, special pay, and allowances of a member of the Armed Forces except special pay to for someone in the Armed Forces who is exposed to hostile fire.

4. Aliens

    a. The Participating Lender is required to determine the Mortgagor's residency status, in accordance with Freddie Mac and Fannie Mae (as applicable) or the Master Servicer's guidelines.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
SUBJECT PROPERTY ELIGIBLITY
SECTION 3

The Subject Property must meet the following eligibility requirements:

1. Types of Properties allowed:

   a. Property standards are determined by the type of financing the Mortgagor is using.

   b. The proceeds of the loans must be used to acquire the principal residence of the Mortgagor.

   c. The residence must meet the following requirements:

      i. The property must be located in the State of Indiana.

      ii. The property must be maintained as owner occupied for the life of the loan.

   d. The property must be:

      i. A Single-Family Dwelling; or

      ii. A condominium must be in accordance with Fannie Mae, Freddie Mac, Ginnie Mae or the Master Servicer's guidelines; or

      iii. A townhome following the specific product guide; or

      iv. A planned unit development; or

2. Manufactured homes are not allowed.

3. Acquisition Cost:

   a. The "Acquisition Cost" of the residence must not exceed the applicable Program acquisition cost limits. The IHCDA website contains acquisition cost limits. The term "Acquisition Cost" means the cost of acquiring a residence from the seller(s) as a completed residential unit. The Acquisition Cost includes:

      i. All amounts paid, either in cash or in kind, by the Mortgagor (or a related party for the benefit of the Mortgagor) to the seller(s) (or a related party of the seller(s)) as consideration for the residence;

      ii. If the residence is incomplete, the reasonable cost of completing the residence whether or not financed by the First Place Conventional loan. For example, if the residence is in need of repair and the repairs are necessary to make the residence habitable, to meet local building codes, or to meet Program requirements, the reasonable cost of making the repairs whether or not financed by the First Place Conventional loan;

      iii. Settlement and financing costs in excess of amounts which are usual and reasonable (e.g. points paid by the Mortgagor for the purpose of "buying down" the interest rate);

iv. Property taxes, if not prorated between ownership by Mortgagor and seller (e.g., Mortgagor pays next installment due); and

v. The cost of the land, or if a gift, the appraised value, is to be added to the Acquisition Cost if the Mortgagor has owned the land for less than two (2) years prior to construction of residence.

b. Acquisition cost does not include:

i. Usual and reasonable settlement and financing costs including:

1. Title and transfer costs;

2. Title insurance;

3. Survey fees and other similar costs;

4. Credit reference fees;

5. Legal fees;

6. Appraisal expenses;

7. Usual and reasonable financing points paid by the Mortgagor;

8. Structural and systems or pest inspections; and

9. Other related costs of financing the residence.

ii. Land owned by the Mortgagor for more than two (2) years prior to construction.

iii. The imputed value of "sweat equity" performed by the Mortgagor or members of the Mortgagor's immediate family.

4. Additional Eligibility Requirements:

a. No more than ten percent (10%) of the total area of the residence can reasonably be used as:

i. The principal place of business for, or connected with, any trade or business on an exclusive or regular basis; or

ii. A place where inventory is held for use in the trade or business of the selling of products at wholesale or retail, unless the residence is the sole fixed location of such trade or business; or

iii. A place used on a regular basis in a trade or business.

b. A residence used as an investment property, rental property or a recreational home would not qualify as a principal residence.

c. All appraisals must be conducted by a licensed appraiser in accordance with Fannie Mae, Freddie Mac and Master Servicer guidelines.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
MORTGAGE FINANCING ELIGIBILITY
SECTION 4

1. Mortgage Financing Eligibility:

    a. The proceeds of the loans secured under the Program must be used to acquire the principal residence of the Mortgagor. The mortgage financing must meet the following requirements:

        i. IHCDA cannot finance the following:

            1. Acquisition of personal property;

            2. Land not appurtenant to the residence;

            3. Land appurtenant to the residence, but not necessary to maintain the basic livability of the residence (or) which provides, other than incidentally a source of income to the Mortgagor;

