

## SC HOUSING MORTGAGE TAX CREDIT (MCC)

The SC Mortgage Tax Credit Program is made available by the South Carolina State Housing Finance and Development Authority (SC Housing). An eligible homebuyer will receive a Mortgage Credit Certificate (MCC) which allows a **federal tax credit** that may reduce their income tax liability. The homebuyer’s tax liability may be reduced each year by an amount each year equal to 50% of the mortgage interest paid or \$2,000.00, whichever is less. The homebuyer remains eligible to receive the tax credit for as long as he retains ownership, lives in the home, pays interest on the mortgage and has an actual tax liability. The mortgage interest remaining after the tax credit may still be claimed as a mortgage interest deduction on the homebuyer’s federal income tax return. 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 his tax withholding at the same level with the potential to receive a larger refund when filing federal income tax return.

### NON-TARGETED COUNTIES:

The borrower must be a first-time homebuyer or not have had ownership interest in a principal residence in the three (3) years preceding the date on which the loan is closed in the following areas:\*

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

*\*This requirement is waived for veterans that have been discharged in the last 25 years. Must have served on active duty in the US Armed Services or Reserves (other than active duty training) and received a discharge other than dishonorable.*

### TARGETED COUNTIES:

The borrower must not own a home or have any ownership interest in a home at the time their loan is closed. This applies to the following targeted areas:

Abbeville	Allendale	Bamberg	Barnwell	Beaufort	Berkeley	Calhoun
Cherokee	Chester	Chesterfield	Clarendon	Colleton	Darlington	Dillon
Dorchester	Edgefield	Fairfield	Florence	Georgetown	Hampton	Horry
Jasper	Kershaw	Laurens	Lee	McCormick	Marion	Marlboro
Newberry	Orangeburg	Saluda	Sumter	Union	Williamsburg	

## EXAMPLE OF SAVINGS

First Mortgage	\$150,000
Interest Rate	4.00%
First Years Interest est.	\$6,000
MCC Rate	50%
Federal Liability Reduced By	\$2,000.00
Maximum Allowed Per Year	\$2,000.00
Calendar Year Divided By	12
Tax Savings Per Month	\$166.00

*Borrower will receive a \$2,000 a dollar for dollar federal tax credit and a \$4,000 interest deduction. This amount is adjusted each year by the amount of interest paid on the mortgage.*

## QUALIFICATIONS:

- All Eligible properties must be
  - Single family (1 Unit) owner occupied primary residence
  - This also includes approved condominiums, townhomes, PUDS and FHA approve mobile homes
- Properties must be located in South Carolina
- Types of loans
  - Conventional, FHA, USDA, VA
- The MCC cannot be used in conjunction with a SC Housing bond loan or a FHA 203(K) loan
- Loan Terms – 30 years
- There are NO minimum credit score requirements or ratio overlays by SC Housing. Borrower must meet all lenders loan requirements. If MCC is used with SC Housing’s Palmetto Home Advantage, 640 credit score and 45% DTI will apply.

The maximum fee to secure the SC Mortgage Tax Credit is \$800.00. This fee can be paid by the Mortgagor, the seller or in lender paid fees. The Fee is paid at closing and must be shown on the closing documents.

## FIRST TIME HOMEBUYER REQUIREMENTS:

Borrowers must meet the qualifications for the first mortgage under SC Housing’s programs to be eligible which also includes Income limits and House price limits.

**See attached charts for income categories and maximum home prices by county and household size.**

All funding is based on availability, so please contact a lending partner to apply and reserve funds.

Questions can be sent to: [mortgage.production@schousing.com](mailto:mortgage.production@schousing.com) or contact one of SC Housing’s approved lenders.

## 2019 SC Housing Homebuyer Income and Home Price Limits Conventional and Government Bond Loans

### 10 Year Forgivable DPA Term (<= 80% AMI)- (BOND ONLY)

	Total Household Income	Home Price Limit
Beaufort	63,500	225,000
Berkeley, Charleston and Dorchester	62,300	225,000
Calhoun, Fairfield, Lexington and Richland	55,100	225,000
Greenville, Pickens	57,300	225,000
York	63,200	225,000
<i>Any County Not Listed</i>	52,300	225,000

### 20 Year Forgivable DPA Term (> 80% AMI)- (BOND and MCC)

NON-TARGETED COUNTIES			
	1 or 2 Persons	3 or more Persons	Home Price Limit
Aiken	65,400	75,200	300,000
Anderson	65,400	75,200	300,000
Charleston	78,200	89,900	300,000
Greenville	71,700	82,400	300,000
Greenwood	65,400	75,200	300,000
Lancaster	65,400	75,200	300,000
Lexington	68,900	79,200	300,000
Oconee	65,400	75,200	300,000
Pickens	71,700	82,400	300,000
Richland	68,900	79,200	300,000
Spartanburg	65,400	75,200	300,000
York	79,000	90,800	300,000
TARGETED COUNTIES			
	1 or 2 Persons	3 or more Persons	Home Price Limit
Beaufort	95,200	111,000	300,000
Berkeley	93,400	109,000	300,000
Calhoun	82,600	96,400	300,000
Dorchester	93,400	109,000	300,000
Fairfield	82,600	96,400	300,000
Saluda	82,600	96,400	300,000
<i>Any County Not Listed</i>	78,400	91,500	300,000

## 2019 Palmetto Home Advantage Income Limits

Fannie Mae – HFA Preferred	Maximum Borrower Income Limit is 80% of AMI as determined by “Fannie Mae Area Median Income Lookup Tool” – use the “HomeReady Income Limit” (80% AMI)
Freddie Mac – HFA Advantage	Maximum Borrower Income Limit is 80% of AMI as determined by “Freddie Mac Income and Property Eligibility Lookup Tool” – use the “Home Possible Income Limit” (80% AMI)

INCOME AND HOME PRICE LIMITS CAN CHANGE WITH OR WITHOUT NOTICE  
(EFFECTIVE FOR RESERVATIONS ON AND AFTER 06.03.2019)