

# NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME

Because you are receiving a mortgage loan from the proceeds of a tax-exempt bond, you are 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 the next 90 days, you will be given additional information that will be needed to calculate the recapture tax.

Receipt of a copy of this notice is hereby acknowledged.

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_  
Name: WILE E. COYOTE

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_  
Name: \_\_\_\_\_

**STATE OF** \_\_\_\_\_ )  
 ) ss.  
**COUNTY OF** \_\_\_\_\_ )  
\_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

