



## Mortgage Credit Certificate Tax Credit Worksheet

### Section A. Lender completes this section for borrower's eligible MCC credit.

1. Mortgage loan amount for 1<sup>st</sup> mortgage \$ \_\_\_\_\_
2. Interest rate on 1<sup>st</sup> mortgage (%) \_\_\_\_\_ %
3. Establish first year's interest by amortizing the loan for one year \$ 0 \_\_\_\_\_
4. Mortgage credit rate (30% for existing; 50% for new homes) 30% or 50%
5. Tax credit equals 30% (or 50%) of the first year's interest \$ \_\_\_\_\_  
(max \$2,000)
6. The monthly benefit is calculated by dividing the tax credit shown on Line #5 above by 12 months \$ \_\_\_\_\_

### Section B. Hypothetical example for completing Section A.

1. Mortgage loan amount on 1<sup>st</sup> mortgage \$ 127,400
2. Interest rate on 1<sup>st</sup> mortgage (%) 5.00%
3. First year's interest amortized (\$127,400 x 5%) = \$ 6,370 (est.)
4. Mortgage credit rate (%) [existing home, so use 30%] 30%
5. Tax credit (\$6,370 x 30%) = \$ 1,911
6. The monthly benefit (\$1,911 ÷ 12) = \$ 159

\* The maximum annual credit is up to \$2,000 per year. Not all borrower(s) will have a tax liability that reaches the maximum in any given year. **Best practice is to use the actual amount of federal taxes withheld on current tax return and divide by 12** to not over estimate what customer will get as actual benefit.