



## **Home *Start* Homebuyer Tax Credit**

### **What is the Homebuyer Tax Credit?**

The Home *Start* Homebuyer Tax Credit makes homeownership more affordable for first-time homebuyers. To qualify, eligible homebuyers must receive a Mortgage Credit Certificate (MCC) from New Hampshire Housing. The Homebuyer Tax Credit can decrease the income taxes you owe and boost your take-home pay, which helps you qualify for a mortgage and make your mortgage payments. The Homebuyer Tax Credit is not a one-time credit—it is an annual credit for the life of the original mortgage, as long as you live in the home.

### **How do I qualify for the Homebuyer Tax Credit?**

Eligible homebuyers can receive the Homebuyer Tax Credit by receiving an MCC, which is issued by New Hampshire Housing. To qualify for an MCC you must:

- Be a first-time homebuyer (have not owned a home in three years) or are purchasing a home in a “targeted area.”
- Be qualified for a new mortgage. MCCs cannot be used with existing loans.
- Intend to occupy the home as your principal residence.
- Be purchasing a house that is a single-family residence and that meets certain purchase price limits.
- Meet certain income limits.
- You complete the online MCC Education course at [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com).

### **What are the benefits?**

Having a Homebuyer Tax Credit can save you up to \$2,000 a year over the life of your loan. With these savings you can:

- Reduce your tax withholdings and increase your take-home pay.
- Potentially qualify for a higher priced home during the homebuying process.
- Use your increased take-home pay to offset your monthly mortgage payments, making your home more affordable.

## How does the Homebuyer Tax Credit work?

The Homebuyer Tax Credit is a direct dollar-for-dollar reduction in your federal taxes worth 10% to 50% of the interest you pay on your mortgage. You can estimate your potential savings by using the following formula:

*Mortgage amount x loan interest rate = annual mortgage interest paid*

*Annual mortgage interest paid x Homebuyer Tax Credit rate = annual tax credit*

Example: \$200,000 mortgage x 3.5% interest rate = \$7,000 paid in annual interest

\$7,000 x 35% Homebuyer Tax Credit rate = \$2,450  
\$2,000 maximum annual tax credit

In this example, you may boost your take-home pay by \$167 a month—money that you can use to pay your mortgage!

*Note: Your annual tax credit savings cannot exceed \$2,000. You also must have a tax liability to use the credit.*

For more details about how the Home *Start* Homebuyer Tax Credit works, visit [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com) and consult with your tax professional.

## How can I apply for the Homebuyer Tax Credit?

To apply for a Homebuyer Tax Credit, contact a Participating MCC Lender. There may be a nonrefundable fee to apply for the Homebuyer Tax Credit. If you are combining your Homebuyer Tax Credit with a New Hampshire Housing mortgage product, the fee may be reduced. For more information about this discount and to see a list of Participating MCC Lenders, visit [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com).

## Home Start Homebuyer Tax Credit Program Disclaimer

In connection with the Home *Start* Homebuyer Tax Credit Program, New Hampshire Housing Finance Authority makes no promise, no representation and no warranty to any party, including any homebuyer or any lender.

Homebuyers should first become fully informed about the Program, and then, with their own tax advisor, the homebuyer should decide if an MCC provides any benefit.



**Home Start Homebuyer Tax Credit  
New Hampshire Housing's  
Mortgage Credit Certificate (MCC) Program**

**Borrower Qualification Worksheet**

Want to find out if you may qualify for the Homebuyer Tax Credit? If you can answer yes to the following items you may qualify!

**Eligible Homebuyer**

Are you a first-time homebuyer or purchasing a home in a Targeted Area? Yes    No  
\_\_\_\_\_    \_\_\_\_\_

Will the home be your Principal Residence? \_\_\_\_\_    \_\_\_\_\_

Is your annual household income at or below the MCC Income Limits? \_\_\_\_\_    \_\_\_\_\_

**Eligible Property**

Is the home you wish to purchase a single-unit property? \_\_\_\_\_    \_\_\_\_\_

Is the home's purchase price at or below the MCC Purchase Price Limits? \_\_\_\_\_    \_\_\_\_\_

**Eligible Mortgage**

Is the mortgage loan that you qualify for a fixed-rate or eligible adjustable rate mortgage that is fully amortizing? \_\_\_\_\_    \_\_\_\_\_

**Your Ability To Use The MCC**

Do you generally expect to have federal income tax liability? \_\_\_\_\_    \_\_\_\_\_

**Estimate Your Potential Homebuyer Tax Credit!**

- Amount of your first mortgage \$ \_\_\_\_\_
- Interest rate x \_\_\_\_\_ %
- First year interest paid(estimated) = \$ \_\_\_\_\_
- MCC tax rate x \_\_\_\_\_ %
- Reduced federal tax liability\* = \$ \_\_\_\_\_
- Calendar year/months divided by 12
- Monthly savings = \$ \_\_\_\_\_

<b><u>MCC Tax Rate based on Mortgage Amount</u></b>	
< \$140,000	= 50%
\$140,001 to \$160,000	= 45%
\$160,001 to \$200,000	= 35%
> \$200,000	= 25%

To receive immediate benefit from their MCC, Eligible Homebuyers should file a revised W- 4 Federal Tax Withholding Form. Reducing your Federal Tax Withholding may increase your monthly take home pay.

**\* The amount of the tax credit benefit may not exceed \$2,000 in any given tax year.**



**Home *Start* Homebuyer Tax Credit  
Program Limits  
*Effective – 05/03/2021***

County/City/Town	INCOME LIMITS (Household Size)		PURCHASE PRICE LIMITS 1-Unit
	1-2	3+	
<b><u>Belknap</u></b>			
<b>Laconia</b>	\$117,800	\$137,400	\$380,000
All other communities	\$ 98,200	\$112,900	\$310,000
<b><u>Carroll</u></b>			
All Communities	\$ 98,200	\$112,900	\$310,000
<b><u>Cheshire</u></b>			
All Communities	\$ 98,200	\$112,900	\$310,000
<b><u>Coos</u></b>			
<b>Berlin, Lancaster, Whitefield</b>	\$117,800	\$137,400	\$380,000
All other Communities	\$ 98,200	\$112,900	\$310,000
<b><u>Grafton</u></b>			
<b>Littleton</b>	\$117,800	\$137,400	\$380,000
All other Communities	\$ 98,200	\$112,900	\$310,000
<b><u>Hillsborough</u> Goffstown,</b>			
<b>Manchester</b>	\$117,800	\$137,400	\$395,000
All other Communities	\$ 98,200	\$112,900	\$320,000
<b><u>Merrimack</u></b>			
<b>Concord, Pittsfield</b>	\$117,800	\$137,400	\$380,000
All other Communities	\$ 98,200	\$112,900	\$310,000
<b><u>Rockingham</u> Newmarket,</b>			
<b>Portsmouth</b>	\$117,800	\$137,400	\$480,000
All other Communities	\$ 98,200	\$112,900	\$390,000
<b><u>Strafford</u></b>			
<b>Dover, Rochester, Somersworth</b>	\$117,800	\$137,400	\$480,000
All other Communities	\$ 98,200	\$112,900	\$390,000
<b><u>Sullivan</u></b>			
<b>Claremont</b>	\$117,800	\$137,400	\$380,000
All other Communities	\$ 98,200	\$112,900	\$310,000

PLEASE NOTE: Targeted Communities, in **bold**: first-time homebuyer requirement does not apply.