

RESOLUTION NO. 2014-004

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 P.M. on March 12, 2014, at the offices of the Housing Finance Authority of Broward County, Florida, 110 Northeast Third Street, Suite 201, in the City of Fort Lauderdale, Florida.

Presiding: Mr. Daniel Reynolds, Chair

Members Present: Mr. John Primeau, Mr. Kirk Frohme, Ms. Donna Jarrett, Mr. Jose "Pepe" Lopez, Ms. Bertha Smith, Ms. Milette Thurston

Absent: Mr. Robert McKinzie, Jr.

Thereupon, Mr. Daniel Reynolds, Chair introduced the following resolution:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA AUTHORIZING A MORTGAGE CREDIT CERTIFICATE PROGRAM; AUTHORIZING THE EXCHANGE OF \$164,849,172 OF SINGLE FAMILY PRIVATE ACTIVITY BOND ALLOCATION FOR \$41,212,293 OF MORTGAGE CREDIT CERTIFICATE AUTHORITY; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF THE PROGRAM ADMINISTRATION GUIDELINES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF PARTICIPATION AGREEMENTS BETWEEN THE AUTHORITY AND LENDING INSTITUTIONS DESIRING TO PARTICIPATE IN THE MCC PROGRAM; AUTHORIZING CERTAIN OFFICIALS OF THE AUTHORITY TO TAKE ALL ACTIONS NECESSARY IN CONNECTION WITH THE IMPLEMENTATION OF THE MCC PROGRAM; PROVIDING CERTAIN OTHER FINDINGS AND DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic to be known as a housing finance authority of the

county for the purpose of alleviating a shortage of housing and capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners (the "Board of County Commissioners") of Broward County, Florida enacted Ordinance No. 79-41, as supplemented and amended (the "Ordinance") declaring a need for a housing authority to function in Broward County, Florida (the "County") and creating the Housing Finance Authority of Broward County, Florida (the "Authority"); and

WHEREAS, the Authority is authorized by the Act to borrow money through the issuance of bonds to assist in the financing of single family housing, or, in lieu of issuing qualified mortgage bonds, to issue mortgage credit certificates to qualifying individuals; and

WHEREAS, the Authority has received private activity bond allocation for the issuance of single family mortgage revenue bonds; and

WHEREAS, pursuant to Section 25 of the Internal Revenue Code of 1986, as amended, (the "Code") the Authority may make an election to issue mortgage credit certificates in lieu of the issuance of single family mortgage revenue bonds; and

WHEREAS, in furtherance of the purposes of the Act, the Authority desires to implement a mortgage credit certificate program (the "MCC Program") to assist persons of low and moderate income in Broward County, Florida to afford the cost of acquiring and owning decent, safe and sanitary housing within the County; and

WHEREAS, in connection with the MCC Program, the Authority desires to elect pursuant to Section 25 of the Code and Section 159.8075, Florida Statutes, to exchange

\$164,849,172 of single family private activity bond allocation for the authority to issue its Mortgage Credit Certificates, Series 2014 (the "MCCs") with a maximum aggregate total proceeds of \$41,212,293; and

WHEREAS, to implement and administer the Program, the Authority desires to approve the form of Program Administration Guidelines (the "Program Administrative Guidelines"), substantially in the form attached hereto as Exhibit "A"; and

WHEREAS, the Authority desires to approve the form and authorize the execution and delivery of a Participation Agreement (the "Participation Agreement") substantially in the form attached hereto as Exhibit "B," to be entered into between the Authority and lending institutions or other parties facilitating the origination of mortgages and desiring to participate in the MCC Program;

NOW, THEREFORE, BE IT RESOLVED by the Housing Finance Authority of Broward County, Florida, as follows:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of the Act, the Ordinance and other applicable provisions of law.

SECTION 2. FINDINGS. The Authority has found and determined and does hereby declare that:

A. Based upon existing and anticipated market and economic conditions and the knowledge of the members of the Authority of the housing industry and conditions in the County, it is in the best interests of the Authority and the residents of the County and serves a valid public purpose for the Authority to implement the MCC Program and issue MCCs

pursuant thereto.

B. The implementation of the MCC Program and the issuance of MCCs pursuant thereto are necessary and in the best interests of the Authority and the residents of the County and will assist in alleviating a shortage of housing at prices which persons or families of moderate, middle and low income can afford and the shortage of capital available for investment therein.

C. As previously authorized by the Authority, notice of the intent of the Authority to establish a mortgage credit certificate program and create a lender list was published in The Sun Sentinel, a newspaper of general circulation in the County, on January 23, 2014 pursuant to Section 25(e)(5) of the Code and Treasury Regulation 1-25T(j)(4).

D. On February 12, 2014, the Authority approved expenditures in an amount not to exceed \$35,000 to pay program expenses.

SECTION 3. AUTHORIZATION AND ESTABLISHMENT OF THE MCC PROGRAM; AUTHORIZATION TO FILE ELECTION NOT TO ISSUE QUALIFIED MORTGAGE REVENUE BONDS.

A. The Authority hereby authorizes and establishes the MCC Program, providing for the issuance of MCCs with an aggregate amount of proceeds of not to exceed \$41,212,293. The MCC Program shall have such terms as are specified in the Program Administration Guidelines attached thereto as Exhibit "A". The Mortgage Credit Certificate Rate for the MCC Program shall be determined by the Administrator on a case by case basis provided that such credit shall not be less than ten percent (10%) and not greater than fifty percent (50%).

