



MORTGAGE CREDIT CERTIFICATE PROGRAM

PHFA's Mortgage Credit Certificate Program allows homebuyers to claim a tax credit for up to 50 percent of the mortgage interest paid per year, capped at \$2,000 annually. It is a dollar-for-dollar reduction against your federal tax liability.

MCC SAVINGS EXAMPLE

Loan amount	\$110,000
Mortgage interest rate*	4.0%
MCC percentage*	40%

TAX CREDIT AMOUNT \$1,760

** Subject to change periodically*

Learn more at PHFA.org/MCC
or call toll-free 855-827-3466.

WHO IS ELIGIBLE?

This program is open to homebuyers who:

- ▶ have not owned a home within the past three years (some exclusions apply), based upon location;
- ▶ do not exceed income and home purchase price limits;
- ▶ meet qualifying requirements of a PHFA mortgage loan;
- ▶ will use the home as their primary residence.

DOES IT EXPIRE?

Not as long as the home remains your principal residence and interest is being paid on the mortgage! The MCC expires only if the home is sold or is no longer used as your primary residence. You may even be able to keep it in the event you refinance your loan.

HOW MUCH OF A CREDIT CAN BE CLAIMED?

The amount of the annual tax credit ranges from 20 to 50 percent of the annual interest you paid on the mortgage loan. The credit rate percentage is based on the original loan amount as listed in the chart to the right.

LOAN AMOUNT	CREDIT RATE
Up to \$100,000	50%
\$100,001 - \$150,000	40%
\$150,001 - \$200,000	30%
\$200,001 +	20%

The amount of credit claimed annually cannot exceed the lesser of \$2,000 or your annual federal income tax liability, after all other credits and deductions have been taken into account. The \$2,000 limit does not apply to the credit rate of 20%. The amount of interest not claimed under the MCC may be used towards the mortgage interest deduction on schedule A of your tax return.

IS THERE A FEE TO GET AN MCC?

No! PHFA will issue the certificate and administer it for the life of the loan at no additional cost to you.

HOW CAN I APPLY?

Visit www.PHFA.org to find a participating lender in your area to see if you qualify for a PHFA mortgage and the MCC program. You may also be eligible for down payment and closing cost assistance.