            4. Land which is greater than 1 acre will be presumed to be in excess of what is necessary to maintain the basic livability of the residence and will require specific findings by the surveyor and/or appraiser to rebut such presumption;

            5. Settlement and financing costs that are in excess of that considered usual and reasonable;

            6. Land identified as buildable;

            7. Land that could be used as a source of income.

        ii. IHCDA funds cannot refinance an existing loan or replace existing financing on the property.

        iii. Land sale contracts and leases with the option to purchase will be considered existing financing, regardless of whether or not they have been recorded.

        iv. No assumptions will be allowed on any IHCDA loans**.**

        v. None of the interest of the First Place Conventional mortgage loan can be paid to a member of the Mortgagor's immediate family.

2. Notes regarding Mortgage Financing:

    a. The Participating Lender should remember to ensure that the Mortgagor qualifies for the Program before beginning the financing process.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
THE FEDERAL RECAPTURE TAX
SECTION 5

Congress enacted legislation in 1988, subsequently amended in October 1990, to recapture, under certain circumstances, some or the entire subsidy from homebuyers who receive qualified mortgage bond assistance after January 1, 1991 (the "Federal Recapture Tax"). THE FOLLOWING DOES NOT CONSTITUTE TAX OR LEGAL ADVICE AND EACH MORTGAGOR IS ADVISED TO CONSULT WITH A TAX SPECIALIST TO DETERMINE WHETHER HE OR SHE IS RESPONSIBLE FOR PAYING THE FEDERAL RECAPTURE TAX.

The law mandates a "recapture" of some of the benefit of the program if a Mortgagor meets all three (3) of the following criteria: (1) the property ceases to be the principal residence in the first full nine (9) years after the date that the mortgage loan is closed; (2) there is a profit on the sale of the home, and (3) the household income is more than that year's adjusted qualifying income for Mortgagor's family size that year.

If Federal Recapture Tax is owed, it is computed and paid to the IRS for the tax year in which the home is sold. If Federal Recapture Tax must be repaid, it will never exceed the <u>lesser</u> of 6.25% of the original loan amount or one-half (1/2) of the gain on the sale of the home.

The most that a Mortgagor will ever be required to pay when a Mortgagor sells his or her home within the first nine (9) years of purchasing it is 6.25% of the highest principal amount of the mortgage loan that was federally subsidized during the life of the loan or, if less, fifty percent (50%) of the gain on the sale of the home. 6.25% of the principal amount of the mortgage loan is the amount considered to be the federally subsidized amount. When a Mortgagor sells his or her home is as important as the amount a Mortgagor receives for the sale of his or her home and his or her income at the time of the sale. The actual Federal Recapture Tax, if any, can only be determined when the Mortgagor sells his or her home.

Remember:

- If a Mortgagor sells his or her home after nine (9) years from the date of purchasing it, there is no Federal Recapture Tax due;
- If he or she does not receive a gain (net profit) on the sale of his or her home, there is no Federal Recapture Tax due, or
- If the household income is not more than that year's adjusted qualifying income for Mortgagor's family size that year, there is no Federal Recapture Tax due.

A Mortgagor is Not Subject to the Federal Recapture Tax if:

- His or her home is disposed of as a result of his or her death.
- A Mortgagor transfers his or her home to his or her spouse or his or her former spouse incident to a divorce and a Mortgagor has no gain or loss included in his or her income as a result of the transfer.
- A Mortgagor refinances his or her home (unless Mortgagor later meets the recapture rules).
- Mortgagor's home is destroyed by fire, storm, flood or other casualty if home is replaced on its original site within two (2) years after the end of the tax year when the casualty happened.

However, if a Mortgagor gives away his or her home (other than incident to a divorce), Federal Recapture Tax amounts must be calculated as if the home was sold at fair market value at the time of disposition.

