

**LEGAL NOTICE**  
**NOTICE OF INTENT TO ISSUE MORTGAGE CREDIT CERTIFICATES**  
**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**  
**2022 Mortgage Credit Certificate Program**  
**December 15, 2022**

New Hampshire Housing Finance Authority (New Hampshire Housing) intends to implement the 2022 Mortgage Credit Certificate Program (the 2022 MCC Program) under Section 25 of the United States Internal Revenue Code. Mortgage Credit Certificates (MCCs) can provide a direct annual federal income tax benefit to homebuyers who meet certain program requirements. The following notice is a summary. A full explanation of the 2022 MCC Program is posted on [www.nhhfa.org](http://www.nhhfa.org) and/or [www.NHHomeownership.org](http://www.NHHomeownership.org) (the Websites).

**Purpose of Notice**

This public notice:

1. Notifies homebuyers about the 2022 MCC Program and about how they can obtain an MCC; and
2. Notifies lenders about how to participate in the 2022 MCC Program.

**MCC Eligibility**

To qualify for an MCC, homebuyers must meet the following requirements:

- (a) **First-Time Homebuyer:** An MCC applicant must be a “first-time homebuyer” unless the property being purchased is located in a “targeted area” as designated on the Websites. “First-time homebuyers” are homebuyers who have not had an ownership interest in a principal residence at any time in the previous three years.
- (b) **Principal Residence:** The property must be a single-unit home located in New Hampshire that is being purchased to be the homebuyer’s principal residence.
- (c) **New Mortgage:** The underlying mortgage (Underlying MCC Mortgage) must meet all 2022 MCC Program requirements, including that the loan: 1) be a new fully amortizing fixed-rate and used to fund the home purchase (refinance loans are not allowed); and 2) meet the lender’s underwriting criteria. Certain adjustable-rate mortgages (ARMs) also constitute eligible Underlying MCC Mortgages. See New Hampshire Housing rules HFA 341.
- (d) **Household Income:** The homebuyer’s household income cannot exceed New Hampshire Housing’s 2022 MCC Program income limits, which are posted on the Websites.
- (e) **Purchase Price:** The home’s purchase price cannot exceed New Hampshire Housing’s 2022 MCC Program limits, which are posted on the Websites.
- (f) **Other MCC Requirements:** All other requirements of New Hampshire Housing’s 2022 MCC Program and the Internal Revenue Service (IRS) requirements must be met.

**Issuance of MCCs**

New Hampshire Housing has a limited amount of MCC capacity that it can issue. Therefore, MCCs will be issued on a first-come, first-served basis. For the first year of this 2022 MCC Program, New Hampshire Housing will reserve 20% of the MCCs for targeted areas.

New Hampshire Housing will primarily distribute MCCs through “Participating MCC Lenders” (see below). New Hampshire Housing will also distribute MCCs directly to homebuyers. Therefore, homebuyers may apply for an MCC with either a Participating MCC Lender or with New Hampshire Housing. A list of Participating MCC Lenders is posted on the Websites. MCC applicants are free to select any lender for their Underlying MCC Mortgage (see below). Specifically, MCC applicants are not required to obtain financing from a Participating MCC Lender. To obtain an MCC, homebuyers will be required to pay the fees listed on the Websites.

New Hampshire Housing may start taking reservations for the 2022 Mortgage Credit Certificate Program on April 10, 2023. New Hampshire Housing will not issue, and Participating MCC Lenders cannot distribute, MCCs *earlier* than 90 days from the date of this notice.

New Hampshire Housing will continue to issue MCCs under this 2022 MCC Program until the earliest of:

- 1) all MCC capacity for this 2022 MCC Program has been allocated to homebuyers;
- 2) the program expiration date of December 31, 2024; or
- 3) New Hampshire Housing terminates this 2022 MCC Program.

### **Lender Participation**

All lenders legally authorized to originate residential mortgages in New Hampshire may participate in this 2022 MCC Program in one or both of the following capacities:

- 1) Lenders may act as an administrative agent to: a) perform homebuyer MCC outreach; b) complete the MCC application and collect required MCC underwriting documents; c) make an initial MCC eligibility determination; and d) submit the MCC application package to New Hampshire Housing for review and if approved, issuance of MCC.
- 2) Lenders may provide Underlying MCC Mortgages to homebuyers who will receive MCCs. Lenders that make the Underlying MCC Mortgages are required by the IRS to file reports of these loans.

***Participating MCC Lenders:*** Lenders that apply and are approved to perform both functions listed above shall be called “Participating MCC Lenders.” To ensure compliance with federal regulations and New Hampshire Housing requirements, Participating MCC Lenders must meet certain requirements, including applying to be a Participating MCC Lender and signing a contract with New Hampshire Housing. Lenders wishing to become Participating MCC Lenders should consult the Websites or contact New Hampshire Housing.

***Underlying Mortgage Lenders:*** Lenders that only want to perform function number 2 above (i.e., provide the Underlying MCC Mortgages without performing any MCC functions) shall be called “Underlying Mortgage Lenders.” Borrowers who want to use an Underlying Mortgage Lender must obtain the MCC from either a Participating MCC Lender or from New Hampshire Housing. New Hampshire Housing will create a list of Underlying Mortgage Lenders. Lenders wishing to be on this list should notify New Hampshire Housing.

New Hampshire Housing has posted on the Websites and, when requested, will provide to homebuyers the list of Participating MCC Lenders and the list of Underlying Mortgage Lenders. Homebuyers are free to use any lender they choose to obtain the Underlying MCC Mortgage. Homebuyers may decide to use a Participating MCC Lender to obtain both the MCC and the Underlying MCC Mortgage. IRS rules, however, state that a Participating MCC Lender cannot *require* a homebuyer to finance with that same Participating MCC Lender.

**2022 MCC Program Changes:** New Hampshire Housing reserves the right, at its sole discretion and without further notice, to modify or amend the 2022 MCC Program and its requirements.

**Further Information:** For further information, please go to the Websites or contact New Hampshire Housing’s Homeownership Division at P.O. Box 5087, Manchester, NH 03108, 603-472-8623 or via email at [mcc@nhhfa.org](mailto:mcc@nhhfa.org).

***Disclaimer: In connection with the 2022 MCC Program, New Hampshire Housing makes no promise, no representation and no warranty to any party, including any homebuyer or any lender. Specifically, New Hampshire Housing makes no promise, no representation and no warranty about the actual benefit an MCC might provide to a specific homebuyer. Each homebuyer's situation is different, and homebuyers should not rely on any material from or communication with New Hampshire Housing or with a lender. Homebuyers should first become fully informed about the 2022 MCC Program, and then, with their own tax advisor, the homebuyer should decide if an MCC provides any benefit.***