

# MCC TAX CREDITS

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

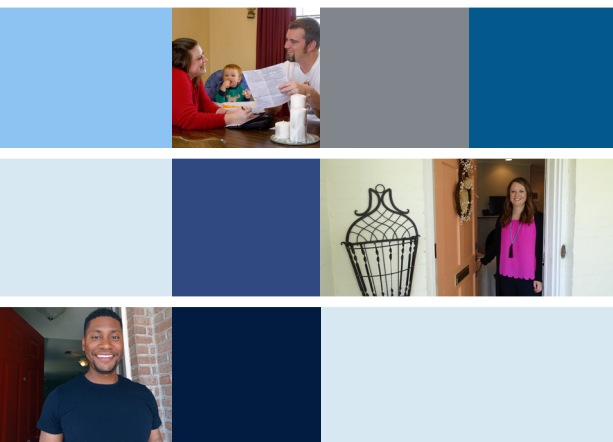
Do you dream of owning a home? Think you can't afford it?

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.



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