Income Increase:
If a Mortgagor sold his or her home and made a net profit, then a Mortgagor may have to pay Federal Recapture Tax, depending on whether his or her income has increased above the maximum allowable amount. Within ninety (90) days from the date of the Final Approval, IHCDA will send to each Mortgagor a *Notice to Mortgagor of Maximum Recapture Tax and of Method to Compute Recapture Tax on Disposition of Home*. A sample of this notice is included on the following pages. Mortgagor should keep this notice for future reference in calculating the Federal Recapture Tax.

How much do I owe?
The amount a Mortgagor owes will be the lesser of fifty percent (50%) of the gain realized from the sale of his or her home OR the amount resulting from a calculation that uses:

- The income percentage (Consider the amount by which his or her income exceeds the limit in the year that a Mortgagor sells. If the amount is $5,000.00 or more, then his or her income percentage is one hundred percent (100%). If less than $5,000.00 then divide the amount by which his or her income exceeds the limit by $5,000.00 and round to the nearest whole percentage.)
- The maximum recapture tax or federally subsidized amount (this is .0625 x the highest principal amount of his or her loan).
- The holding period percentage as shown on the chart below:

Disposition Within # Months of Closing	Holding Period Percentage
1 - 12	20%
13 - 24	40%
25 - 36	60%
37 - 48	80%
49 - 60	100%
61 - 72	80%
73 - 84	60%
85 - 96	40%
97 - 108	20%
109 or More	No Recapture Tax

Again, a Mortgagor should consult with a tax advisor to determine whether he or she owes Federal Recapture Tax.

For more information, contact the IRS and request Form 8828 and the instructions for Form 8828 (both available on the IRS Website: http://www.irs.gov).

SAMPLE LETTER

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
30 SOUTH MERIDIAN STREET, SUITE 900
INDIANAPOLIS, INDIANA 46204-3413

April 01, 2020

Series:	First Place (Mac/Mae)
Orig :	(Code) Bank Name (Code)
SF #:	Number
Loan Amount:	$00,000.00
Term:	xx Months
Property:	Street Address
City/Zip:	City, zip
County:	County name
Reserv/Appl Date:	00-00-00
Commitment Date:	00-00-00
Closing Date:	00-00-00
Loan Purchase:	00-00-00

Notice to Mortgagor(s) of Maximum Recapture Tax
and of Method to Compute Recapture on Dispositions of Home

In accordance with Section 143 (m) of the Internal Revenue Code, the maximum recapture tax that you may be required to pay upon disposition of this property is $XXXX.XX. This amount is the lesser of (a) 6.25% of the highest principal amount of the above-referenced mortgage loan, or (b) 50% of the gain on sale of the Subject Property, and is your federally subsidized indebtedness with respect to the loan.

[Below numbers are examples only]

Disposition Within Months of Closing	Holding Period Percentage	Adjusted Qualifying Income On date of Disposition, for Family Size 2 or Less	3 or More
1 - 12	20%	62,900	72.335
13 - 24	40%	66,045	75,951
25 - 36	60%	69,347	79,748
37 - 48	80%	72,814	83,735
49 - 60	100%	76,454	87,921
61 - 72	80%	80,276	92,317
73 - 84	60%	84,289	96,932
85 - 96	40%	88,503	101,778
97 - 108	20%	92,928	106,866
109 or More	No Recapture Tax		

Introduction

1. **General.** When you sell your home you may have to pay a recapture tax as calculated below. The recapture tax may also apply if you dispose of your home in some other way. Any reference in this notice to the “sale” of your home also includes other ways of disposing of your home.

2. **Exceptions.** In the following situations, no recapture tax is due:

    a. You dispose of your home later than nine (9) years after you close your mortgage loan;

    b. Your home is disposed of as a result of your death;

    c. You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code; or

    d. You dispose of your home at a loss.

3. **Maximum Recapture Tax.** The maximum recapture tax amount is the lesser of (a) 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan or (b) 50% of the gain on the sale of the residence.

