

**Minneapolis-Saint Paul  
*TakeCredit!* Program**

- The Mortgage Credit Certificate Program is a means of providing housing assistance to families of low and moderate income by reducing the amount of federal income tax paid by the homeowner.
- Authorized to use up to \$20 million of bonding authority to issue up to \$5 million in MCCs at a 20% credit rate.
- 120 – 130 mortgage loans can be originated in conjunction with our allocation of MCCs.

# Who Qualifies -- What Qualifies?

**Buyers/spouses must be first-time buyers (have not owned their principal residence in the 3 years preceding closing of the loan) and all first-time buyers on the Note must attend homebuyer education that meets specific requirements. HomeStretch meets the requirements.**

**Property purchased must be primary residence.**

**Loan product must be a 30 year, fixed rate product.**

**No Refinances!**

# HOUSEHOLD INCOME LIMITS

	<u>Non Target</u>	<u>Target</u>
<b>Household Size:</b>		
1-2 person household	\$80,900	\$88,990
3+ person household	\$88,990	\$88,990

## SALES PRICES LIMITS

	<b>1 Unit</b>	<b>2 Units</b>	<b>3 Units</b>	<b>4 Units</b>
<b>New or Existing</b>		<b>Existing Only</b>	<b>Existing Only</b>	<b>Existing Only</b>
<b>General</b>				
	\$266,970	\$369,038	\$448,365	\$517,343
<b>Targeted</b>				
	\$355,960	\$451,046	\$548,001	\$632,309

**Note: 2-4 units must be at least 5 years old to qualify.**

# How does it impact the Homeowner?

If you had a 30 year, 6.5% interest rate \$175,000 mortgage you would pay the first year \$10,379.18 in interest.

- At a 20% credit rate you could take a **\$2,075.83** tax credit; if your tax liability is less, you can carry forward the credit for up to 3 years.
- The \$8,303.34 remaining in paid interest can still be taken as a deduction on your federal taxes.
- Over the life of the mortgage you would pay \$223,206.85 in interest. The MCC would reduce this amount by **\$44,640.57**.
- The MCC has the effect of reducing your monthly payment from \$1,106.12 to \$933.14; a savings of **\$172.98** per month.
- The MCC tax credit is like reducing the first year interest cost from **6.5% to 4.95%**.

# How will the Program be Marketed?

- Participating local mortgage lenders
- Local real estate agents
- CityLiving and city web page – [www.cityliving.org](http://www.cityliving.org)