Mortgage Credit Certificate Program

For First-Time Homebuyers

Minnesota Housing Finance Agency

What is an MCC?

A mortgage credit certificate (MCC) allows you to claim 35% of the mortgage interest you pay each year as a federal income tax credit, reducing your tax bill by up to $2,000 per year.

How it Works

How does an MCC work with my home mortgage?

You will need a mortgage to buy the home. You can combine a low-interest Minnesota Housing mortgage with the MCC.

How much money can I save with an MCC?

- To benefit from an MCC you must have an income tax liability.
- Savings vary, depending on your loan amount and interest rate. Example:

  $175,000 loan amount at 4.375% interest

  Estimated savings over the life of the loan = $44,000

How long can I use the credit?

You can use the MCC for up to 30 years, or until you refinance, sell the home or move.

Can I still take the mortgage interest deduction on my income taxes?

Yes, you can deduct the remaining 65% of the mortgage interest paid.

Can I get help with my downpayment?

With a Minnesota Housing home mortgage you can get both an MCC and a Minnesota Housing Monthly Payment Loan with a maximum loan amount of 5% of the purchase price, or $5,000 (whichever is greater), to cover downpayment/closing costs.

Next Steps:

1. **Find a participating Minnesota Housing lender** at www.mnhousing.gov.
2. **Apply for a home mortgage.**
3. **Ask your loan officer** if you qualify for the MCC Program.

The MCC Program is available for loans that close on or before December 31, 2014, or until funds are exhausted. Funding is based on a first-come, first-served basis.

Save up to

$2,000/year

on your taxes!

To be eligible, you must:

- Qualify for a home mortgage
- Be a first-time homebuyer (or have not owned a home in three years)
- Plan to live in the home
- Meet income limits (see below)
- Meet all other MCC Program requirements

Current Income Limits

Household Size	11-County Metro Area	Rochester MSA	Balance of State
1-2 Person	$83,900	$81,300	$73,900
3+ Person	$96,485	$93,495	$84,985