STATE OF NEW JERSEY:
:SS.
COUNTY OF :

MORTGAGOR'S AFFIDAVIT

I, _____ and _____ (hereinafter "I," or if applicable, collectively, "We") as Purchaser(s) of the residence, the permanent financing of which will be provided by New Jersey Housing and Mortgage Finance Agency ("NJHMFA"), being duly sworn on their oath represents and warrant as follows:

1. The information in the Mortgage Loan application is true, accurate and complete.

2. The residence is located at _____ , New Jersey.

3. Acquisition Costs.

   A) The Acquisition Cost of the residence is $ _____ ("Acquisition Cost" is defined to mean the cost of acquiring a residence from the seller as a completed residence. Included in the calculation of acquisition cost are (i) all amounts paid (in cash or in kind) by or on behalf of the Purchaser (or a related party or for the benefit of the Purchaser) to or on behalf of the Seller (or a related party or for the benefit of the Seller) as consideration for the residence, (ii) the reasonable cost (irrespective of the source of funding) of completing an incomplete residential unit and (iii) the capitalized value (using a discount rate equal to the bond yield) of ground rent where a residence is purchased subject thereto. Excluded from the calculation of acquisition cost are (i) the usual and reasonable settlement costs, including title and transfer costs, title insurance, survey fees and other similar costs and (ii) the usual and reasonable financing costs, including credit reference fees, legal fees, appraisal expenses, "points" paid by the Purchasers and other financing costs. "Usual and reasonable" costs include such costs only to the extent they do not exceed functionally equivalent costs where financing is not provided by a qualified mortgage bond issue. Also excluded from the calculation of acquisition cost is the value of services performed by the mortgagor and certain family members to complete the residence ("sweat equity") and the cost of land owned by the mortgagor for at least two years prior to the date construction of the residence began. (I/We) hereby certify that a true and correct copy of the purchase contract for the purchase of the residence and all other contracts expressed or implied relating to the purchase or completion of the dwelling have been provided to the Mortgage Lender.

   B) Neither I/We nor anyone on my/our behalf has made any payment other than the amount indicated in 3A to the seller of the residence or to any other person on behalf of the seller, nor have I/We canceled any debt of the seller or any related person to the seller.

   C) I/We have not entered into any agreement with the seller of the residence, the developer, the contractor, or any other person pursuant to which any portion of the residence has been left unfinished or any fixtures or other architectural appointments have been omitted or removed from the residence in order to reduce the Acquisition Cost.

4. Gross Annualized Household Income. The gross annualized current income of a mortgagor, and any other person who is expected to both live in the residence being financed and be secondarily liable on the mortgage is $ _____ .

5. The residence is considered "real property," which is permanently affixed and is either an existing single-family residence consisting of not more than four dwelling units or a newly constructed single-family residence consisting of not more than one dwelling unit in Statewide Areas and two dwelling units in Targeted Areas]

6. The residence is a (Check One)

   _____ (A) Existing one-dwelling unit residence (including condominium conversion),

   _____ (B) Newly constructed one-dwelling residence (including new condominium) completed as of the title closing date to the extent that occupancy is permitted under local law;

_____ (C) Existing two-to-four dwelling unit residence where at least one unit has been occupied as a residence by the owner for at least five years immediately preceding the date hereof;

_____ (D) Newly constructed two-family dwelling units, completed as of the title closing date to the extent that occupancy is permitted under local law in Target Areas only; and

_____ (E) For “factory-made housing which is permanently fixed to real property” (i.e., mobile home).

For purposes of the above, the term "existing residence" means units or dwellings which have been previously occupied or used, as a residence and the term "newly constructed residence" means units or dwellings which have not been previously occupied or used as a residence.

7 I/We intend to occupy the residence as my/our principal and permanent place of residence within 60 days after the closing of the mortgage, and thereafter continually occupy the residence as (my/our) principal and permanent residence for the life of the mortgage loan.

8. I/We have no present intent to lease, sell, assign or transfer any interest in the residence to another party and have not entered into any agreement, understanding or other arrangement to lease, sell, assign or transfer the residence.

9. I/We do not intend to nor will anyone else use any portion of the residence in trade or business and do not intend to deduct any portion of the cost of the residence as a home business expense on my/our federal income tax return(s) (except in connection with the rental on non owner-occupied units in a two to four unit residence).

