Exhibit M

NOTICE OF POTENTIAL RECAPTURE TAX

PART II (To be Completed Upon Loan Closing)

Name of Mortgagor(s): _____

Full Address of Residence: _____

City: _____ County: _____

Loan Closing Date: _____ Initial Principal Amount: _____

Residence is located in (check one and provide information requested)

☐ Non-Targeted Area	☐ Targeted Area
County Median Income: $_____	Program Income Limit for: 1 or 2 Person Household: $ ——————— 3 or More Person Household: $_____

Maximum Recapture Tax: The maximum tax that you may be required to pay as an addition to your federal income tax is $_____. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

Actual Recapture Tax: The actual recapture tax, if any, can only be determined when you sell your home. It is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your recapture amount determined by multiplying the following three numbers:

(a) $_____ Maximum recapture tax indicated in the paragraph above
(b)   x_____ Holding period percentage (See Worksheet Step 2, below)
(c)   x_____ Income percentage (See Worksheet Step 6, below)
The recapture tax cannot be more than 50% of gain.
If there is no gain, there is no tax.

STEPS IN CALCULATING THE RECAPTURE TAX

			Example Calculation	Mortgagor Calculation
Step 1.	Compute 50% of Gain From Disposition of Residence			
	a.	Enter Sale Price of Residence	$ 50,000	$_____
	b.	Enter Purchase Price of Residence	$ 40,000	$_____
	c.	Compute Gain or Loss on sale (Line 1a minus Line 1b). If the amount computed on Line 1c is negative (less than zero), there will be no Recapture Tax and no further computations need to be made.	$ 10,000	$_____
	d.	Portion of Gain included in computation of Recapture Tax	x 50%	x 50%
	e.	Compute amount of Gain included in computation of Recapture Tax (Line 1c times Line 1d). This amount represents the maximum potential Recapture Tax.	$ 5,000	$

			Example	Mortgagor
Step 2.	Determine the applicable Holding Period Percentage			
	a.	Enter Date of Sale of Residence	3/15/95	__/__/__
	b.	Enter Date of purchase of Residence	2/05/91	__/__/__
	c.	Compute number of months Residence was owned (Line 2a minus Line 2b).	49.33 mos.	_____ mos.
	d.	Divide Line 2c by 12 to compute number of years Residence was owned (round to next whole number).	4 yrs.	_____ yrs.
	e.	Determine the applicable Holding Period Percentage from the table below:	100 %	%

Line 2d	Percentage	Line 2d	Percentage
0	20%	5	80%
1	40%	6	60%
2	60%	7	40%
3	80%	8	20%
4	100%	9 or more	0%

Note: If the Holding Percentage is determined to be 0%, there will be no Recapture Tax and no further computations need to be made.

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Step 3. Compute the Imputed Mortgage Revenue Bond Subsidy Amount
    a. Enter the original principal amount of the mortgage loan. $ 37,500 $_____
    b. Multiply Line 3a by 6.25% and enter result on Line 3c.   x 6.25%   x 6.25%
    c. Computed total from above $ 2,343 $_____

Step 4. Compute Modified Adjusted Gross Income
    a. Enter the Mortgagor's Adjusted Gross Income per IRS Form 1040 applicable to the year in which the Residence is sold. $ 62,375 $_____
    b. Subtract the Gain on sale of Residence as indicated on line 1c. $ (10,000) $ (_____)
    c. Add all interest income earned (during the year in which the Residence is sold) on tax exempt bonds subject to the Federal Alternative Minimum Tax. $ 350 $_____
    d. Add Lines 4a, 4b, and 4c to compute Modified Adjusted Gross Income. $ 52,725 $

Step 5. Compute Adjusted Qualifying Income
    a. Enter number of persons in Household as of the Date of Sale of the Residence.   5   _____
    b. From Line 2d, enter the Number of Full Years the Residence was owned.   4   _____
    c. Determine the applicable Adjusted Qualifying Income Multiplier from the table below: 1.2155   _____

Line 4b	Multiplier	Line 4b	Multiplier
0	1.0000	5	1.2763
1	1.0500	6	1.3401
2	1.1025	7	1.4071
3	1.1576	8	1.4775
4	1.2155	9	1.5513

    d. If the Residence was located in a Federally Designated Targeted Area as of the Date of Purchase, complete this item 5d; otherwise, skip this line and proceed to Line 5e.
      (1) Enter the Median Income (as of the Date of Purchase) of the County in which the Residence is located. $ 28,750 $_____
      (2) Compute the Adjusted Qualifying Income Basis by multiplying Line 5d(1) by:
           1.20 if Line 5a is less than 3, or
           1.40 if Line 5a is 3 or more $ 40,250 $_____
      (3) Skip Line 5e and proceed directly to Line 5f.
    e. Enter the applicable Program Income Limit in effect as of the Date of Purchase of the Residence, based upon the Household size indicated above in Line 5a. $_____ $_____
    f. Compute the Adjusted Qualifying Income by multiplying either Line 5d(2) or Line 5e by the multiplier in Line 5c. $ 48,924 $_____

Step 6. Compute Income Percentage
    a. Enter the Modified Adjusted Gross Income from Line 4d. $ 52,725 $_____
    b. Enter the Adjusted Qualifying Income from Line 5f. $ 48,924 $_____
    c. Subtract Line 6b from Line 6a (If result is negative, enter zero). $ 3,801 $_____
    d. Compute the Income Percentage by dividing Line 6c by $5,000. Enter the result as a percentage. $ 76.02% $ %

Step 7. Compute the Recapture Tax
    a. Enter 50% of the Gain on Sale of Residence from Line 1e $ 5,000 $_____
    b. Compute the product of the following three numbers:
      Imputed Subsidy Amount (Line 3c) $ 2,344 $_____
      Holding Period Percentage (Line 2e)   x 100%   x %
      Income Percentage (Line 6d)   x 76.02%   x %

      Enter Result on this Line 7b. $ 1,782 $_____
    c. Enter the Recapture Tax amount as the lesser of Line 7a and 7b. $ 1,782 $

      I (we) acknowledge that it is my (our) responsibility to retain the foregoing information for use in the future, if I (we) sell my (our) home within nine (9) years of the date of closing of my (our) Mortgage Loan.

_____ _____
Mortgagor's Signature   Date   Co-Mortgagor's Signature   Date

_____ _____
Mortgagor's Printed Name   Co-Mortgagor's Printed Name

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