

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION
SINGLE FAMILY BOND PROGRAM
ADDITIONAL BUYER'S AFFIDAVIT RELATING TO
BUSINESS USE OF RESIDENCE AND REQUEST FOR APPROVAL

Lender: Please provide MMP Reservation Number:

Instructions

- You have applied for a loan from the Maryland Community Development Administration ("CDA") to purchase a residence (the "Residence").
- You have requested that CDA permit use of the Residence for a proposed trade or business. CDA approval is solely for purposes of this loan and is not State approval of any proposed trade or business use under zoning, licensing or any other State law.
- Examples of trade or business use include any of the following activities by anyone in your Residence (or any part of it):
 - Child care, music lessons, clothing alterations and repair, or other services
 - Consulting or counseling work
 - Practicing a profession
 - Maintaining a home office
- Please fill out this Affidavit by checking true statements and filling in blanks.
- Answer all questions completely and accurately.
- If you need assistance, please ask your lender's representative.
- CDA must rely on the accuracy and completeness of your statements to determine whether your request may be approved under certain provisions of federal law.

IT IS A FEDERAL OFFENSE PUNISHABLE BY A MAXIMUM OF A \$1,000,000 FINE, THIRTY YEARS IMPRISONMENT, OR BOTH, KNOWINGLY TO MAKE A FALSE STATEMENT IN THIS AFFIDAVIT (TITLE 18 UNITED STATES CODE, SECTION 1014).

Each of the undersigned does hereby certify and represent as follows:

1. **Name of Buyer(s)* and Address of Residence to be Purchased**

Name(s);

Residence Address:

City MD Zip Code

*Include names of all persons taking title to the Residence.

2. **Description of Trade or Business**

Describe the trade or business proposed to be conducted at the Residence (hereinafter referred to as the "Business Use"):

Yes No The above-described Business Use is the only trade or business which will be conducted at or in the Residence.

3. **Income Tax Deduction**

I [or We]:

(a) will claim

(b) will not claim

a deduction for federal income tax purposes for Business Use of the Residence.

If any tax deduction is expected, please explain the basis on which it will be computed (be sure to include the "Business percentage" that you anticipate using on IRS form 8829, Expenses for Business Use of Your Home)

4. Area of Residence to be Used in Trade or Business

(a) Number of habitable square feet in the Residence: *[Include basement, garage, and habitable out-buildings; exclude non-habitable areas such as attics or crawl spaces. Do not include land upon which the Residence is located.]*

[A]: square feet

(b) Number of habitable square feet to be used *exclusively* for the Business Use (or if the Business Use is daycare, number of habitable square feet to be used on a regular basis to provide daycare services): *[Include all areas in the Residence to be so used. This may be less than an entire room.]*

[B]: square feet

(c) Calculate the Percentage of Area ["PA"] of the Residence to be used for the Business Use:

$$[B] \div [A] \times 100 = [PA] \% . *$$

* (rounded to the nearest tenth of a percent)

(d) Special Rule for Daycare (for children, the elderly, or the incapacitated):

(i) Calculate the DP, or Daycare Percentage.

Daycare Hours = the number of hours during the week that any part of the Residence is used on a regular basis to provide daycare services.

[C]: hours

Total Available Hours = 168, which is the total number of hours in the week.

[D]: 168 hours

[C] ÷ [D] 168 X 100 = [DP] %.*

(ii) Calculate the Use Percentage ("UP").

Multiply "PA" (item c above) by the Daycare Percentage ("DP").

[PA] x [DP] x 100 = [UP] %.*

* (rounded to the nearest tenth of a percent)

5. **Certain Specific Uses**

The Residence or any part thereof is to be used as or the Business Use will include any of the following activities:

Yes No a) Health club facility.

Yes No b) Gambling.

Yes No c) Sale of alcoholic beverages for consumption off premises.

Yes No d) Investment property held for rental.

Yes No e) Recreational home.

If you answered Yes to any of these statements, please describe:

6. **Agreements Respecting Business Use of Residence**

I acknowledge, represent and warrant that:

- True False a) None of the Residence will be used in a trade or business except for the proposed Business Use.
- True False (b) Any permitted trade or business will be conducted strictly in accordance with the Business Use as described herein, subject to any further limitations as may be set forth in CDA's written approval of the Business Use.
- True False (c) I HAVE NOT AND WILL NOT COMMENCE THE BUSINESS USE AT THE RESIDENCE UNLESS AND UNTIL THIS REQUEST HAS BEEN APPROVED IN WRITING BY CDA.
- True False (d) I will advise CDA in writing of any proposed change in a Business Use that previously has been approved in writing by CDA.

7. Default and Foreclosure for Misrepresentation or Misstatement.

I understand that the making of any misrepresentation or misstatement in this Business Use Affidavit will constitute an EVENT OF DEFAULT under the Mortgage Loan and will entitle the holder of the Mortgage Loan note to accelerate the debt and institute FORECLOSURE or other appropriate proceedings.

I solemnly affirm under penalties of perjury and upon personal knowledge that the contents of this Affidavit are true. I understand that I must re-execute this application at closing.

Date: _____ Buyer: _____

Date: _____ Buyer: _____

Approval/Denial of Proposed Business Use

Name(s): _____

Residence Address: _____
_____, MD _____

(a) ____ The proposed Business Use is approved, as described in this Affidavit.

(b) ____ The proposed Business Use is approved, as described in this Affidavit, subject to the following conditions:

(c) ____ The proposed Business Use is denied.

COMMUNITY DEVELOPMENT ADMINISTRATION

BY _____
Signature

Date

Title / Homeownership Programs