4. **Actual Recapture Tax.** The actual recapture tax, if any, can only be determined when you sell your home, and is the lesser of (1) fifty (50%) of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your recapture amount determined by multiplying the following three (3) numbers:

    a. The maximum recapture tax, as described in Paragraph three (3) above;

    b. The holding period percentage, as listed in Column one (1) in the table; and

    c. The income percentage, as described in Paragraph five (5) below.

5. **Income Percentage**. You calculate the income percentage as follows:

    a. Subtract the applicable adjusted qualifying income in the taxable year in which you sell your home, as listed in Column two (2) of the table on Page one (1) of this letter, from your modified adjusted gross income in the taxable year in which you sell your home.

    b. Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments:

        i. Your adjusted gross income must be increased by the amount of any interest that you receive or acquire in the taxable year from tax-exempt bonds that is excluded from your gross income (under Section 103 of the Internal Revenue Code); and

        ii. (b) your adjusted gross income must be decreased by the amount of any gain included in your gross income by the reason of the sale of your home.

    c. If the amount calculated in (a) above is zero (0) or less, you owe no recapture tax and do not need to make any more calculations. If it is $5000.00 or more, your income percentage is one hundred percent (100%). If it is greater than zero (0) but less than $5000.00, it must be divided by $5000.00. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is $1000.00/$5000.00, your income percentage is twenty percent (20%).

6. **Limitations and Special Rules on Recapture Tax**

a. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.

b. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two (2) years, you purchase additional property for use as your principal residence or construct a new home on the site of the home financed with your original subsidized mortgage loan.

c. In general, except as provided in future regulations, if two (2) or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for each individual based on each individual's interests in the home.

d. If you repay your loan in full during the nine (9) year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in Section 143(m)(4)(c)(ii) of the Internal Revenue Code.

e. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 143(m) of the Internal Revenue Code generally.

Sincerely,

Authorized Officer

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
INTEREST RATE CHANGES
SECTION 6

1. Interest Rate Change:

    a. The interest rate may change throughout the day, based on fluctuations in the market interest rate.

2. Notification of Rate Change

    a. A rate sheet will appear in IHCDA Online when the Participating Lender accesses IHCDA Online to reserve a loan.

    b. The Participating Lender should refer to the reservation confirmation prior to submitting the IHCDA Affidavit to confirm the correct interest rate for the loan.

    c. It is the Participating Lender's responsibility to check IHCDA Online to determine the current interest rate prior to applying for a loan on behalf of a Mortgagor.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
FEE SCHEDULE
SECTION 7

The following are the fees associated with the First Place Conventional Program:

1. Reservation Fees:

    a. Flat non-refundable fee of $100.00.

    b. The reservation fee must be received prior to IHCDA reviewing the loan for approval.

    c. The Participating Lender may ACH wire the reservation fee to IHCDA. IHCDA will forward the ACH wire information to the Participating Lender once a signed Mortgage Origination and Sale Agreement (MOSA) is received and approved by IHCDA. The Participating Lender may submit as many reservation fees per ACH wire as the Participating Lender desires. However, the Participating Lender must provide the IHCDA loan number as an identifier for each ACH reservation fee submitted. The Participating Lender must have a reservation number from the IHCDA Online before submitting fees.

    d. If a Participating Lender is unable to submit the reservation fee by ACH wire they may submit Mortgagor's certified funds or Participating Lender's check payable to IHCDA. A separate check must be made out for each reservation fee. IHCDA does not accept cash, coins or personal checks from the mortgagor.

2. Extension Fees:

    a. Commitment Extension:

        i. 15 days .12500%
        ii. 30 days .25000%

3. Reinstatement, extension and late submission fees can be paid by any party and are non-refundable.

4. The Participating Lender shall be compensated one and three quarters percent (1.75%) of the mortgage amount, which is payable upon the sale of the loan to the Master Servicer.