B. In order to implement the MCC Program, the Authority hereby determines to elect not to issue \$164,849,172 of qualified mortgage bonds for which it has received a private activity bond volume cap allocation and to thereby convert \$164,849,172 of single family private activity bond allocation to mortgage credit certificate authorization. The Chair or Vice Chair of the Authority is hereby authorized and directed to make all filings, declarations and notices as may be necessary or appropriate to make or implement such election on behalf of the Authority.

SECTION 4. DESIGNATION OF ADMINISTRATOR; APPROVAL OF PROGRAM ADMINISTRATION GUIDELINES AND FORM OF CERTIFICATE.

A. The Authority hereby designates and appoints the Executive Director of the Authority and his staff to act as the Administrator for the Program pursuant to the MCC Program Administration Guidelines. The Executive Director may, upon approval of the Authority, designate one or more individuals or firms to assist in administering the Program as deemed necessary. Any contract to be entered into with any such individual or firm shall be approved by both the Authority and the Board of County Commissioners.

B. The form of the Program Administration Guidelines attached hereto as Exhibit "A", and the form of the MCCs attached thereto as Appendix C, are hereby authorized and approved. The Chair or Vice Chair and the Secretary or any Assistant Secretary of the Authority are hereby authorized to approve the final form of Program Administration Guidelines on behalf of the Authority with such changes, modifications, insertions and deletions from the form thereof attached hereto as shall be approved by the officers of the

Authority executing the approval page of the Program Administration Guidelines, with the advice of Bond Counsel and the County Attorney, and as shall not be inconsistent with the express terms of this Resolution, such execution to be conclusive evidence of such approval.

SECTION 5. AUTHORIZATION AND APPROVAL OF PARTICIPATION

AGREEMENT. The form of the Participation Agreement attached hereto as Exhibit "B" is hereby authorized and approved. The Chair, Vice Chair or Executive Director and Secretary or Assistant Secretary of the Authority are hereby authorized to execute and deliver Participation Agreements between the Authority and lending institutions or other parties facilitating the origination of mortgages desiring to participate in the MCC Program, with such changes, insertions and deletions from the form thereof attached hereto as shall be approved by the officer of the Authority executing the Participation Agreement and as shall not be inconsistent with the express terms of this Resolution, such execution and delivery to be conclusive evidence of such approval.

SECTION 6. AUTHORIZATIONS. The Chair, Vice Chair, Secretary, each Assistant Secretary, County Attorney and such other officers, agents and employees of the Authority as may be designated by the Chair are each designated as agents of the Authority in connection with the implementation of the MCC Program as authorized and contemplated hereby and are authorized and empowered, collectively or individually, to take all actions and steps to execute and deliver the Program Administration Guidelines, the Participation Agreements and all other instruments, notices, elections, documents and contracts and to take all actions on behalf of the Authority, in each case as they may deem necessary or desirable in connection with the

establishment and implementation of the MCC Program.

SECTION 7. Resolution Effective. This resolution shall take effect immediately upon its passage.

Upon motion of Mr. John Primeau, seconded by Mr. Kirk Frohme, the foregoing Resolution was adopted by the following vote:

Ayes: 7

Noes: 0

STATE OF FLORIDA)

) SS:

COUNTY OF BROWARD)

I, Bertha Smith, Secretary of the Housing Finance Authority of Broward County, Florida, do hereby certify that the foregoing is an accurate copy of the resolution of the Housing Finance Authority adopted at a meeting held on March 12, 2014, as set forth in the official minutes of the Housing Finance Authority, relating to the Mortgage Credit Certificate Program, and the execution of documents related thereto.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this 12th day of March, 2014.



HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By:

Bertha Smith, Secretary

[SEAL]

EXHIBIT "A"

PROGRAM ADMINISTRATION GUIDELINES

PROGRAM ADMINISTRATION GUIDELINES

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

PERTAINING TO
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MORTGAGE CREDIT CERTIFICATE PROGRAM, SERIES 2014
DATED AS OF
April 15, 2014

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PROGRAM ADMINISTRATION GUIDELINES

These PROGRAM ADMINISTRATION GUIDELINES (the "Guidelines"), dated as of April 15, 2014, by the Housing Finance Authority of Broward County, Florida (the "Authority"), a public body corporate and politic of the State of Florida constitute the guidelines to be used by the Authority in administering its 2014 Mortgage Credit Certificate Program.

RECITALS:

The Authority was duly created pursuant to the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended, and Ordinance No. 79-41 enacted by the Board of County Commissioners of Broward County, Florida on June 20, 1979, as amended (collectively, the "Act") for the purpose of alleviating a shortage of housing available at prices which many persons and families can afford.

The Authority is authorized by the Act to borrow money through the issuance of bonds for single family housing or, in lieu of issuing qualified mortgage bonds, to issue mortgage credit certificates to qualifying individuals.

The Authority has received private activity bond allocation for the issuance of single family mortgage revenue bonds.

Pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the "Code") the Authority may make an election to issue mortgage credit certificates in lieu of the issuance of single family mortgage revenue bonds.

In furtherance of the purposes of the Act, the Authority has determined to implement a mortgage credit certificate program (the "Program") to assist persons of low and moderate income with the costs of acquiring and owning decent, safe and sanitary housing, and in connection therewith, has made an election under Section 25 of the Code to exchange \$164,849,172 of its private activity bond allocation for the authority to issue mortgage credit certificates to persons of low and moderate income acquiring owner-occupied residences.

The Authority has duly authorized and provided for the issuance of its Mortgage Credit Certificates, Series 2014 (the "MCCs"), with the maximum aggregate total proceeds of \$41,212,293.

For the MCCs to be qualified for federal income tax purposes under applicable sections of the Code and the regulations promulgated thereunder, the Authority is required to establish reasonable investigative procedures in connection with the issuance of the MCCs to determine whether mortgagors receiving MCC's satisfy the various requirements of the Code.

