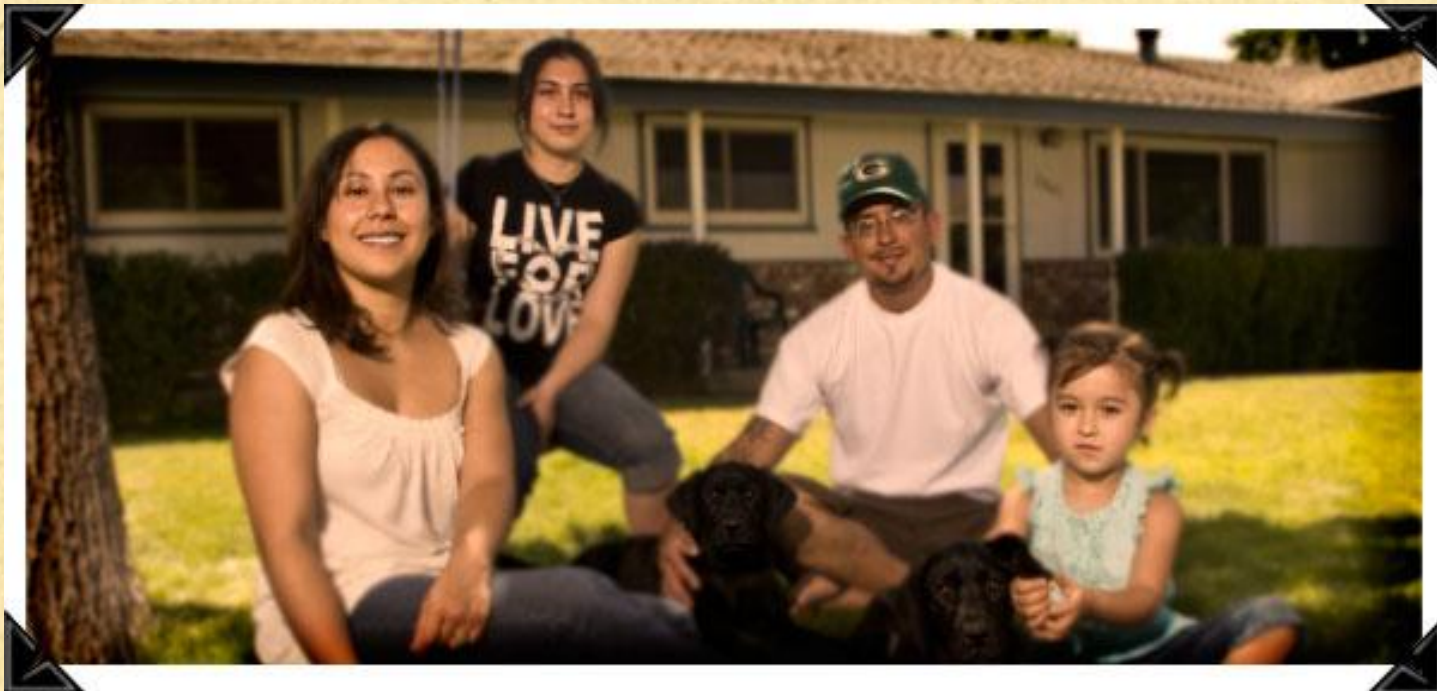




# Home At Last!

Mortgage Credit  
Certificate Program





# Who we are & what we do!



- Rental Assistance
- Homeownership
- Security Deposit Loans
- Land Trust
- Community Development
- Weatherization



# MCC Program



- Mortgage Credit Certificate is a tax credit that will reduce the federal income of qualified buyers.
- Has the effect of reducing mortgage payments.



# Program Impact

Interest Rate 6%

MCC Savings 1.8%

Net Cost 4.2%

*Monthly Payment on \$100,000 Loan = \$600 less  
monthly savings of \$150 equals net cost of \$450*



# Eligibility

- First-time Home buyer or Qualified Veteran
- Humboldt County Income Limits
  - 2 or fewer persons                      \$66,100
  - 3 or more persons                        \$76,015
- Purchase Price Limit of \$258,690
- Cities/Towns less than 100,000 population



# Application

- Participating Lenders
  - Wells Fargo, Countrywide, DHI Mortgage, UAMC, Mann Mortgage, Neighbors Financial, Guild Mortgage, Colonial Mortgage and more to come!
- \$75 Lender Application Fee





# Types of Mortgages



- Conventional
- FHA
- VA
- RHS
- Bond Loans not allowed
- Refinanced sub-prime loans



