



Buying Your First Home? Save Up to \$2,000 a Year on Your Income Taxes

If you are buying your first home, a Mortgage Credit Certificate (MCC) can put more money in your pocket.

The MCC allows eligible buyers to take a federal tax credit of 30 percent of the mortgage interest paid annually. If you are buying a newly-built home, you can take 50% as a tax credit. All in all, the MCC can save you up to \$2,000 each year that you occupy your new home.

Because the MCC is an immediate tax credit, you can change the withholding allowances on your W4 to reflect your decreased tax liability and increase your monthly take-home pay, making your mortgage payment more affordable.



Who is Eligible?

The MCC is available to first-time home buyers and qualified military veterans who meet the sales price and income limits, which vary by county and household size. The property must be the home buyer's primary residence. Go to www.nchfa.com for current limits.



How Does the MCC Work?

Here's an example. On a \$148,000 mortgage with an interest rate of 4.5%, you might pay \$6,660 in interest the first year. The MCC would allow you to take a federal income tax credit of \$1,998 ($\$6,660 \times 30\%$) for that year. Please note that you can still claim a mortgage interest deduction for the remaining 70% of the mortgage interest you paid.

An MCC can be used with almost any fixed-rate mortgage, and with some adjustable rate mortgages.

Learn How an MCC Can Help You

The MCC is offered statewide by the North Carolina Housing Finance Agency through participating lenders. Find a lender near you at www.nchfa.com or by calling **1-800-393-0988**.

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