

Alameda County

**Mortgage Credit
Certificate Program
(MCC)**



Overview of Program

Presentation Outline:

- ❖ What is an MCC?
- ❖ Home-buyer Requirements
- ❖ Property Requirements
- ❖ Mortgage Requirements
- ❖ Process
- ❖ Recapture
- ❖ RMCC

What is an MCC?:

MCC, or “Mortgage Credit Certificate”, is a Federal Program to assist First-time Home-buyers in purchasing a home.

The program allows Home-owner to take a tax credit of 15% of their annual mortgage interest

- ❖ “Tax credit” is a dollar-for-dollar tax savings
- ❖ Home-owners adjust their federal withholding to reflect the value of the MCC
- ❖ Value of MCC must be considered by lender during loan qualifying
- ❖ Home-owners receive the standard tax deduction for the remaining 85% of mortgage interest
- ❖ “Tax deduction” is only a percentage savings, while Tax Credit is a dollar for dollar.

How Does it work?:

| | |
|----------------------------|-----------|
| ❖ Average Price | \$450,000 |
| ❖ Down Payment 5% | \$22,500 |
| ❖ 1 st Mortgage | \$427,500 |
| ❖ Monthly PI | \$ 2,040 |

What is an MCC?:

How does it work?

Effect on interest rate

| | W/O MCC | W/MCC |
|-----------------------|-----------|----------------|
| 1 st Note | \$427,500 | \$427,500 |
| Interest Rate | 6% | 6% |
| Term* | 30 | 30 |
| Monthly P & I | \$2,040 | \$2,040 |
| MCC Rate | N/A | 15% |
| Monthly Credit | NA | \$ 306 |
| “Effective” P & I | N/A | \$1,734 |
| Annual Savings | | \$3,673 |

*30 year fixed rate note @ 6% interest

Where can you use an MCC?:

Participating Jurisdictions

Alameda, Albany, Berkeley*,
Castro Valley, Dublin, Emeryville,
Fremont, Hayward, Livermore,
Newark, Oakland, Pleasanton, San
Leandro, San Lorenzo, Sunol and
Union City.

* Use of an MCC cannot displace a tenant in Berkeley

How do I participate?

First time homebuyers must work with pre-approved lenders. Please check our website for the names and phone numbers of MCC lenders who are allowed to apply to the County on your behalf (listed under “Approved MCC Lenders”).

Additional Information can be obtained from your participating lender.