



New Hampshire Housing Home *Start* Homebuyer Tax Credit Program

| Description: | The Home <i>Start</i> Homebuyer Tax Credit Program is a Mortgage Credit Certificate (MCC) Program. The MCC Program is a Federal program that aims to provide Eligible Borrowers with a long-term benefit to help them afford a home. An MCC works by reducing the Federal income taxes that an Eligible Homebuyer must pay. The MCC can convert a percentage of the interest paid on a mortgage into a tax credit. The maximum tax savings could be up to \$2,000 per year. | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------------|-------------------------------|--|--------------|--|--------------------|--|---------------------|----------------------------------|-------------------------------|-------------------------------|---------|-------------------------|--------------------------|--------------------------|---------|-------------------------|--------------------------|--------------------------|----------|-------------------------|--------------------------|--------------------------|
| MCC Rate Based on Mortgage Amount: | <ul style="list-style-type: none"> Loans less than \$130,000 50% MCC Rate \$130,001 to \$160,000 40% MCC Rate \$160,001 to \$200,000 35% MCC Rate Loans greater than \$200,000 25% MCC Rate | | | | | | | | | | | | | | | | | | | | | | | |
| Term: | Maximum term not to exceed 30 years; MCC only valid for homes purchased with the MCC and for as long as the homebuyer lives in the home. | | | | | | | | | | | | | | | | | | | | | | | |
| Loan and Rate Requirements: <i>(Please note: to work with the borrower directly you need to be a participating MCC Lender)</i> | <ul style="list-style-type: none"> Fixed-rate cannot exceed New Hampshire Housing's highest rate published Meets the lender's underwriting criteria Government-insured (FHA, RD or VA) or eligible for sale to Fannie Mae or Freddie Mac Adjustable-rate must have an initial mortgage interest rate, on the date the rate is locked, that is equal to or less than the Authority's lowest posted interest rate on that day Meets the lender's underwriting criteria Have an initial rate period, maximum rate adjustment and a maximum total rate adjustment consistent with the following table <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Rate Periods</th> <th colspan="2">Interest Rate Caps</th> </tr> <tr> <th>Initial Rate Period</th> <th>Adjustments after Initial Period</th> <th>Maximum First Rate Adjustment</th> <th>Maximum Total Rate Adjustment</th> </tr> </thead> <tbody> <tr> <td>5 years</td> <td>Each year after initial</td> <td>Equal to or less than 3%</td> <td>Equal to or less than 6%</td> </tr> <tr> <td>7 years</td> <td>Each year after initial</td> <td>Equal to or less than 3%</td> <td>Equal to or less than 6%</td> </tr> <tr> <td>10 years</td> <td>Each year after initial</td> <td>Equal to or less than 5%</td> <td>Equal to or less than 6%</td> </tr> </tbody> </table> | | | | Rate Periods | | Interest Rate Caps | | Initial Rate Period | Adjustments after Initial Period | Maximum First Rate Adjustment | Maximum Total Rate Adjustment | 5 years | Each year after initial | Equal to or less than 3% | Equal to or less than 6% | 7 years | Each year after initial | Equal to or less than 3% | Equal to or less than 6% | 10 years | Each year after initial | Equal to or less than 5% | Equal to or less than 6% |
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| Eligible Homebuyers: | <ul style="list-style-type: none"> Must be a first-time homebuyer (no ownership in the past 3 years). Homebuyers who buy in a targeted area do not have to be first-time homebuyers. Household income must be at or below current MCC Program Income Limits Acquisition cost must be within current MCC Program Purchase Price Limits Must owner occupy principal residence Borrowers with non-occupant cosigners would not be eligible for the program | | | | | | | | | | | | | | | | | | | | | | | |
| Eligible Properties: | <ul style="list-style-type: none"> New or existing single-unit homes, which include manufactured homes on their own land or located in an Authority approved cooperative Max 5.99 acres; larger tracts need to be pre-approved | | | | | | | | | | | | | | | | | | | | | | | |
| Fees: | See fees sheet for Home <i>Start</i> Homebuyer Tax Credit Program | | | | | | | | | | | | | | | | | | | | | | | |
| Homebuyer Education: | Borrower must complete New Hampshire Housing's online MCC Homebuyer Education course located at www.GoNewHampshireHousing.com . | | | | | | | | | | | | | | | | | | | | | | | |
| Recapture: | In certain circumstances, Eligible Homebuyers may be subject to pay Recapture Tax at time of sale of property. | | | | | | | | | | | | | | | | | | | | | | | |