How To Apply For An MCC

To obtain an MCC, the home buyer selects a real estate agent, locates an eligible property, signs a purchase agreement, and arranges financing with a participating lender (a list of participating lenders can be obtained on HCD’s website at: www.acgov.org/cda/hcd/mcc_program). The lender determines home buyer eligibility and completes an application. The home buyer pays a non-refundable application fee of $500.00, and the application and fee is forwarded to HCD for review and approval.

Recapture

Should you sell your home in the first nine years, you may have to repay some of your MCC benefit. The amount of recapture will depend on the year in which you sell, your income that year, and the amount of gain you receive from the sale. If you sell the house more than nine years after the closing date, you will not have to pay additional taxes. Your lender can provide more details.

For More Information

Your participating lender or realtor can provide you with program information. For a list of participating lenders, contact:

www.acgov.org/cda/hcd/mcc_program

(510) 670-5246
For hearing impaired call: (510) 265-0253

Alameda County is an Equal Housing Opportunity supporter
A Mortgage Credit Certificate (MCC) helps first-time home buyers qualify for a home loan in Alameda County.

MCC recipients receive a dollar for dollar tax credit on the first 20% of their annual mortgage interest payments. The home buyer may either adjust their federal income tax withdrawals and increase their income available to pay the mortgage, or receive a lump sum tax credit each year. Using an MCC can help an eligible home buyer increase the amount of mortgage they qualify for. The home buyer may take the standard mortgage tax deduction on the balance of the interest paid each year.

The Mortgage Credit Certificate Program is coordinated by the Alameda County Housing and Community Development Department (HCD) in cooperation with the following cities:

- Albany
- Alameda
- Berkeley**
- Dublin
- Fremont
- Emeryville
- Hayward
- Livermore
- Newark
- Oakland
- Pleasanton
- San Leandro
- Union City
- Unincorporated Alameda County

** MCC-assisted purchases cannot displace tenants in the City of Berkeley.

How an MCC benefits the home buyer

<table>
<thead>
<tr>
<th>See the difference</th>
<th>no MCC</th>
<th>MCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Amount</td>
<td>$450,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>Sample Mortgage Rate</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Avg. Monthly Interest 1st Year</td>
<td>$2,148</td>
<td>$2,148</td>
</tr>
<tr>
<td>MCC Rate</td>
<td>n/a</td>
<td>20%</td>
</tr>
<tr>
<td>Avg. Monthly Credit 1st Year</td>
<td>n/a</td>
<td>$298</td>
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<tr>
<td>“Effective” Monthly Interest 1st Year</td>
<td>$2,148</td>
<td>$1,850</td>
</tr>
<tr>
<td>Savings 1st Year of Loan</td>
<td>$0</td>
<td>$3,571</td>
</tr>
<tr>
<td>Savings for Life of Loan*</td>
<td>$63,768</td>
<td></td>
</tr>
</tbody>
</table>

*based on a 30-year loan

A home buyer with a 4% fixed rate 30-year mortgage of $450,000 would save approximately $3,571 in the first year. This tax credit against the home buyer’s federal income taxes effectively reduces the monthly mortgage payment, and helps the home buyer qualify for and support a mortgage.

Who Qualifies?

FIRST TIME HOME BUYERS
The home buyer can’t have owned a principal residence within the last three years.

INCOME
The home buyer’s total household income cannot exceed:

- $117,000 for a 1 or 2 person household
- $136,500 for a 3 or more person household

OWNER OCCUPANCY
The home buyer must live in the house being purchased with an MCC-assisted mortgage

ELIGIBLE PROPERTIES
An MCC may be used for the purchase of new or existing single-family homes including single-family detached homes, condominiums, or townhouses. Multiple homes on one lot, duplexes and three or more unit properties are not eligible for MCC-assisted mortgages.

PURCHASE PRICE
The purchase price of the house cannot exceed:

Non-Target
- $719,058 for an exiting home (resale)
- $802,721 for a new home (never previously occupied)

Target *
- $878,848 for an exiting home (resale)
- $981,103 for a new home (never previously occupied)

*Homes must be located in a qualified census track. Please see Lenders MCC Manual for a list.