

If you've ever dreamed about home ownership but felt that buying a home always was a little beyond your reach, the **Harris County Housing Finance Corporation** (HCHFC) can help you make your dream a reality with the **Mortgage Credit Certificate** (MCC) Program.

A 30 percent, dollar-for-dollar tax credit on the interest you pay for your loan, the MCC saves money – savings you can actually see by increasing your monthly take home pay or your year-end tax refund, whichever suits you best.

Under the MCC program, the tax credit normally lasts for the life of the loan, as long as the purchaser resides in the home and makes the loan payment. For example, the dollar-for-dollar income tax credit often may result in approximately \$150 in monthly savings or \$1,800 a year in an additional income tax refund. The benefit of this program varies according to the income of the buyer, the amount of the loan and the interest rate.

Where can I buy a home and gain the benefit of a Mortgage Credit Certificate?

Mortgage Credit Certificates are available under this program for use within Harris County, but NOT within the cities of Houston, Baytown, Deer Park, Friendswood, La Porte, League City, Missouri City, Pasadena and Pearland.

Am I eligible?

The program is open to those individuals and families who:

1. Meet income and home purchase requirements;
2. Have not owned a home in the past three years;
3. Meet the qualifying requirements of the mortgage loan;
4. Will use the home as their principal residence;
5. Will use the loan for the home purchase but not for refinance; and,
6. Will not use a bond loan.

What is a Mortgage Credit Certificate? How can I buy a home and save money?

As a Mortgage Credit Certificate holder you will receive a direct dollar-for-dollar federal income tax credit and a savings equal to 30% of the interest paid on your new mortgage loan every year as long as you own and live in your home. It is a direct reduction of the federal income taxes you owe, or an increase in your refund. You may qualify for this program and save about \$150 a month!

If you need help qualifying, the Mortgage Credit Certificate can work in your favor. It even may help you qualify for a larger home that you thought! It may assist you in qualifying for a mortgage loan when you otherwise would not.

What are the maximum income limits?

There are limits on the maximum income you can earn and obtain a Mortgage Credit Certificate (you also must meet loan qualification requirements):

1-2 Family Members \$61,000*
3+ Family Members \$70,150*

** Higher income limits apply in certain targeted areas of the county. Lenders can identify targeted areas.*

What are the maximum purchase price limits?

There are limits on the maximum purchase price for homes eligible for a Mortgage Credit Certificate:

Purchase Price Limit \$189,682*

** Higher purchase price limits apply in certain targeted areas of the county. Lenders can identify targeted areas.*

Are there any additional costs?

Yes. In addition to certain basic costs associated with any mortgage loan, the Mortgage Credit Certificate Program fees include a Lender Fee and a Program Fee.

Fees	Amount
Program fee	\$150.00
Program fee	1% of loan amount**

The Program Fee is an amount equal to 1% of the mortgage amount. For example, if the loan is \$100,000, the fee is calculated as follows:

$$\$100,000 \times .01 = \$1000$$

So, in addition to the normal fees associated with a mortgage loan, the applicant pays a \$150 Program Fee and \$1000 at the time of closing the loan. The total fee in the example is \$1150.

In many cases, the Mortgage Credit Certificate fee is paid back through the income tax credit within the first year and the Mortgage Credit Certificate savings continue for the life of the loan. These fees may be paid by the seller, the buyer or jointly paid. In certain cases, the fee may be financed.

*** The Program Fee is waived for families and individuals who earn 80% or less of the median income for Harris County, adjusted for family size. Please ask your lender if you fall into this earnings group. You may be able to save additional money.*

What types of mortgage loans are being offered?

Participating lenders may provide financing under any home loan available. Conventional, VA or FHA financing is allowed. Mortgage loans may be prepaid, in whole or in part, at any time according to their terms. However, a federal recapture tax may be required if you sell your residence within nine years of purchase.

How do I calculate how much I can save the first year?

The following is an example of the Mortgage Credit Certificate Annual Savings Calculation:

Loan Amount	\$100,000
(times loan interest rate)	x 6.0%
Approximate Annual Interest	\$6,000
(times MCC credit rate)	x .30%
Approximate Annual Mortgage Credit Certificate Amount	\$1,800

How do I sign up?

1. Call a participating lender or your local Realtor or builder for details.
2. Obtain a contract to purchase the new or existing home you choose.
3. Meet program guidelines and qualify for the home mortgage.
4. Receive a reservation from your lender for a Mortgage Credit Certificate to save 30% of your mortgage interest.
5. Close on the purchase of a home.
6. Obtain the Mortgage Credit Certificate.
7. Enjoy your tax savings and your new home.

For a list of the participating lenders, please call the MCC Answer Line at:

713-260-3553

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Let us help you buy your first home!



A program of Harris County
Housing Finance Corporation