5. Origination Fees and Allowable Participating Lender Fees:

    a. The maximum amount that can be charged on each loan with respect to Origination fees will be limited to one percent (1%) regardless who is paying it. In addition, the maximum amount a lender may charge in lender fees will be limited to twelve hundred dollars ($1,200), without respect to who is paying them.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
RESERVATION PROCEDURES
SECTION 8

1. Preliminary Eligibility Review

    a. Before making a reservation request for a First Place Conventional loan, the Participating Lender is required to:

        i. Receive a fully executed Purchase Agreement;

        ii. The Participating Lender is to determine, if the home is located in a Qualified Census Tract (refer to Section 1, of this Program Guide); and

        iii. The Participating Lender is to review if the Mortgagor meets all other Program eligibility requirements.

    b. The Participating Lender cannot reserve a loan that it cannot close in its own name.

    c. The Mortgagor cannot execute IHCDA documents without an IHCDA reservation number.

2. Reservation Request

    a. The Participating Lender must make reservation requests using the IHCDA Online. All reservations will be accepted on a first-come, first-served basis and are always subject to availability of funds. IHCDA Online will confirm the reservation number immediately.

3. Modifications

    a. A Participating Lender must request any change to a Mortgagor's reservation, subject to the following conditions:

        i. Increases in Mortgage Amount

            1. Requests for increases in loan amounts will be subject to the availability of funds. Participating Lenders should include the purchase price and loan amount (original and revised) via email.

        ii. Change of Address

            1. The Participating Lender should contact the IHCDA Homeownership Department and the appropriate changes will be made at that time. In this case the commitment expiration date will start over. If the file has already been underwritten by IHCDA the Participating Lender will need to contact the appropriate IHCDA Homeownership Department underwriter.

4. Transfer of Reservation (Mortgagor)

    a. IHCDA will not allow the transfer of a reservation from one Mortgagor to another Mortgagor.

5. Transfer of Reservation (Participating Lender)

a. IHCDA will allow a transfer of a reservation from one Participating Lender to another.

   i. The original Participating Lender must submit an e-mail stating that the reservation and the reservation fees are to be transferred to the new Participating Lender.

   ii. The new Lender must be a Participating Lender with the Program and submit an e-mail requesting an exception code to re-reserve a new loan.

   iii. The original reservation will be canceled allowing the new Participating Lender to reserve the loan.

   iv. The Mortgagor will receive the current interest rate for the day when the new reservation is locked.

   v. The reservation fee will be transferred to the new reservation number, if applicable.

   vi. The new Participating Lender must upload an IHCDA Affidavit to IHCDA for review.

   vii. The new Participating Lender cannot close the loan without receiving approval from IHCDA with the new Participating Lender's name specified on the documents.

6. Cancellation of a Reservation

   a. If the Participating Lender determines that it will not close a loan for which it has received a reservation number, the Participating Lender should notify the IHCDA Homeownership Department as soon as possible.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
PRE-APPROVAL UPLOAD
SECTION 9

Participating Lenders are encouraged to pre-qualify Mortgagors for credit eligibility whenever possible.

1. Submission

    a. The Participating Lender is responsible for performing a thorough inquiry to determine whether both the Mortgagor and the Subject Property meet Program requirements.

    b. To obtain preliminary approval needed to close the loan:

        i. The reservation fee must be received by IHCDA; and

        ii. IHCDA's documents cannot be dated prior to the date of the reservation

        iii. The following documentation uploaded and approved:

            1. IHCDA Homeownership Affidavit (see points 2 and 3, below)

            2. Appraisal

            3. The appropriate homebuyer education certificate of completion:

                a. "CreditSmart" certificate for Fannie Mae Loans

                b. "Framework" certificate for Fannie Mae or Freddie Mae loans

2. Pre-Approval Upload (Approval)

    a. All files will be reviewed in the order that they are received, and the reservation fees have been applied.

    b. IHCDA will underwrite all files within a reasonable amount of time from the date that the file is uploaded into IHCDA Online. Participating Lenders are encouraged to check IHCDA Online regularly for the status of the affidavit.

    c. When IHCDA determines that the affidavit is complete and in compliance with Program requirements, IHCDA will change the status to reflect Closing Upload in IHCDA Online.

    d. IHCDA Online will show a date that the loan expires, which is known as the Commitment Expiration Date, (sixty (60) days after the date of reservation on all properties).

    e. The Participating Lender must have received final approval from IHCDA on or before the Commitment Expiration Date, as shown in IHCDA Online.