The Authority will, subject to the terms hereof, administer the Program.

ARTICLE I DEFINITIONS

SECTION 1.01. Definitions.

For purposes of these Guidelines, except as otherwise expressly provided or unless the context shall clearly require otherwise, the following terms have the following meanings when used in these Guidelines. Capitalized terms used but not defined herein shall have the meanings ascribed to them in Section 1.01 of the Program Manual attached hereto as Exhibit "B".

"Administrator" means the Authority, acting by and through the staff of the Authority's Executive Director.

"Authority" means the Housing Finance Authority of Broward County, Florida, its successor or assigns.

"Authority Board" means the Board of the Housing Finance Authority of Broward County, Florida.

"Board of County Commissioners" means the Board of County Commissioners of Broward County, Florida.

"Code" means the Internal Revenue Code of 1986, as amended.

"Guidelines" means these Program Administration Guidelines, as the same may be amended from time to time.

"Loan" means the mortgage loan in connection with which an MCC is issued.

"MCC" or "MCCs" means any or all of the Authority's Mortgage Credit Certificates, Series 2014 issued pursuant to the terms and conditions of the Program.

"MCC Program Fee" means, collectively, the MCC Commitment Fee, the MCC Handling Fee and the MCC Issuance Fee.

"MCC Commitment Fee" means the non-refundable fee payable by the Applicant or Seller upon delivery by the Participant to the Authority of a Request for MCC Commitment Letter (Tab 3 of the Program Manual), initially, \$0. The MCC Commitment Fee may be changed by the Administrator from time to time.

"MCC Handling Fee" means, initially, the non-refundable fee of \$125 to be paid by the Applicant or Seller at closing, which fee is to be payable to the Participant. The MCC Handling Fee may be changed by the Administrator from time to time.

"MCC Issuance Fee" means, initially, the non-refundable fee of \$175 to be paid by the

Applicant or Seller at closing, which fee is to be payable to the Administrator and included with the MCC compliance file submitted to the Administrator. The MCC Issuance Fee may be changed by the Administrator from time to time.

"Mortgage Credit Certificate Rate" means, for each MCC, the credit rate set forth in the applicable Mortgage Credit Certificate, which may be not less than 10% and not greater than 50%. The Mortgage Credit Certificate Rate may be changed by the Administrator from time to time.

"Participant" means an institutional lender regulated by state or federal law, or any other entity which in its regular course of business makes or facilitates the making of residential mortgage loans and who has entered into a Participation Agreement with the Authority.

"Participation Agreements" means the Participation Agreements between the Authority and the Participants.

"Proceeds" means, with respect to an MCC, the product of the amount of the Loan and the Mortgage Credit Certificate Rate for such MCC.

"Program" means the Authority's Mortgage Credit Certificate Program, Series 2014 as provided for in these Guidelines.

"Program Manual" means the Program Manual attached hereto as Exhibit "B".

"Qualified Mortgage Bond" means any bond the proceeds of which are used, in whole or in part, directly or indirectly, to fund mortgage loans on owner-occupied residences and which conforms, or is purported to conform, with the requirements of Section 143 of the Code, or the requirements of Section 103A of the Internal Revenue Code of 1954, as amended, in such manner as to exclude interest on the bond from inclusion in gross income.

"Qualified Veterans Bond" means any bond the proceeds of which are used, in whole or in part, directly or indirectly, to fund mortgage loans on owner-occupied residences for veterans and which conforms, or is purported to conform, with the requirements of Section 143 of the Code, or the requirements of Section 103A of the Internal Revenue Code of 1954, as amended, in such manner as to exclude interest on the bond from inclusion in gross income.

"Seller" means the individual(s) or institution(s) selling the property being purchased by the Applicant.

"State" means the State of Florida.

ARTICLE II THE ADMINISTRATOR

SECTION 2.01. Requirements of the Administrator.

The Authority, acting as Administrator, shall abide by the following:

(a) With respect to its duties hereunder, the Administrator will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, the Fair Housing Act, U.S.C. Section 3601 et. seq., the regulations promulgated thereunder, Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965 and the Fair Housing Amendments Act of 1988.

(b) The Administrator will review information provided by the Participants including all documents and information required for an evaluation of eligibility and application for and receipt of the MCC including documents regarding (i) the first-time homebuyer requirement; (ii) residence requirement; (iii) income limitations; (iv) purchase price limitations; (v) new mortgage requirement; (vi) targeted area requirement; (vii) information reporting requirement and (viii) the recapture tax.

SECTION 2.02. Duties of the Administrator.

The Authority, acting as Administrator, shall have general responsibility for administering the Program in accordance with these Guidelines. The Administrator will perform the duties set forth herein and shall use reasonable care in the performance thereof.

