

# MORTGAGE CREDIT CERTIFICATE (MCC)



## WHAT IS AN MCC?

A Mortgage Credit Certificate allows a mortgage tax \*credit. It is designed to put extra cash in your wallet each month, so that you can more easily afford a house payment. Fewer tax dollars are withheld from your regular paycheck, increasing your take-home pay.

An MCC is NOT a mortgage. It is available on new purchase loans only and in conjunction with fixed or adjustable rate conventional conforming (i.e., Fannie Mae or Freddie Mac salable) FHA, VA, Rural Development mortgages and other loans. It is also available with the Commission's Home Advantage program.

## HOW TO APPLY

Applications are accepted on a first-come, first-served basis by a statewide network of lenders, including Fairway Independent Mortgage Corporation. We will establish all underwriting criteria, including interest rate, down payment requirement, term, fees, points, and closing costs. Then, submit your loan application and notify you as to whether your application is accepted. If accepted, the MCC non-refundable fee of \$650 is collected at closing.

*\* It is strongly recommended that you contact a tax professional before applying for an MCC in order to determine the potential benefits an MCC may provide for your specific tax situation.*

# FAIRWAY

Independent Mortgage Corporation



**David Haley**

MLO-76555 | NMLS ID 2289  
Senior Loan Officer

**P. 425.471.6039**

davidh@fairwaymc.com

www.DavidHaleyMortgage.com

## PROGRAM GUIDELINES

- Available on new purchases only
- Borrowers must meet the Maximum Annual Income limits (see below)
- Borrowers must meet the Property Acquisition Cost Limits (see below)
- Eligible on Single-family existing homes, new construction, manufactured homes (permanently) affixed or on leased land), and homes located on Native American trust land, located in both Targeted Areas and Non-Targeted Areas.
- No more than 15% of the residence can be used for trade or business purposes
- Owner occupied only
- Borrowers must complete a Commissioned-sponsored homebuyers education course.
- Recapture tax \*may apply

\* Program guidelines and availability subject to change

[SEE CREDIT WORKSHEET ON PAGE TWO OF THIS DOCUMENT.](#)

### Maximum Annual Income

County	Non-targeted 1-2 persons	Non-targeted 3+ persons	Targeted 1-2 persons	Targeted 3+ persons
Jefferson/Skagit	\$70,000	\$80,000	n/a	n/a
Clark/Island/Kitsap/ Pierce/Thurston	\$80,000	\$90,000	\$80,000	\$90,000
King/Snohomish	\$90,000	\$97,000	\$90,000	\$97,000
San Juan	\$75,000	\$90,000	n/a	n/8
Whatcom	\$70,000	\$80,000	\$70,000	\$80,000
All Other Counties	\$65,000	\$75,000	\$80,000	\$85,000

### Property Acquisition Cost Limits

County	Targeted	Non-targeted
Clark/Island	\$330,000	\$360,000
Jefferson/Pierce/ Snohomish	\$370,000	\$395,000
King/San Juan	\$450,000	\$475,000
Kitsap/Whatcom	\$300,000	\$335,000
Skagit	\$285,000	n/a
All Other Counties	\$235,000	\$285,000

Check the Commission's website Targeted Areas page to see if the property is in a Targeted Area.  
[www.wshfc.org/buyers/target.htm](http://www.wshfc.org/buyers/target.htm)



**MORTGAGE CREDIT CERTIFICATE PROGRAM**  
**Washington State Housing Finance Commission**

**MCC TAX CREDIT WORKSHEET**

(To be completed at time of MCC application)

**Loan officer completes this section to determine MCC Applicant's 20% tax credit.**

1. Enter the mortgage loan amount.	\$ _____
2. Enter the interest rate.	_____ %
3. Establish the first year's interest by amortizing the loan for one year.	\$ _____
4. Mortgage credit certificate rate	x 20%
5. Calculate the tax credit by multiplying 20% (0.2) by the first year's interest on line 3	\$ _____
	÷ 12
6. Calculate the monthly benefit by dividing the tax credit (line 5) by 12 months.	\$ _____

**Example for completing Lender's MCC Worksheet**

1. Enter the mortgage loan amount.	\$ <u>200,000</u>
2. Enter the interest rate.	<u>6.0</u> %
3. Establish the first year's interest by amortizing the loan for one year.	\$ <u>12,000</u>
4. Mortgage credit certificate rate	x 20%
5. Calculate the tax credit by multiplying 20% (0.2) by the first year's interest in line 3	\$ <u>2,400</u>
	÷ 12
6. Calculate the monthly benefit by dividing the tax credit (line 5) by 12 months.	\$ <u>200</u>