



Mortgage Credit Certificate Yearly Tax Credit Program 40% tax credit

A Mortgage Credit Certificate (MCC) is a tax credit that reduces your federal income tax liability, if you have one. Your tax liability is the amount the IRS taxes you for your earnings, not the amount that you pay or are refunded. Each year, the tax credit equals 40% of your annual mortgage interest paid. You continue to receive a tax credit for as long as you have a mortgage on your home, even if you refinance. Your lender may be able to use the amount you will receive from the tax credit as part of your income, for loan qualification purposes.

How It works

\$125,000.00	Loan amount
x 4%	Interest rate
\$ 5,000.00	Interest paid 1 st year
x 40%	MCC Credit rate
\$ 2,000.00	Tax Credit

Each year you can subtract the tax credit amount from your tax liability not to exceed \$2,000.

Household Income Limit

	<u>Pima County</u>	<u>Non-Target</u>	<u>Target</u>
1 to 2 persons	\$61,600		\$73,920
3 or more persons	\$70,840		\$86,240

Purchase Price Limits

	<u>Pima County</u>	<u>Non-Target</u>	<u>Target</u>
New or Existing	\$253,809		\$310,211

Mortgage Credit Certificate Rate: 40%

Fee Schedule – Applicant

Program fee \$1,000.00
Annual Administration fee \$150.00

How to apply

Come to FHR so we can review your tax returns and help you determine if an MCC will work for you. Lenders are to fax a 1003 form to Family Housing Resources at 520-323-3788.

1700 E. Ft Lowell Rd, Suite 101 Tucson 85719
520-318-0993, 800-622-7462 toll-free
www.familyhousingresources.com

Program Area

FHR administers the MCC program for Rural Pima County and the cities of South Tucson, Marana, Oro Valley, and Sahuarita

If purchasing a home in the City of Tucson limits call Advantage Housing at 882-5591

Eligible Properties

New or previously occupied single-family homes including detached homes, manufactured housing, condominiums, duplexes, or townhouses within the Program Area.

Eligible Lenders

Any lending institution located within the state is eligible to provide loans under this program. There are no fees to be paid by the lender.

Eligible Loans

Fixed-rate or adjustable rate FHA, VA, and Conventional loans. MCC's are not available with non-taxable mortgage revenue bond loans and veteran bond loans. Only original first mortgage financing is eligible. MCC's cannot be used with 100% seller financing.

Other Program Requirements

The MCC recipient must plan to occupy the property purchased. Applicant must be a first-time homebuyer, unless property is in a targeted area. Prior ownership of a home (including an affixed mobile home) within the three most recent years disqualifies the Applicant as a first-time homebuyer.