

# Mortgage Credit Certificate Program (MCC)

Please speak with your tax advisor or tax preparer to determine your estimated tax liability and the value of the MCC.

ELIGIBLE AREA - Manatee County

FIRST-TIME BUYERS - Don't buy that house until you determine if you qualify for a Mortgage Credit Certificate (MCC) offered by the Housing Finance Authority of Manatee County!

The MCC could save you THOUSANDS of dollars by reducing the amount of federal income tax you owe. The MCC is not down payment assistance but rather a dollar-for-dollar reduction in your federal tax liability.

## SO HOW DOES AN MCC WORK?

An MCC is used in conjunction with a first mortgage loan provided by a participating lender. The MCC allows a borrower to take 20% of their annual mortgage interest as a tax credit while continuing to use the balance of the interest as a deduction. The MCC program tax credit maybe used as long as the property remains the borrower(s) principal residence. The MCC benefit may be received one of two ways. 1) Annually when a borrower files their federal income tax returns, or 2) A portion may be claimed with each paycheck by filing a revised W-4 form with the employer adjusting federal income tax withholding. Another added bonus - this MCC program may be used with either of the HFA of Hillsborough County first mortgage programs that offer down payment and closing cost assistance. The Mortgage Credit Certificate program will have the strictest eligibility requirements so those must be followed in order to be combined with the program first mortgage.

## INCOME LIMITS

1-2 person houshold: \$100,181

3 or more person household: \$115,208

## PRICE LIMITS

All households : \$561,333

## FEDERAL INCOME TAX LIABILITY

In order for a borrower to benefit from the Mortgage Credit Certificate they must have Federal Income tax liability. Just because you received a tax refund does not mean you dont have tax liability. To determine your tax liability look at your IRS 1040 line 37. The number indicated on that line is your tax liability. A large number means you are a great fit for the MCC program. Even a small number means you will benefit from the MCC. However, zero indicates you would not be a good fit for the MCC because you have no tax liability.

## WHAT'S THE NEXT STEP?

If you think you qualify for the program based upon the criteria above, contact a participating loan officer to get pre-approved for a mortgage.