GSFA MCC®
Mortgage Credit Certificate

Tax Credit for First-time homebuyers

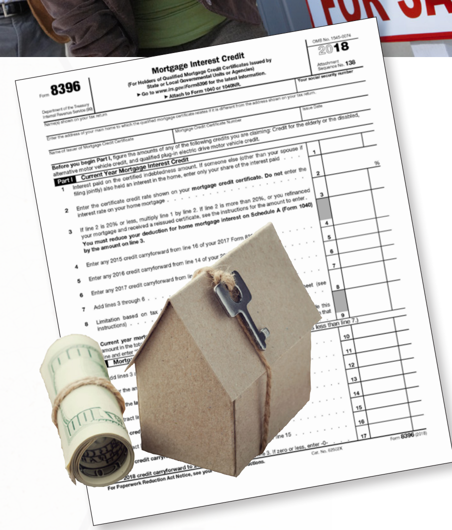
Apply for an MCC at the same time you buy a home. -- <u>It can mean thousands of dollars back each year</u>.

If you are buying your first home, a Mortgage Credit Certificate (MCC) from Golden State Finance Authority could **save you thousands of dollars each year.** An MCC is a dollar-for-dollar credit against your federal income tax liability.

- The credit equals 20% of the annual mortgage interest paid.

  Example: On a $200,000 mortgage loan with a 4.50% interest rate, the annual interest from January through December would be $9,000. Which means the GSFA MCC Tax Credit equals $1,800. (20% of $9,000).

- The remaining 80% of the mortgage interest continues to qualify as a tax deduction.
- The tax credit amount also helps increase a homebuyer's disposable income and in-turn assist them when qualifying for the initial mortgage loan.
- The tax credit can be taken year-after-year, as long as the person lives in the home and pays mortgage interest.
- Unused credit can be carried forward up to three years.



Do You Qualify?

To be eligible for an MCC, the homebuyer and their household must meet certain eligibility criteria:

- **<u>Be a first-time homebuyer.</u>**
  Defined as "someone who has not owned a primary residence in the past three years". *(Waived if a qualified veteran or the home is in a "target area".*
- **<u>Use the home as a Primary Residence.</u>**
- **<u>Have "Household income" at or below the Program limits.</u>**
  Low-to-moderate income, based on household size.
- **<u>The Sales Price of the home does not exceed the Program limits.</u>**
- **<u>Apply through a Participating Lender.</u>**
  Homebuyer must receive an MCC Commitment from GSFA prior to closing the mortgage loan.