(a) The Administrator will:

- (1) Post the Participation Agreement on the Authority's website;
- (2) Solicit the participation of qualified Participants;
- (3) Provide online program information and forms to Participants;
- (4) Provide an online flyer for use by the general public, lenders, builders, real estate professionals and non-profits;
- (5) Design radio, cable and/or print media for advertising, as deemed appropriate in the Administrator's sole judgment;
- (6) Provide news releases and distribute such releases via fax or email to media in the Eligible Loan Area, as deemed appropriate in the Administrator's sole judgment;

- (7) Promote the use of MCC's for Applicants purchasing in Targeted Areas;
 - (8) Provide online educational and qualifying materials, as deemed appropriate in the Administrator's sole judgment;
 - (9) Monitor reservation activity to assure compliance with submission requirements;
 - (10) After closing and upon submission by the Participants, review compliance files containing executed originals (or certified true copies) of those items set forth in the Program Manual to determine compliance with the terms and conditions of the eligibility requirements of the Program as set forth in these Guidelines;
 - (11) Notify Participants of exceptions via regular mail, email and online posting;
 - (12) Send via regular mail to the property address of all compliance-approved Applicants a (i) Mortgage Credit Certificate and (ii) Final Recapture Notice;
 - (13) Establish a waiting list in the event MCC authority is fully reserved;
 - (14) The Administrator will not examine the mortgage loan file or documents connected with same, except as necessary to determine compliance with the terms and conditions of eligibility for participation in the Program in connection with the issuance of an MCC;
 - (15) File in a timely manner with the Internal Revenue Service the Issuer's Quarterly Information Returns for Mortgage Credit Certificates (MCCs) (IRS Form 8330) and the information reports required by Treasury Regulation Section 1.25-4T(e); and
 - (16) Make any other examinations or investigations deemed necessary or advisable by the Administrator.
- (b) The Executive Director of the Authority may, upon approval of the Authority Board designate one or more individuals or firms to assist in administering the Program as deemed necessary. Any contract to be entered into with any such individual or firm shall be approved by both the Authority Board and the Board of County Commissioners.

SECTION 2.03. Payments Due Administrator.

The Administrator will be paid the MCC Issuance Fee for each MCC compliance file

submitted following closing whether for a new or reissued MCC, such fee being a portion of the MCC Program Fees as indicated in these Guidelines. The Administrator hereby certifies that such fee does not exceed a reasonable amount.

SECTION 2.04 Records.

The Administrator shall keep proper books, records and accounts in which complete and correct copies of all certificates and documents required to be filed with the Administrator hereunder shall be preserved including preservation of electronic media for the full term of these Guidelines.

SECTION 2.05. Issuance of MCC's

(a) Within fifteen (15) days of receipt of a Request for MCC Commitment Letter (Tab 3 of the Program Manual), the Administrator shall issue a Mortgage Credit Certificate Commitment Letter substantially in the form attached hereto as Exhibit "D". Upon submission of a completed application, and verification of qualification by the Administrator, the Administrator will issue a completed MCC; provided, however, that an MCC shall only be issued if the requirements for the issuance of an MCC set forth in Exhibits "A" and "B" hereto are satisfied. The MCCs shall be in substantially the form attached hereto as Exhibit "C". The Executive Director, and in his absence, the Chair or Vice Chair, Secretary or Assistant Secretary of the Authority, shall be the authorized agents of the Authority for purposes of executing and delivering MCC's under the Program. Upon determining that the issuance complies with the requirements of the Program, the Administrator shall execute and deliver MCC's substantially in the form attached hereto as Exhibit "C".

(b) The Administrator shall not issue an MCC if the Proceeds of that MCC, if issued, would cause the total Proceeds of all MCC's issued under the Program to exceed \$41,212,293.

(c) For one year after the date on which MCC's are first made available under the Program with respect to Targeted Areas, the Administrator shall reserve \$2,500,000 of MCC issuing authority for, and use such reserve amount only for, the issuance of MCC's with respect to Targeted Area Residences.

ARTICLE III REPORTING

SECTION 3.01. Reports.

Throughout the term of these Guidelines and as required by the Code or by the Act:

(a) the Administrator shall prepare and file the quarterly reports required by the

Code;

(b) the Administrator shall prepare and file other reports required by the Code;

(c) the Administrator shall prepare and provide to the Participants the annual report required by the Code; and

(d) the Administrator shall prepare any other reports required by the Act.

ARTICLE IV ADDITIONAL REQUIREMENTS

SECTION 4.01. List of Lenders; Amendments.

(a) The Administrator will not, directly or indirectly, prohibit an Applicant from obtaining financing from one or more lenders or require an Applicant to obtain financing from one or more lenders. For purposes of the preceding sentence, a lender is any person or entity, including an issuer of mortgage credit certificates, that provides financing for the acquisition, qualified home improvement, or qualified rehabilitation of a residence. The Administrator will not maintain a list of lenders that have stated that they will make loans to qualified holders of mortgage credit certificates unless (i) the Authority first solicits such statements in a public notice similar to the notice described in Treasury Regulations Section 1.25-3T(j)(4), (ii) lenders are provided a reasonable period of time in which to express their interest in being included in such a list, (iii) potential mortgagors for MCC's are not required to obtain financing from lenders on the list and (iv) the Authority updates the list at least annually.

(b) The Authority will not amend these Guidelines or the Participation Agreement unless the Authority receives an opinion or opinions of counsel acceptable to the Authority that if such amendment takes effect the Program will remain a "qualified mortgage credit certificate program" as defined in the Code and will remain valid and authorized. This requirement shall not apply, however, to waivers or modifications that do not relate to federal or state law requirements for the issuance of MCC's, such as modification of the MCC Program Fee or information to be included on the Authority's website.

(c) The Administrator will follow the additional provisions of the Program Manual attached hereto as Exhibit "B" to the extent applicable in order to carry out its duties and responsibilities hereunder.

ARTICLE V MISCELLANEOUS PROVISIONS

SECTION 5.01. Rules of Interpretation.

The following principles govern the interpretation of other words and phrases used in these Guidelines:

(a) Captions, titles or headings preceding any article, Section or subsection herein, and any table of contents or index attached hereto, are solely for convenience of reference and are not an integral part of these Guidelines, and shall not affect its meaning, construction, or effect.

(b) Terms such as "herein," "hereunder," "hereby," and "hereof" refer to these Guidelines and not to any particular Section hereof unless so indicated; "heretofore" and "hereafter" mean before and after the date of execution and delivery of these Guidelines.

