

NOTICE TO PUBLIC  
AND TO  
ALL INTERESTED MORTGAGE LENDERS

ARLINGTON HOUSING FINANCE CORPORATION  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
(2019)

The Arlington Housing Finance Corporation (the "Corporation") intends to implement a Mortgage Credit Certificate Program (the "Program") to assist eligible low and moderate income homebuyers purchase a residence.

Under the Program, a homebuyer who satisfies the eligibility requirements described below may receive a federal income tax credit in an amount equal to the product of the certificate credit rate established under the Program and the interest paid or accrued by the homeowner during the taxable year on the remaining principal of the certified indebtedness amount incurred by the homeowner to acquire the principal residence of the homeowner; provided that such credit allowed in any taxable year may not exceed \$2,000. In order to qualify to receive a credit certificate, the homebuyer must qualify for a conventional, FHA, VA, USDA-RHS, or other home mortgage loan from a lending institution and must meet the other requirements of the Program.

The credit certificates will be issued to qualified mortgagors on a first-come, first-served basis by the Corporation acting through an administrator, which will review applications from lending institutions and prospective mortgagors to determine compliance with the requirements of the Program and whether credit certificates remain available under the Program. No credit certificates will be issued prior to 90 days from the date of publication of this notice or after the date that all of the credit certificate amount has been allocated to homebuyers and in no event later than the date permitted by federal tax law.

In order to satisfy the eligibility requirements for a certificate under the Program (a) the prospective residence must be a single-family residence located within the corporate limits of City of Arlington, Texas, that can be reasonably expected to become the principal residence of the mortgagor within a reasonable period of time after the financing is provided; (b) the prospective homebuyer's current income must not exceed, (i) for families of three or more persons, 115% of the area median income in non-targeted areas, and 140% of the area median income for certain targeted areas, and (ii) for individuals and families of two persons, 100% of the area median income in non-targeted areas, and 120% of the area median income for certain targeted areas; (c) the prospective homebuyer must not have owned a home as a principal residence during the past three years; (d) the acquisition cost of the residence must not exceed 90% (110% in the case of certain targeted area residences) of the average area purchase price applicable to the residence; and (e) no part of the proceeds of the qualified indebtedness may be used to acquire or replace an existing mortgage (except in certain cases permitted under applicable provisions of the Internal Revenue Code). To obtain additional information about the

Program, including the current income and purchase price limits (which are subject to revision and adjustment from time to time by the Corporation pursuant to changes in applicable federal and state law), please call Claire W. Merritt at 512.481.2044.

The Corporation intends to maintain a list of single family mortgage lenders that will participate in the Program by making loans to qualified holders of these mortgage credit certificates. Any lender interested in appearing on this list or in obtaining additional information regarding the Program should call Claire W. Merritt at 512.481.2044. If adequate interest is expressed, the Corporation may schedule a meeting with lenders to discuss in greater detail the requirements of the Program.

This notice is published in satisfaction of the requirements of section 25 of the Internal Revenue Code of 1986, as amended, and Treasury Regulation Sec. 1.25-7T and Treasury Regulation Sec. 1.25-3T(j)(4) issued thereunder regarding the public notices prerequisite to the issuance of mortgage credit certificates and to maintaining a list of participating lenders.