



## Buying Your First Home? Save up to \$2,000 in Taxes Annually



NC Home Advantage  
TAX CREDIT

***The NC Home Advantage Tax Credit allows eligible buyers to receive a federal tax credit of 30% of the mortgage interest paid annually on existing homes (50% on new construction). If you qualify, you could save up to \$2,000 per year on your federal tax liability.***

This tax credit is for buyers who are approved by the NC Housing Finance Agency for a Mortgage Credit Certificate (MCC) before their home purchase. Because the MCC provides an immediate tax credit, you can change the withholding allowances on your W-4 to reflect your decreased tax liability and increase your monthly take-home pay, making your mortgage payment more affordable.

### **\$ How Does the MCC Work?**

On a \$148,000 mortgage with an interest rate of 4.5%, you might pay \$6,660 in interest in the first year of your loan. The MCC would allow you to take a federal income tax credit up to \$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 paid if you itemize deductions.

An MCC can be used with most fixed-rate mortgages including the NC Home Advantage Mortgage™ (but not the NC 1<sup>st</sup> Home Advantage Down Payment), and with some adjustable rate mortgages.

### **☰ Am I Eligible?**

- ✓ You are a first-time buyer (have not owned a principal residence in three years), military veteran or are purchasing a home in a targeted area
- ✓ You are buying a home in North Carolina
- ✓ You occupy the home within 60 days of closing
- ✓ Your income and home sales price does not exceed certain limits
- ✓ You are a permanent legal resident of the U.S.

### **✎ How to Apply**

The NC Home Advantage Tax Credit is offered statewide by the NC Housing Finance Agency through participating lenders. Home buyers must be approved for the MCC before their home purchase to get the tax credit. Find a lender near you at [www.nchfa.com/home-buyers](http://www.nchfa.com/home-buyers) or by calling 1-800-393-0988.