



MCC TAX CREDITS

Dollar-for-Dollar Tax Credit Increases Available Income to Qualify for a Mortgage

Do you dream of owning a home? Think you can't afford it?

AHFA's Mortgage Credit Certificate (MCC) program reduces the amount of federal income tax homebuyers must pay, which in turn increases available income to qualify for a mortgage. An MCC is a dollar-for-dollar tax credit of up to 50 percent of the mortgage interest paid per year, capped at \$2,000 annually. Homebuyers can choose to receive immediate savings, which will increase their monthly take home pay, or choose to receive the credit once a year when filing federal income tax returns.

In order to qualify, borrowers must be a first-time homebuyer or have not owned a home in the last three years, or purchase a home in a "target" area exempt from the first-time homebuyer rule (contact a lender for more information). Homebuyers must also meet federally established income and sales price limits.

Mortgage Credit Certificates can be combined with the Step Up program, a down payment assistance program also offered by AHFA, to give homebuyers even greater purchasing power.

AHFA does not issue mortgage loans directly to homebuyers. We work with a select network of lenders across Alabama who will help you learn more about AHFA programs. They'll also walk you through every step of the homebuying loan qualification process.



MAKING
homeownership
AFFORDABLE

LEARN MORE.

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