10. I/We do not intend to use the residence as investment property and do not expect to receive any income from the residence or the land with the exception of rental income incidental to a two-to-four unit residence.

11. I/We do not intend to use the residence as a recreational or seasonal residence.

12. All of the land being purchased with the residence reasonably maintains the basic livability of the residence and will not provide a source of income to the undersigned. No subdivision map or deed has been recorded providing for the further subdivision of the land nor has the land received any subdivision approvals from municipal or county zoning authorities. The property being purchased consists of only one (l) lot which does not exceed one (l) acre in size. The land cannot be subdivided under current zoning regulations. If the property consists of more than one lot or exceeds one acre in size (I/We) have disclosed the same in writing to the NJHMFA and will have submitted prior to closing a letter from the municipal zoning officer stating that the property cannot be subdivided, in accordance with NJHMFA requirements. (I/We are not currently seeking and have no intention of seeking any variance from applicable subdivision or other zoning regulations for such purposes. In any event, (I/We) hereby represent and warrant (I/We) will not subdivide the property or otherwise convey a portion thereof so long as NJHMFA holds the first lien on the property.

13. I/We at the time of the mortgage closing will not own other real estate with the exception of the following:

A) Other Real Estate is vacant land.

B) Other Real Estate is commercial or industrial in character and use.

C) Other Real Estate is a vacation home and not used as primary residence.

14. I/We certify that I/We have included incomes of all mortgagors and any other person who is expected to both live in the residence being financed and be secondarily liable. Annualized gross income is determined by multiplying gross monthly income by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration compensation, net rental income, etc. and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). I/We understand that the income eligibility verification relied upon by the mortgagee cannot be more than 4 months old at the time of mortgage closing. I/We further understand that if the mortgage closing does not occur

within 4 months, current income verification will be required. If current household income exceeds applicable income limits, this application will be rejected and any commitment issued by the Agency will be null and void.

15. I/We will not use any part of the loan proceeds to acquire or replace an existing mortgage, except for a construction period loan, bridge loan or similar temporary initial financing with a term of 24 months or less.

16. I/We have not had a present ownership interest in the principal residence, including a manufactured home, at any time during the three-year period immediately prior to the closing on this home mortgage.

    A) I/We understand that "present ownership interest" includes the following types of interest: a fee simple interest; a joint tenancy, a tenancy in common or tenancy by the entirety; the interest of a tenant-stockholder in a cooperative; a life estate; a land contract; or an interest in a trust established by myself/ourselves or some other person.

    B) I/We further understand that a "present ownership interest" is not created by: a remainder interest; or ordinary lease, with or without an option to purchase; or a mere expectancy to inherit an interest in a principal residence; or the interest that a purchaser of a residence acquires on the execution of a purchase contract; or an interest other than a principal residence during the previous three years.

17. I/We understand that any false or misleading statement by me/us in this Affidavit constitutes a criminal offense.

18. There is no secondary financing relating to the purchase of the property, other than that which has been disclosed in writing to the NJHMFA and approved in writing by the NJHMFA.

19. Representations made herein shall survive the mortgage closing should this loan be consummated. The NJHMFA may obtain or re-verify information or documents used in processing this loan. I hereby authorize release of information to the NJHMFA or its designee by my employer, bank, accountant, stock broker, mortgage lender, creditor or other source to verify the accuracy of information on my credit and assets or documents the lender uses in deciding whether to approve the loan. A photocopy of this form with my signature is sufficient authorization.

The information the NJHMFA obtains is only to be used in the processing of my mortgage loan application or in the later re-verification of any of the credit information in the course of an audit or review by the NJHMFA, lender, its agents or later purchasers of the mortgage loan.

This is notice to you as required by the Right to Financial Privacy Act of 1978 that NJHMFA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to NJHMFA without further notice or authorization but will not be disclosed or released without your consent except as required or permitted by law.

Execution at Time of Loan Application

L.S. _____

L.S. _____

Sworn and Subscribed to before me
on this _____day of _____ 20____
_____ My commission expires on:_____

I, the representative for the lender, have explained the contents of this Affidavit to each of the Purchasers whose signature appears above, and I have no reason to believe that those individuals made any misstatements in or omissions from the warranties and representation required to be made herein.

_____ _____
Date and Place Lender

By:_____