(c) Words importing the masculine, feminine or neuter genders include the other genders.

(d) Words importing persons include firms, associations, corporations, and other entities.

(e) Words importing the singular number include the plural number, and vice versa.

(f) All references in this instrument to designated "Articles," "Sections," "Exhibits," "Schedules" and other subdivisions, if any, are to the designated Articles, Sections, Exhibits, Schedules and other subdivisions of this instrument as originally executed or to Exhibits or Schedules as modified, amended or replaced pursuant hereto.

(g) Articles, sections, subsections, clauses and exhibits mentioned by number or letter only are those so numbered or lettered which are contained in these Guidelines.

SECTION 5.02. Conflicts of Interest, Administrator's Access to Privileged Information Concerning Applicant's Accounts.

Through normal administration activities, the Administrator may obtain privileged information concerning the Applicants and their residences. Such privileged information may not be used by the Administrator or by the officers, employees, agents or affiliates of the Authority, in any way which can be construed to represent a conflict of interest of or an unfair advantage to the user. All such information must be used in a manner consistent with any applicable laws or regulations regarding disclosure of credit or other information.

SECTION 5.03. Signatories Not Liable.

This instrument is executed by an officer of the Authority in its capacity as officer. Nothing contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future agent, counsel, officer or employee of the Authority in his or her individual capacity, and no officer executing these Guidelines shall be liable personally on these Guidelines or be subject to any personal liability by the issuance thereof.

SECTION 5.04. Retention of Records.

The Administrator shall preserve and make available, at reasonable times during normal business hours, all records, supporting documents, statistical records, and any other documents pertinent to these Guidelines for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of these Guidelines. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by the Authority to be applicable to Administrator's records, Administrator shall comply with all requirements thereof; however, no confidentiality or nondisclosure requirement of either federal or state law shall be violated by Administrator.

SECTION 5.05. Compliance with Laws.

The Administrator shall comply with all federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to these Guidelines.

SECTION 5.06. Incorporation by Reference.

The attached Exhibit "A", Exhibit "B", Exhibit "C" and Exhibit "D" are incorporated into and made a part of these Guidelines.

THESE GUIDELINES HAVE BEEN APPROVED BY THE BOARD OF THE AUTHORITY AND THE BOARD OF COUNTY COMMISSIONERS. THESE GUIDELINES SHALL BECOME EFFECTIVE UPON EXECUTION HEREOF BY THE CHAIR OF THE AUTHORITY.

HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY, FLORIDA

By: _____
Chair

EXHIBIT "A" REQUIREMENTS FOR ISSUING AN MCC

The Administrator shall issue an MCC only if, based on the foregoing, the Administrator determines that the Applicant meets each of the following requirements:

(1) Three-year no prior home ownership requirement. Except for situations where an MCC application is being made for a Loan in a Targeted Area or with respect to land possessed under a Mortgage and the construction of a Residence thereon, the Applicant who will become an MCC holder cannot have had an Ownership interest in a Principal Residence at any time during the preceding 3 years ending on the date the Loan is executed. This requirement qualifies the Applicant as a "first-time home buyer" with respect to the federal regulations.

(2) Principal Residence. A Principal Residence includes a single-family house, condominium unit, mobile home, share of a housing cooperative, or occupancy of a unit in a multi-family building consisting of two (2), three (3) or of four (4) units owned by the Applicant. A Principal Residence also includes any manufactured home which has a minimum of 400 square feet of living space and a minimum width of 102 inches and which is customarily used at a fixed location.

(3) To meet the prior homeownership restriction requirement, the Applicant must complete and sign the Applicant Affidavit and provide the last 3 years of federal income tax returns (or acceptable alternate exhibits—see below). In lieu of actual copies of returns, Applicants who filed either 1040A or 1040EZ form income tax returns may substitute an original letter from the Internal Revenue Service (the "IRS") stating the type of return filed by the Applicant for each tax year, the Applicant's filing status, and adjusted gross income. To summarize this procedure as it applies to different cases:

(a) If the Applicant can produce copies of signed 1040A, 1040EZ, 1040 or any other tax returns that may be permitted by the IRS for the last three (3) years which show no deductions of interest or taxes for a Principal Residence, these forms must be submitted to the Participant and forwarded to the Administrator along with the other Program documents.

(b) In the event the Applicant has filed the 1040A or 1040EZ form for the preceding three years but cannot produce the signed copies of the returns, the Applicant may substitute the original tax account information letter from the IRS verifying the required facts.

(c) In the event the Applicant has filed the 1040 form for the preceding three years and completes and signs the other required

Applicant Affidavit, but cannot produce the signed copies of the returns, the Administrator will not issue the MCC until receipt of certified tax returns (including all schedules) from the IRS, which returns show the Applicant took no deduction of interest or taxes for a Principal Residence for the years in question. The certified tax returns can be requested from the IRS by the Applicant by using IRS Form 4506.

(d) In the unusual event the Applicant was not required by law to file federal income tax returns for any year during the preceding three years, it will be necessary for the Applicant to so state on the Applicant Affidavit forwarded to the Administrator with the other Program documents.

(e) When the Loan is executed during the period between January 1 and February 15 and the Applicant has not yet filed his or her federal income tax return for the preceding year with the IRS, the Administrator may, with respect to such year, rely on an affidavit from the Applicant stating that the Applicant is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting his or her Principal Residence for the preceding calendar year. Such affidavit must be forwarded to the Administrator with the other Program documents.

