

Montgomery County Housing Finance Corporation The Mortgage Credit Certificate (MCC) Program

Fact Sheet

What is an MCC?

The MCC is a Federal Income Tax Credit program. An MCC provides a double bonus. It increases the loan amount you qualify for **and** it increases your take-home pay. The MCC entitles you to take a federal income tax credit of thirty-five percent (35%) of the annual interest you pay on your home mortgage. Because the MCC reduces your federal income taxes and increases your net earnings, it is a great help in qualifying for your first home mortgage. But it doesn't stop there. The MCC is registered with the IRS, and it continues to decrease your federal income taxes each year for as long as you live in your home.

How to Qualify

- ❖ Your household income and the purchase price must not exceed the limits shown below.
- ❖ You must occupy the home.
- ❖ You must apply for the MCC through a participating Lender, and pay a non-refundable MCC Application Fee.
- ❖ You must purchase a home within the Eligible Loan Area.

MCC Program Limits

Maximum Income:

1 or 2 persons: \$76,560
3 + persons: \$89,320

Maximum Purchase Price:

New & Existing: \$316,177

Eligible Loan Area

Montgomery County, Texas

Targeted Census Tracts

Certain census tracts are designated as areas of chronic economic distress. Applicants who purchase homes in these areas do not have to be a first-time homebuyer. The entire Eligible Loan Area is considered a Targeted Area since it falls within the Rita GO Zone.

Recapture Tax

If you sell your home within nine years you may have to pay a recapture tax. **Several conditions can exempt you from the recapture tax.** Call the Program Administrator or see your Lender for more details.

Availability of Funds

The Aggregate MCC Issuance Authority is \$3,500,000 (\$10,000,000 in loan volume). If funds run out, it will be posted on the Program Administrator's website. You may apply for an MCC only while escrow is open, NOT after your escrow has closed.

How To Apply

- ❖ Choose a Lender enrolled in the Program to pre-qualify you for a loan and an MCC. See Lender list on the Program Administrator's website: www.FSCHousing.com.
- ❖ After finding a property and having the seller accept your offer, escrow will be opened.
- ❖ Read and sign your MCC Application and Affidavit and other documentation that the Lender prepares and sends to the Program Administrator.
- ❖ Once your MCC application is approved the Program Administrator issues your Lender an MCC Commitment and an MCC Closing Affidavit.
- ❖ Sign the MCC Closing Affidavit with the other closing documents at the end of escrow.
- ❖ Look for your MCC document in the mail within 30 days after escrow closing.

Mortgage Financing

The Program does not place restrictions on the mortgage financing with regard to type, term or rate. Only first mortgages and no refinancing except to replace a construction period loan or bridge loan of a temporary nature. Also, no bond-backed financing is allowed.

Program Fees

MCC Application Fee	\$100.00
MCC Closing Package Review Fee	\$250.00
MCC Issuance Fee	1.00% of the mortgage loan amount

The above fees should be made payable to "First Southwest Company".

Program Administrator

First Southwest Company administers the Program for the Montgomery County Housing Finance Corporation. (214) 953-4122. All checks made payable to "First Southwest Company."