3. Pre-Approval Upload (Incomplete)

    a. If IHCDA needs additional information or if the Affidavit is incomplete, the status will show "Incomplete" in IHCDA Online.

    b. The Participating Lender is responsible for reviewing the open conditions and uploading documentation to resolve such issue that has created the open condition.

c. IHCDA will review the application conditions within a reasonable amount of time from the date the condition is uploaded.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
DOWN PAYMENT ASSISTANCE
SECTION 10

1. Second Mortgage

    a. The First Place Conventional Program offer DPA in the form of a loan secured by a Second Mortgage to certain qualified Mortgagors ("Second Mortgage").

    b. The First Place Conventional Program offers DPA to certain qualified Mortgagors not to exceed six percent (6%) of the lower of the purchase price or the appraised value.

    c. There will be a full nine (9) year affordability period associated with the Second Mortgage (the "Affordability Period").

        i. If the Mortgagor refinances or sells the home within this full nine (9) year Affordability Period, the Second Mortgage is due and payable in full immediately.

    d. DPA funds may be provided with Conventional financing.

    e. The funds may be used for down payment, closing costs and pre-paids.

    f. The DPA is governed by the IHCDA Second Mortgage and the IHCDA Second Mortgage Promissory Note.

Neither the First nor the Second Mortgages may be closed prior to the Committed Approval Date shown in IHCDA Online. If there is a violation of the foregoing, the originating Participating Lender shall retain the First and Second Mortgages. If the First Mortgage is not purchased by the Master Servicer or sub-servicer, for any reason, the originating Participating Lender shall retain the First Mortgage and Second Mortgage. The Participating Lender will also be required to reimburse IHCDA in the amount of the second mortgage within thirty (30) days.

2. Second Mortgage Execution Information

    a. The Second Mortgage is due upon maturity. Maturity is defined as the first to occur of the following dates:

        i. If Mortgagor does not continue to utilize the property as its principal residence throughout the full nine (9) year Affordability Period;

        ii. If Mortgagor sells or refinances the property during the full nine (9) year Affordability Period;

        iii. If the Mortgagor violates any other terms and conditions contained in the second note, the second mortgage, or any other agreement made between IHCDA and Mortgagor and related to the loan;

        iv. If Mortgagor is in default under the terms of its First Mortgage on the property and foreclosure proceedings have been initiated during the full nine (9) year Affordability Period;

        v. If it becomes evident to IHCDA that any representation or warranty made by the

Mortgagor at the time it applied for the loan was false, misleading, or fraudulent.

b. The Participating Lender or Mortgagor must contact the Master Servicer directly in the case of a payoff on the First Mortgage and the Second Mortgage at 1-800-562-5165.

c. Forgiveness of the debt is covered in the Promissory Note.

d. IHCDA will not allow the Second Mortgage to be subordinated at any time to any claim except to the original First Mortgage.

    i. The Participating Lender should explain this to the Mortgagor.

3. Requesting DPA Funds

    a. The DPA will be funded directly by IHCDA once the loan has reached the stage of Committed "Approved". The Participating Lender is required to input the Title Insurance Company's ACH/routing information into IHCDA Online when the loan has reached the Committed "Approved" stage. The funds will be ACH/wired to the Title Company closing the loan. Please allow forty-eight (48) business hours for wire disbursements (one (1) day for disbursement and an additional day to verify funds being received by the Title Company). Wires are processed once a day.

    b. The Participating Lender is not allowed to fund the DPA at the time of closing. A refund of the DPA from IHCDA to the Participating Lender is not allowed. If the Participating Lender funds the DPA, the loan is out of compliance and the Participating Lender must return the DPA funds IHCDA has provided, if sent.

    c. If the loan does not close within three (3) business days of the original closing date, the Participating Lender must return the funds associated with the DPA to IHCDA. In addition, if the Master Servicer is unable to purchase the loan, the Participating Lender must return the funds associated with the second mortgage to IHCDA within thirty (30) days after receiving notification from the Master Servicer that it is unable to purchase the loan.