(4) Principal Residence Requirement. The home must meet the definition of Residence, and must be located in the Eligible Loan Area. The Applicant must use the Residence that involves the MCC as his/her Principal Residence. The Participant must obtain from the Applicant, via the Applicant Affidavit, a statement of the Applicant's intent to use the Residence as his/her Principal Residence within a reasonable time (not to exceed 60 days) after the closing of the Loan. This Applicant Affidavit further states that the Applicant will notify the Authority and the Administrator if the Residence ceases to be his/her Principal Residence.

(5) Purchase Price Requirement. The Acquisition Cost of the Residence may not exceed the applicable Acquisition Cost Limit.

(6) Income Requirements. The Applicant's Income may not exceed the applicable Income Limit.

(7) Fees. Any points, origination fees, servicing fees, loan application fees, survey fees, credit report fees, insurance fees or similar financing costs, and any other fees paid to the Participant providing the Loan, or any other person, must be reasonable and not in excess of amounts customarily charged in the area or by the person receiving the fee, with respect to mortgages not provided in connection with mortgage credit certificates and the mortgagor may not pay, directly or indirectly, any other fee. The requirements of this subsection shall be met if the Administrator relies on the relevant provisions of a properly executed Applicant Affidavit and a properly executed Certificate of Participant.

(8) New Loan Requirements. An MCC cannot be issued in conjunction with the acquisition or replacement of an existing loan or mortgage; however, an MCC can be used in conjunction with the replacement of construction period loans or bridge loans of a temporary nature. Construction period or bridge loans must be for no longer than 24 months. The Participant must obtain from the Applicant, by means of the Applicant Affidavit, a statement to the effect that the Loan being made in connection with the MCC will not be used to acquire or replace an existing mortgage or land contract. A Contract for Deed is not treated as an existing mortgage for these purposes.

(9) Prohibited Mortgages. An MCC cannot be issued with respect to any Residence any of the financing of which is provided with the proceeds of a Qualified Mortgage Bond or a Qualified Veterans Bond, unless such financing has been paid off in full. The Participant must obtain from the Applicant, by means of the Applicant Affidavit, a statement that no portion of the financing of the Residence in connection with the MCC is provided from a Qualified Mortgage Bond or Qualified Veterans Bond.

(10) No Interest Paid to Related Persons. No interest on the certified indebtedness amount of the Loan can be paid to a person who is a related person to the Applicant, as the term related persons is defined in Section 25(e)(6) of the Code, and regulations issued pursuant thereto. The Participant must obtain from the Applicant, by means of the Applicant Affidavit, a statement that a related person does not have, and is not expected to have, an interest as a creditor in the Loan.

(11) Timing. The MCC may not be issued before April 15, 2014 and the Loan with respect to which an MCC is issued may not be incurred after December 31, 2016.

Any requirement for the issuance of an MCC set forth in this Exhibit "A", in the Guidelines or in the Program Manual may be waived or modified if the Administrator receives an opinion of counsel selected by the Authority to the effect that such waiver or modification will not adversely affect the status of the MCC as a "qualified mortgage credit certificate" entitled to the federal income tax credit specified in Section 25 of the Code. This requirement shall not apply, however, to waivers or modifications that do not relate to federal or state law requirements for the issuance so MCC's, such as modification of the MCC Program Fee or information to be included on the Authority's website.

EXHIBIT "B"

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MORTGAGE CREDIT CERTIFICATE PROGRAM, SERIES 2014**

PROGRAM MANUAL

EXHIBIT "C"

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MORTGAGE CREDIT CERTIFICATE PROGRAM, SERIES 2014
MORTGAGE CREDIT CERTIFICATE

This Mortgage Credit Certificate No. _____ is issued effective _____, by the Housing Finance Authority of Broward County, Florida (the "Authority") whose address is 110 Northeast Third Street, Suite 210, Fort Lauderdale, Florida 33301, Tax Identification Number 59-2269454, to:

Name(s): _____

Soc. Sec. Nos.: _____

Address: _____

THE MORTGAGE CREDIT CERTIFICATE CREDIT RATE IS _____ PERCENT (____ %).

Pursuant to the closing certificate as of the date below, the CERTIFIED INDEBTEDNESS AMOUNT with respect to which this Certificate is issued is \$_____.

The EXPIRATION DATE of this Certificate, which is also the date such indebtedness matures is _____.

The AVERAGE AREA PURCHASE PRICE applicable to the Residence is \$_____.

The ACQUISITION COST of the Residence with respect to which this Certificate is issued is \$_____.

The Residence with respect to which this Certificate is issued is (check one): ☐ located in a Targeted Area or ☐ is not located in a Targeted Area.

The Certificate holder meets the requirements of Internal Revenue Code §25(c)(2)(A)(iii)(IV), relating to income, and I, the undersigned, certify under penalties of perjury that I have determined to the best of my ability that this Certificate meets the following requirements, as applicable: Treasury Regulations §1.25-3T(d), relating to residence; §1.25-3T(e), relating to ownership interests within the 3-year prior period; §1.25-3T(f), relating to acquisition costs; §1.25-3T(g), relating to new mortgages; §1.25-3T(i), relating to prohibited mortgages; §1.25-3T(j), relating to particular lenders; §1.25-3T(k), relating to allocations to particular developments; and §1.25-3T(n), relating to interest paid to related persons and whether the Residence in connection with which this Certificate is issued is a Targeted Area Residence.

This Certificate may be transferred only after issuance of a new Certificate by the Authority.

