# Homebuyer Tax Credit Program

**Description:**
- The Homebuyer Tax Credit Program is a Mortgage Credit Certificate (MCC) Program. The MCC 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:**
- Loans less than $140,000: 50% MCC Rate
- $140,001 to $160,000: 45% 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:**
- Fixed rate cannot exceed New Hampshire Housing’s highest published rate
- Must meet 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
- Must have an initial rate period, maximum rate adjustment and a maximum total rate adjustment consistent with the following table:

<table>
<thead>
<tr>
<th>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>Initial Rate Period</td>
<td>Adjustments After Initial Period</td>
<td>Maximum First Rate Adjustment</td>
<td>Maximum Total Rate Adjustment</td>
</tr>
<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>

**Eligible Homebuyers:**
- 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 and Acquisition cost must be at or below current MCC Program Income Limits
- Must owner occupy principal residence
- Borrowers with non-occupant cosigners would not be eligible for the program

**Eligible Properties:**
- 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 Fee Table for Home Start Homebuyer Tax Credit Program

**Homebuyer Education:**
- Borrower must complete New Hampshire Housing’s online MCC Homebuyer Education course located at [Online Education](#)

**Recapture Tax:**
- In certain circumstances, Eligible Homebuyers may be subject to pay Recapture Tax at time of sale of property

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**Footnotes:**
- [Targeted Area](#)
- [Income Limits](#)
- [Online Education](#)

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