



RECAPTURE NOTICE

NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME

You are receiving a mortgage loan from the proceeds of a tax-exempt bond, and are therefore receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. *The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels.*

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. Within 90 days after closing, you will be given additional information that will be needed to calculate the recapture tax.

ACKNOWLEDGMENT OF WEST VIRGINIA HOUSING DEVELOPMENT FUND QUALIFIED MORTGAGE BOND (QMB) RECAPTURE NOTICE

(Insert the Borrower(s) name (s) on this line)

the undersigned Borrower(s), having been first duly sworn, do(does) hereby acknowledge that he/she/they have received, read, and understand the contents of the West Virginia Housing Development Fund QMB Recapture Notice.

Borrower

Date

Co-borrower

Date