

**PUBLIC NOTICE TO QUALIFIED HOMEBUYERS AND HOMEOWNERS
WYOMING COMMUNITY DEVELOPMENT AUTHORITY
2020 MORTGAGE CREDIT CERTIFICATE PROGRAM**

The Wyoming Community Development Authority ("WCDA") is proposing to implement a program for Mortgage Credit Certificates ("MCCs") in Wyoming (the "2020 MCC Program"). MCCs are federal income tax credits issued to qualified taxpayers in Wyoming who borrow money to purchase (both new and existing residences), improve or rehabilitate their primary residences. The recipient of an MCC may apply the tax credit against his or her yearly federal tax liability to subsidize the loan. No sooner than 90 days following this Notice, WCDA intends to begin issuing MCCs to qualified taxpayers in Wyoming according to the guidelines noted below.

Purchasers of newly-constructed or existing single-family residences in Wyoming may apply for an MCC through participating lenders when they apply for financing from the lender for one of these eligible purposes.

An MCC cannot be issued in connection with a mortgage loan that refinances or pays off an existing mortgage or land contract (except for certain construction period) nor can an MCC be issued in connection with a mortgage loan provided from proceeds of tax-exempt bonds, such as a loan financed through WCDA's Single-Family Bond Program.

The amount of the credit will be equal to at least 10% but not more than 50% of the yearly interest paid or accrued on a qualified mortgage; however, where the certificate credit rate exceeds 20%, the amount of the credit allowed to the taxpayer for any taxable year shall not exceed \$2,000. WCDA and its staff will designate rates of at least 10% but not more than 50% for each mortgage loan used to acquire a primary residence (new construction or existing) in Wyoming. If the credit allowable under the 2020 MCC Program for any taxable year exceeds the homeowner's tax liability for such taxable year, then such excess credit may be carried over to each of the three succeeding taxable years and, subject to certain limitations, may be added to the credit allowable under the 2020 MCC Program for that succeeding year. The qualified homeowner may reduce the amount of monthly federal income tax withheld by filing a revised IRS W-4 Employee's Withholding Allowance Certificate in order to have more disposable income with which to make loan payments. Use of the MCC will reduce the deduction for home mortgage interest on the homebuyer's federal income tax return.

Current federal tax law may require a payment to the federal government of a "recapture" tax if the homeowner sells or otherwise transfers his or her home to someone else within nine years after the MCC is issued. The MCC is issued at the time of the closing of a mortgage loan. The recapture tax represents a portion of the "federally subsidized amount" of the mortgage loan, calculated in accordance with federal tax law. The recapture tax may not exceed 50% of the gain realized on the sale or transfer of the home, and it would become a part of the homeowner's tax liability for the year that the home is sold or transferred. The homeowner may not have to pay

part or all of the recapture amount if the homeowner's income, at the time of the sale or transfer, is less than a prescribed amount at the time of the sale or transfer.

To be eligible for an MCC, the homeowner's gross annual household income may not exceed the limits set forth below. Gross annual household income is the total of all income, from whatever source, of all persons age 18 and older who will reside or who intend to reside in the residence. The maximum family incomes for all borrowers, as established by WCDA, currently range from \$79,700 to \$132,360 for one- or two-person families, and from \$91,655 to \$154,420 for three-or-more-person families. Income and eligibility standards are reviewed annually by WCDA and may be revised by WCDA at any time. Limits on income will in no event exceed the maximum levels, if any, permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code").

The maximum purchase prices for homes, as established by WCDA, currently range from \$294,600 to \$679,800. This purchase price limitation does not apply to MCCs issued in connection with qualified home improvement loans.

Applicants also must meet the following eligibility requirements:

1. Qualified applicants must occupy the residence as their principal residence within 60 days after it is financed by a participating lender. The MCC will expire on the date that the residence ceases to be the principal residence of the qualified homebuyer.

2. Qualified applicants must not have had an ownership interest in a principal residence within the preceding three years, except for qualified applicants purchasing or constructing homes in federally designated targeted areas or certain veterans who are exempt from this requirement.

3. No more than 15% of the residence being purchased can be used in a trade or business used in accordance with the Code.

The total credit authority available under the 2020 MCC Program is \$35,885,025.37. Until the total credit authority is exhausted, qualifying taxpayers may obtain an MCC in connection with their home financing from any participating lender, including, but not limited to, banks, savings and loan associations, mortgage banking firms and credit unions. WCDA will not make or purchase any loans in connection with the 2020 MCC Program. The application must be made through a participating lender qualified to do business and located in the State of Wyoming. A list of participating lenders is available to the public from WCDA. An applicant also may obtain a loan from a lender not on this list if the lender agrees to participate in the 2020 MCC Program. MCC applications will be accepted on a first-come, first-served basis. There is no allocation of MCCs by lender; however, for the first year of the 2020 MCC Program, 20% will be targeted to persons purchasing or constructing single-family homes and incurring qualified home improvement loans and qualified rehabilitation loans in Targeted Areas.

Taxpayers must be qualified for an MCC under the Code and the regulations, rulings and interpretations issued by the Internal Revenue Service which shall control in the event of a conflict with other requirements. The taxpayer must meet the credit and underwriting criteria established by the participating lender which provides the mortgage loan.

The applicant must sign all documents and affidavits which are needed to demonstrate the taxpayer's eligibility for an MCC. The lender and WCDA may charge the applicant a fee to defray their costs related to processing an MCC application and any on-going program expenses.

WCDA reserves the right to adjust, modify or amend the 2020 MCC Program guidelines and eligibility requirements at its sole discretion and without further notice.

For more information on the 2020 MCC Program or a copy of the participating list of lenders, contact Lesli Wright or Carol Wilson at the Wyoming Community Development Authority, 155 N. Beech Street, Casper, WY 82601 or call (307) 265-0603.

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WYOMING COMMUNITY DEVELOPMENT
AUTHORITY

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