4. Intermediary Disbursements

    a. The IHCDA Online System is not set up to enter more than one (1) financial institution. If there is an intermediary bank involved, please contact the IHCDA Homeownership Department.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
CLOSING PACKAGE UPLOAD
SECTION 11

Participating Lenders are encouraged to review all documentation prior to uploading into IHCDA Online.

1. Due Date

    a. After the loan closing, the Participating Lender shall forward to IHCDA the executed closing package which must be received by IHCDA within 30 days of closing. The "Commitment Expiration Date" is sixty (60) days after the date of reservation on all properties. Extensions may be granted. Contact IHCDA for extension requests.

2. Submission

    a. After the loan closing, the Participating Lender shall upload the executed closing package, which consists of the following:

        i. Final Loan Originator Signed 1003

        ii. Final Signed IHCDA Informational Statement

        iii. Final Signed IHCDA Second Mortgage

        iv. Final Signed IHCDA Promissory Note

        v. Final Signed IHCDA Gift Letter

        vi. Final Signed IHCDA Mortgage Rider

        vii. 3 Years Tax Transcripts

        viii. Signed Purchase Agreement/Counters/Amendments

        ix. Signed Closing Disclosure

        x. Mortgage Note

    b. IHCDA documents cannot be dated prior to the date of closing.

    c. The Uniform Residential Loan Application (URLA Form 1003) can be dated prior to the date of the purchase agreement.

    d. E-signatures are not permitted on IHCDA produced documents.

3. Closing Package Submission (Approval)

    a. All files will be reviewed in the order that they are received.

    b. IHCDA will underwrite all files within a reasonable amount of time from the date that the file is received.

    c. Participating Lenders are encouraged to check IHCDA Online regularly for the status of its closing packages.

d. When IHCDA determines that the closing package is complete and in compliance with Program requirements, IHCDA will change the status to reflect Closing Package Review "Approved" in IHCDA Online.

e. IHCDA Online will show a date that the loan expires, which is known as the Commitment Expiration Date (sixty (60) days after the date of reservation on all properties).

f. The Participating Lender must have received final approval from IHCDA on or before the Commitment Expiration Date, as shown in IHCDA Online.

4. Closing Package Upload (Incomplete)

   a. If IHCDA needs additional information or if there are incomplete documents, the status will be considered "incomplete" and show as such in IHCDA Online.

   b. IHCDA will review the closing conditions within a reasonable amount of time from the date the conditions are uploaded.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
FIRST PLACE CONVENTIONAL PROGRAM
CANCELLED/REJECTED/TERMINATED FILES
SECTION 12

1. Cancellation

    a. If the Participating Lender fails to receive final approval from IHCDA by the Commitment Expiration Date (sixty (60) days for all properties), IHCDA will cancel the reservation. If the reservation is canceled by IHCDA, the Participating Lender may request reinstatement of the reservation. Reinstatements will be approved at IHCDA's sole discretion, and subject to the availability of funds. The Participating Lender has thirty (30) days to reinstate the reservation.

2. Denied Reservation

    a. IHCDA may post a "Rejected" status in IHCDA Online if the information included indicates that either the Mortgagor or the property or both do not meet Program requirements. IHCDA will terminate rejected loans thirty (30) days after the date it is given a "Rejected" status in IHCDA Online. Any funds previously allocated to the property shall be made available for other loan applications.

3. Permanent Termination Policy

    a. Once a reservation shows a status of "Terminated" in IHCDA Online, a Participating Lender cannot reinstate the loan. The decision concerning whether or not a permanently terminated loan can be reinstated will be based on the following factors: the availability of funds, IHCDA's receipt of all outstanding conditions, IHCDA's receipt of the Reinstatement fee, IHCDA's receipt of the Reservation fee and IHCDA's sole discretion.