Housing Finance Authority of Broward County, Florida

By: _____

Ralph Stone, Executive Director

Date: _____

(FORM OF CERTIFICATE)
TERMS AND CONDITIONS

FEDERAL TAX CREDIT. This Mortgage Credit Certificate ("MCC") entitles the holder (as named on the face of this MCC) to an annual federal tax credit equal to: a) if the MCC rate is equal to or less than 20%, the rate listed within the MCC times the annual interest paid on the mortgage loan or b) if the rate is greater than 20%, the lesser of: i) the MCC rate times the annual interest paid on the mortgage loan described on the face of this MCC or ii) \$2,000.00. In addition, this MCC will reduce the holder's mortgage interest deduction by an amount equal to the tax credit for the same tax year. The credit cannot be larger than the holder's annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of current year tax liability may, however, be carried forward for use in the subsequent three years. At the time of issuance of this MCC, the filing of IRS Form 8396 is required in order to take advantage of the tax credit each year.

PRINCIPAL RESIDENCE. This MCC is to be used in connection with the financing of the purchase of a Residence. The Residence must be or become the holder's "Principal Residence" within a reasonable time (not to exceed 60 days) following the date of issuance of the MCC. The "Principal Residence" means a Residence that, depending on all the facts and circumstances (including the good faith intent of the occupant), is occupied by the holder primarily for residential purposes. "Principal Residence" does not include a home used as an investment property or a recreational home, or a home that is used primarily in a trade or business (as evidenced by the use of more than 15 percent of the total floor space in a trade or business). Further, the holder may not claim, with respect to the Residence, any deductions pursuant to Section 280A of the Internal Revenue Code of 1986, as amended, for expense incurred in connection with the business use of a home.

PRIOR OWNERSHIP OF A RESIDENCE. The holder of this MCC cannot have had a present ownership interest in a Principal Residence at any time during the three-year period prior to the date on which the loan is executed. For purposes of making such determination, a Principal Residence includes a single-family house, condominium unit, mobile home, share of a housing cooperative or occupancy of a unit in a multifamily building consisting of two (2), three (3) or four (4) units owned by the holder. The term "present ownership interest" includes a fee simple interest; a joint tenancy, a tenancy in common or a tenancy by the entirety; the interest of a tenant-shareholder in a cooperative; a life estate; a land contract under which possession and the burdens and benefits of ownership are transferred although legal title is not transferred until some later date; and an interest held in trust for one person by another person. A "present ownership interest" does not include a remainder interest, a lease with or without an option to purchase, mere expectancy to inherit an interest in a principal residence, the interest that a person acquires upon the execution of a real estate purchase contract, or any interest in other than a "Principal Residence" during the previous three years. This requirement is waived if the Residence is located in a Targeted Area.

PARTICIPATING LENDER AND LOAN ELIGIBILITY. Financing may be sought from any lender participating in the Program ("Participant"). The decision to make a loan is completely within the discretion of the Participant to whom the application for a mortgage loan is submitted. The Authority plays no role in the decision to make a loan or determining the amount of the loan.

MORTGAGE REQUIREMENTS. No MCC will be issued in connection with financing that is to be used to replace an existing mortgage on the Residence to which the holder is a party or upon which the holder is an obligor. No MCC will be issued unless, prior to the date thereof, the holder was not a party to a mortgage on the Residence (whether in the form of a deed of trust, contract for deed, conditional sales contract, pledge, agreement to hold title in escrow, or other form of owner financing), other than a construction loan, bridge loan, or other temporary initial financing having a term not exceeding 24 months. In addition, no MCC will be issued if any financing for the Residence is to be obtained from a qualified mortgage bond or qualified veterans' mortgage bond or if any person who is related to the holder has an interest as a creditor in the financing.

OCCUPANCY OF THE RESIDENCE. If the Residence ceases to be occupied as the holder's "Principal Residence," the holder will no longer be eligible for the MCC and must immediately notify the Authority and the Participant providing the financing of this fact and the date of this event.

INCOME LIMITS. At the time of execution of the loan in connection with which this MCC is issued, the holder's current income cannot exceed, (i) for families of three or more persons, 115% (140% in certain Targeted Areas) of the area median income and (ii) for individuals and families of two persons, 100% (120% in certain Targeted Areas) of the area median income. The Income Limits may be subject to adjustment at any time.

ACQUISITION COST LIMITS. The acquisition cost for the Residence being acquired in connection with which this MCC is issued cannot exceed 90% (110%, in the case of certain Targeted Area Residences) of the average area purchase price applicable to the Residence.

TRANSFERABILITY. This MCC is not assumable and is transferable only upon application to the Authority. The proposed transferee must meet all Program requirements then in effect.

COMPLIANCE WITH INTERNAL REVENUE CODE. This MCC is intended to comply with the provisions of Section 25 of the Internal Revenue Code of 1986, as amended, as well as any other applicable federal or State laws.

REFINANCING. The refinanced loan amount cannot exceed the outstanding balance of the original mortgage loan as of the date of the refinancing. (You may not refinance points, insurance premiums, taxes or other costs as part of your new loan amount.)

EXHIBIT "D"
MORTGAGE CREDIT CERTIFICATE COMMITMENT LETTER

MCC Commitment No.: _____
Expiration Date: _____
Applicant: _____
Participant: _____
Loan Amount: _____

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
2014 MORTGAGE CREDIT CERTIFICATE PROGRAM

TO THE ABOVE APPLICANT AND LENDER:

An Application in the form of an Affidavit of Applicant and related documentation for the Housing Finance Authority of Broward County, Florida (the "Authority") 2014 Mortgage Credit Certificate Program (the "Program"), has been received by the Authority and reviewed for its compliance with the terms and conditions of the Program. The Authority has determined that the Applicant has complied with the initial requirements of the Program.

