

MORTGAGE TAX CREDIT (MCC) PROGRAM

Buying a Mortgage Credit Certificate (MCC) allows a homebuyer to reduce their federal tax liability—each year—by **50%** of the mortgage interest paid or **\$2,000**, (whichever is less.) Any mortgage interest remaining after the tax credit may still be claimed as a mortgage interest deduction on the homebuyer's federal income tax return. The homebuyer remains eligible to receive the tax credit for as long as they own the home, live in the home, and pay interest on the mortgage and have an actual tax liability. A MCC reduces a homebuyer's tax liability dollar-for-dollar, but may never exceed the actual tax liability.

A homebuyer with a MCC may see an immediate increase in take-home pay by reducing the amount of federal tax their employer withholds. Or, they may choose to keep their withholdings at the same level with the potential to receive a larger refund when filing federal income tax returns.

CALCULATION OF TAX ADVANTAGE – EXAMPLE:

First Mortgage	\$120,000
Interest Rate	3.00%
First Years Interest	\$3,600
MCC Rate	50%
Federal Liability Reduced By	\$1,800.00
Maximum Allowed Per Year	\$2,000.00
Calendar Year Divided By	12
Tax Savings Per Month	\$150.00

TARGETED COUNTIES:

Borrowers purchasing property in the following non-targeted counties must not have had an ownership interest in a principal residence within the three years prior to loan closing:

Aiken	Greenville	Lexington	Richland
Anderson	Greenwood	Oconee	Spartanburg
Charleston	Lancaster	Pickens	York

Borrowers purchasing properties in all other counties cannot have an ownership interest in a principal residence at the time of loan closing, but may have had an ownership interest in a principal residence within the past three years.

The First Time Homebuyer requirement in non-targeted counties will be waived for Veterans. Must have served on Active Duty in the US Armed Forces or Reserves (other than active duty for training) and received a discharge other than dishonorable within the last 25 years.

FIRST MORTGAGE REQUIREMENTS:

The Mortgage Tax Credit (MCC) with Conventional, FHA, VA and Guaranteed Rural Housing loans. The MCC cannot be used in conjunction with a SC Housing bond loan or a FHA 203(K)

There are no minimum credit score requirements for the Mortgage Tax Credit Program.

Borrower must obtain approval for this program from a participating Lending Partner and must close both simultaneously.

ELIGIBLE PROPERTIES:

Eligible properties include stick built single-family dwellings, off-frame modular homes, patio/townhomes and FHA or conventional approved condominiums. All properties must be located in South Carolina.

DISCLAIMER: The information in this brochure is general and is not intended as legal or tax advice, nor is it intended to disclose all possible issues associated with or conditions applicable to a SC Mortgage Tax Credit.