

## **The MCC Solution**

Are you ready for a place of your own? A larger yard where the kids can roam?

Mortgage Credit Certificates can help. An MCC reduces the amount of federal income tax you pay, giving you more available income to qualify for a mortgage loan.

MCCs are NOT mortgages. They are tax credits that put extra cash in your pocket each month, so that you can more easily afford a house payment. That means fewer tax dollars will be withheld from your regular paycheck, increasing your take-home pay.

With an MCC from the Northwest Central Texas HFC, you'll get a direct dollar-for-dollar reduction in your federal taxes worth 35 percent of the interest you pay on your mortgage each year. You can still claim the remaining 65 percent of the interest as a tax deduction.

**For additional information, please contact us:**

[www.fschoosing.com](http://www.fschoosing.com)

**214-953-4122**



## Northwest Central Texas Housing Finance Corporation

### MORTGAGE CREDIT CERTIFICATE PROGRAM

**IT'S LIKE  
MONEY  
IN THE  
BANK.**



## **How MCCs Work**

The tax credit provided by the MCC simply helps you increase your disposable income to qualify for a loan and meet mortgage obligations. The MCC is valid for the life of your loan as long as you live in the home.

The federal government allows every homeowner an income tax deduction for all the interest paid each year on a mortgage loan. But an MCC gives you a tax credit of 35 percent. A tax credit is not the same as a tax deduction. Here's the difference: A tax deduction reduces the portion of your income that is taxed, so you pay less. A tax credit is a reduction in the final total of taxes you owe.

Suppose you apply for a mortgage loan of \$100,000. With a 30-year loan at a 6 percent interest rate, you would pay \$6,000 in interest the first year. Thirty-five percent of that amount, or \$2,100. However, the maximum annual credit allowable is \$2,000. Thus the 35 percent tax credit means an additional \$166.67 per month in take home pay, making your mortgage more affordable.

## **Who Can Apply**

You may benefit from this program if you are purchasing a home within the following Texas Counties: Erath, Hood, Johnson, Palo Pinto, Parker, Somervell and Wise.

You have not owned a home within the last three years as a principal residence unless you are a Qualified Veteran.

In addition, your family's income and the cost of your home cannot exceed federally established income and sales price limits.

The maximum sales price, whether the home you buy is new or existing, is \$258,691.

The maximum income limits are as follows:

### **Johnson & Parker Counties:**

1-2 persons is \$66,000  
3 or more persons is \$75,900

### **Erath and Palo Pinto Counties:**

1-2 persons is \$57,400  
3 or more persons is \$66,010

### **Hood County:**

1-2 persons is \$62,900  
3 or more persons is \$72,335

### **Somervell County:**

1-2 persons is \$58,100  
3 or more persons is \$66,815

### **Wise County:**

1-2 persons is \$61,600  
3 or more persons is \$70,840

You must occupy the property. It cannot be used for business, commercial or rental purposes.

You'll need a sales contract with a legal description of the property, a \$100 nonrefundable application fee.

## **How to Apply**

Applications are accepted on a first-come, first-served basis. MCCs are available with mortgages of any type, term or rate except you cannot use with a tax-exempt bond program or a veterans land board loan.

Please call us at 214-953-4122 for additional information regarding this program.