Subject to completion of the remaining terms and conditions to the issuance of a Mortgage Credit Certificate pursuant to the Program Manual, the Authority will execute and deliver a Mortgage Credit Certificate to the Applicant for a loan amount not to exceed the above-indicated sum. Such Mortgage Credit Certificate will be dated as of the date of closing the loan. A copy of such Mortgage Credit Certificate shall be furnished to the Participant for its records, and a second copy shall be retained by the Authority.

The terms of this MCC Commitment Letter are governed by the Program Manual, which is incorporated herein by reference as if fully set forth at length. THIS COMMITMENT WILL EXPIRE ON THE EXPIRATION DATE INDICATED ABOVE, WHICH IS TWO MONTHS FROM THE DATE HEREOF, IF THE LOAN IS BEING MADE FOR THE PURCHASE OF EXISTING HOUSING OR FOUR MONTHS FROM THE DATE HEREOF IF THE LOAN IS BEING MADE FOR THE PURCHASE OF NEW HOUSING. If you require an extension, an Extension Request Form must be filed prior to the Expiration Date, or you may lose this Commitment.

PLEASE BE SURE to submit all required MCC Submission Documents to the Authority within 30 days of the Expiration Date, unless an extension has been approved.

DATED: _____

HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY, FLORIDA

By: _____
Name: _____
Title: _____

NOTICE: Your Mortgage Credit Certificate is subject to certain requirements imposed by federal law concerning the recapture of a portion of the mortgage tax credit benefits granted to you upon the sale of your Residence within nine years from the date of purchase. See the Tax Credit Disclosure Notice to Applicant provided by your Participant for more details.

EXHIBIT "B"

FORM OF PARTICIPATION AGREEMENTS

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY MORTGAGE CREDIT CERTIFICATE PROGRAM PARTICIPATION AGREEMENT

This Participation Agreement (the "Agreement") is made and entered into on the ____ day of ____, 20__ by and between the Housing Finance Authority of Broward County, Florida (the "Authority") and _____, (the "Participant").

WHEREAS, the Tax Reform Act of 1984 authorized the issuance of Mortgage Credit Certificates ("MCCs") as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, the Authority has duly authorized its Mortgage Credit Certificate Program (the "MCC Program") under which MCCs will be issued pursuant to the Authority's Mortgage Credit Certificate Program Administration Guidelines (the "Guidelines") and the Program Manual (the "Program Manual"); and

WHEREAS, the Participant wishes to participate in the MCC program administered by its authorized representatives in connection with financing it will make available for the acquisition of new and existing single family housing.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

1. The Authority appoints the Participant as one of its agents for receipt and processing of applications for MCCs under the MCC Program.
2. Participant will make information available regarding the MCC Program to potential borrowers.
3. Participant will obtain from the borrower all documents and information required for an evaluation of eligibility and application for and receipt of an MCC including documents regarding (a) the first-time homebuyer requirement, (b) residence requirement, (c) income limitations, (d) purchase price limitations, (e) new mortgage requirement, (f) targeted area requirement, and (g) information reporting requirement and provide the borrower with information regarding the recapture tax.
4. Participant will conduct such reasonable investigation as is necessary to certify that the borrower has satisfied all requirements of the MCC Program, including those imposed by temporary and permanent regulations of the Internal Revenue Code, state law and the Program Manual.
5. Participant warrants that it is familiar with and will comply with the requirements of the Code, all temporary and permanent regulations and state laws relating to the issuance of MCCs and the Program Manual.
6. Participant will follow standard underwriting procedures in its processing of the loan application of each borrower and perform all investigation and verification that it would normally perform for underwriting financing not provided in connection with an MCC.
7. Participant warrants that all MCC Program information provided regarding the

borrower's eligibility under the MCC Program (i) is provided in good faith, (ii) is accurate to the best of its knowledge and (iii) is the result of standard due diligence on the part of the Participant.

8. Participant hereby agrees to comply with all data and record retention requirements which are required by the Code, all temporary and permanent regulations (including, but not limited to, Treasury Regulation Section 1.25-8T(a)(3)) and state law relating to the MCC Program.

9. Participant hereby agrees that the Authority and its authorized representatives during normal business hours have the authority to examine and inspect all books and records in the Participant's possession relating to the MCCs and the MCC Program.

10. Participant will charge a borrower applying for an MCC only those reasonable fees in processing the financing as would be charged to borrowers applying for financing not provided in connection with an MCC. Participant will also charge an MCC Program Fee (subject to periodic adjustment by the Authority) upon closing of the loan initially in the amount of \$300, consisting of an MCC Issuance Fee of \$175 that is forwarded to the Authority and an MCC Handling Fee of \$125 that is retained by the Participant.

11. Participant hereby agrees that it will file annually with the Internal Revenue Service for all MCCs issued in a calendar year the Lender's Information Return for Mortgage Credit Certificates (MCCs) (IRS Form 8329).

12. Participant hereby agrees that it will forward to the Authority or its authorized representatives all information which it receives during the life of the mortgage loan that in any way indicates that the borrower may have made a misrepresentation in applying for an MCC or that may affect the borrower's continued eligibility for an MCC.

13. This Agreement shall remain in full force and effect until terminated. Participant and the Authority may terminate this Agreement without cause, upon sixty (60) days written notice to the other party. Further, the Authority may immediately terminate this Agreement and prohibit the Participant from participation in the MCC Program upon the Participant's failure to comply with the terms and conditions of this Agreement and upon written notice from the Authority. No amendment to this agreement shall be effective unless in writing and signed by both parties thereto.

THIS AGREEMENT is entered into as of the day and year written above.

PARTICIPANT NAME (print)

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Its: _____