

# Achieve Your Dream with the Help of an MCC



## How Will an MCC Assist My Home Purchase?\*

- ◇ An MCC provides homebuyers with a Federal Income Tax Credit based on a percentage of the mortgage interest paid each year.
- ◇ The Tax Credit is a dollar-for-dollar reduction against the homebuyer's Federal Tax liability.
- ◇ The Tax Credit may also help Homebuyers qualify for the initial purchase of the home, because it may be considered more "qualifying income".
- ◇ An MCC is not limited to just First-Time Homebuyers if the property purchased is in a "Targeted Area".

## Mortgage Credit Certificate (MCC) Provides Tax Credit for Homebuyers

A Mortgage Credit Certificate (MCC) is a Federal Tax Credit allowing you to claim a percentage of the annual mortgage interest paid as a tax credit against your Federal Tax Liability.

Your lender will submit an MCC application for you at the same time that you apply for your mortgage loan, and notify you as to whether your MCC application is accepted.

The tax credit provided by the MCC also helps you increase your disposable income which is considered when you qualify for a mortgage loan.

MCC's are available with fixed- or -adjustable-rate mortgages such as conventional conforming (i.e. Fannie Mae or Freddie Mac mortgages), or FHA and VA mortgages. Tax-exempt bond financed programs are not available for use with an MCC.

National Homebuyers Fund, Inc. (NHF) administers MCC programs for a variety of housing entities throughout California. Currently NHF administer a 20% MCC in over 41 counties of California and a 15% MCC for Orange County.

MCC applications are accepted on a first-come, first-served basis and upon approval are valid for the life of your loan as long as you live in the home.

### Value of a Tax Credit vs. Tax Deduction\*

<i>For example purposes only*</i>	W/MCC TAX CREDIT	W/O MCC TAX CREDIT TAX DEDUCTION
Total Income (married, joint filing)	\$60,000	\$60,000
Standard Deduction	(9,600)	(0)
Itemized Interest	(0)	(12,000)
Exemptions (2)	(6,200)	(6,200)
<b>Total Taxable Income</b>	<b>\$44,200</b>	<b>\$41,800</b>
Federal Income Tax Liability	\$5,866	\$5,559
MCC Credit (20%)	(2,400)	(0)
<b>Taxes Paid</b>	<b>\$3,466</b>	<b>\$5,559</b>

\$200,000 mortgage x 6% interest rate = \$12,000 annual interest  
 \$12,000 times 20% MCC Credit = \$2,400

\*This illustration is simplified for example purposes only. Actual figures may vary and many other considerations may impact a person's actual tax debt.

Call Today to Get Started  
**(866) 643-4968**



National Homebuyers Fund, Inc.  
 1215 K Street, Suite 1650  
 Sacramento, CA 95814  
 (866) 643-4968