# Amt of Credit

- 30% credit for loans at \$190,000 or less
- 20% credit for loans more than \$190,000





# Example

- \$200,000 loan at 5.5% interest
- Estimated annual interest \$11,000
- Tax Credit **20%** of mortgage interest

***Savings – Approximately \$183/month  
or \$2,200 per year***



# Example

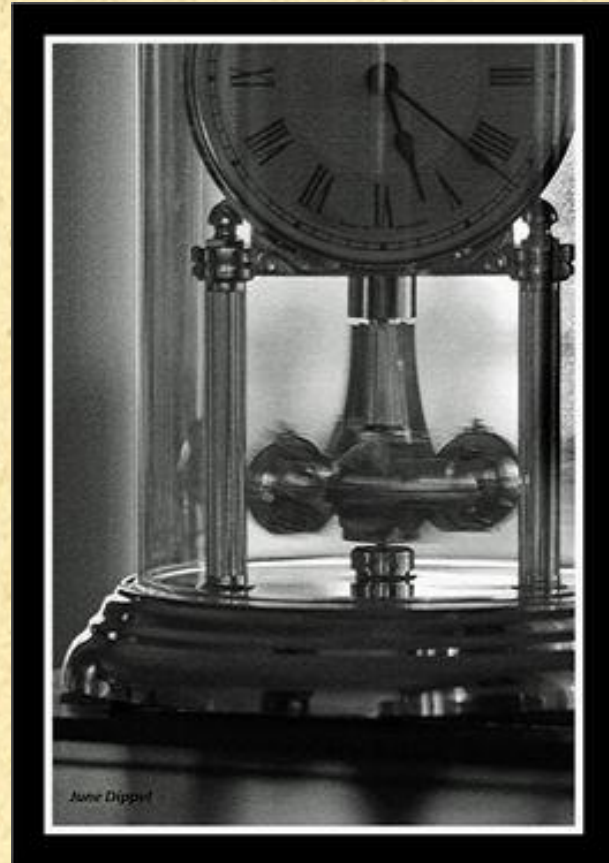
- \$120,000 loan at 5.5% interest
- Estimated annual interest \$6,600
- Tax Credit **30%** of mortgage interest

***Savings – Approximately \$165/month  
or \$1,980 per year***



# Length of Benefit

- MCC in effect for life of mortgage
- Can be reissued for refinanced loan





# Tax Difference



- MCC is “dollar for dollar” reduction
- Easy to claim on a one page tax form 8821
- Itemized mortgage interest is subject to tax bracket – i.e. 15 cents on the dollar



# Other Tax Credits



- Can combine with federal \$8,000 tax credit
- Home must be purchased by December 1
- Tax credit does not have to be repaid



# Funds Available

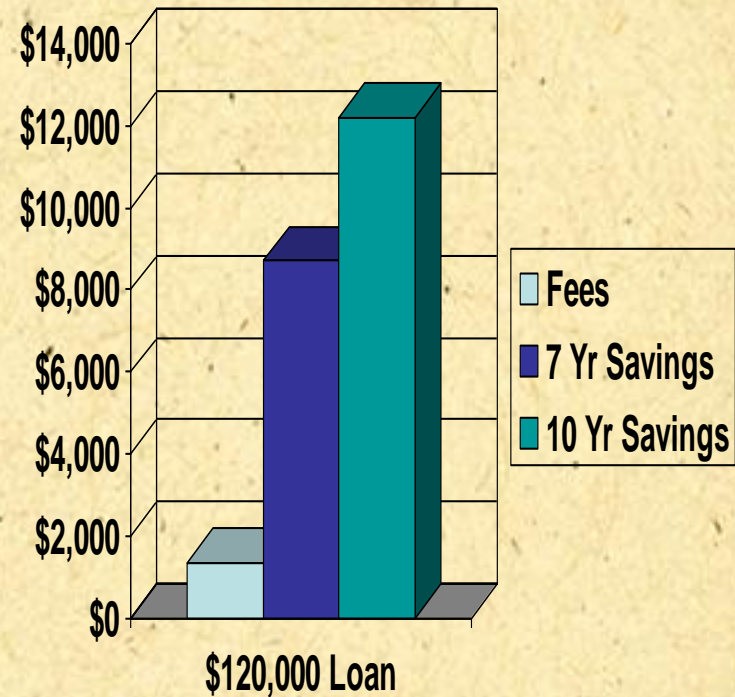
- Nearly \$26 million in funds available
- More funds waiting when program funds depleted





# Fees

- One percent of loan upon closing
- \$75 lender fee
- \$100 NRHA application fee upon closing





# Questions?

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