NOTICE TO MORTGAGOR REGARDING POTENTIAL RECAPTURE TAX

This notice applies only to mortgage loans closed on or after January 1, 1991. In 1990, Congress passed a law which states that home owners who receive a loan financed from the sale of mortgage revenue bonds, may be required to repay a portion of the gain, if any, on the sale or disposition of the property. Because of this law, homeowners may be required to pay a "recapture tax" on the gain, from the sale of the property. The "recapture" amount paid would be used in calculating the homeowner's federal tax liability and would be payable with the homeowner's federal tax in accordance with the Internal Revenue Code of 1986.

The "recapture tax" is based on the gain, from the sale or disposition of the property. There is no "recapture tax" if there is no gain on the sale of the property, or if the property is sold nine (9) or more years after the date the loan is closed. There is no recapture tax, if at the time you sell the property your income is below federal qualifying limits. These limits are adjusted for inflation and family size.

The maximum recapture amount is equal to 6.25% of the original principal amount of the loan.

$ 0.00 X6.25% = $ 0.00

Principal Mortgage Amount — Maximum Recapture Amount

Year 1	20%	=	$ 0.00	Year 6	80%	=	$ 0.00
Year 2	40%	=	$ 0.00	Year 7	60%	=	$ 0.00
Year 3	60%	=	$ 0.00	Year 8	40%	=	$ 0.00
Year 4	80%	=	$ 0.00	Year 9	20%	=	$ 0.00
Year 5	100%	=	$ 0.00				

In no event may the amount of the recapture exceed fifty (50%) percent of the gain on the sale or disposition of the property. If the recapture amount calculated above exceeds fifty (50%) percent of the gain on the sale of the property, the mortgagor's liability is automatically reduced to fifty (50%) of such gain.

The maximum recapture amount is adjusted to reflect the holding period of the residence financed. If the sale occurs within the nine (9) year period, beginning on the date of the loan closing, the recapture amount is equal to the product of the maximum recapture and above percentages. Other special rules may apply in particular circumstances, including, without limitations, if you refinance your home. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when refinance, sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 43(m) of the Internal Revenue Code generally.

The recapture amount may also be reduced or eliminated based on a comparison of the Mortgagor's "modified adjusted gross income" for the year in which the sale takes place. The modified adjusted gross income is equal to the federal adjusted gross income increased by any earned tax exempt interest and decreased by the gain on the sale of the residence.

The adjusted qualifying income for each year is set forth below. If the mortgagor's modified adjusted gross income in one year of the sale of the residence falls below the adjusted qualifying, the recapture amount is eliminated.

COUNTY OF PURCHASE: _____

Number of years after closing	1-2 Family Income Limit	3 or more Family Income Limit
County Limit	$ 0.00	$ 0.00
Year 0	$ 0.00	$ 0.00
Year 1	$ 0.00	$ 0.00
Year 2	$ 0.00	$ 0.00
Year 3	$ 0.00	$ 0.00
Year 4	$ 0.00	$ 0.00
Year 5	$ 0.00	$ 0.00
Year 6	$ 0.00	$ 0.00
Year 7	$ 0.00	$ 0.00
Year 8	$ 0.00	$ 0.00
Year 9	$ 0.00	$ 0.00

I have completed the portions of this Notice relating to the maximum recapture amount.

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Authorized Officer of the Mortgage Lender or Servicer

I understand and acknowledge the potential for recapture as explained above.

_____ _____ _____

Mortgager *Co-Mortgager* *Date*