

Miami-Dade Mortgage Credit Certificate (MCC) note sheet

What is it? a program that provides a federal income tax credit, and it is used in conjunction with a first mortgage loan provided by the lender

➤ **NOT** a down payment assistance program **Do not confuse tax liability with a refund.**

The MCC allows a buyer to take 50% of their annual mortgage interest as a tax credit while continuing to use the balance of the interest as a deduction, for a maximum of \$2,000.

A buyer must have tax liability

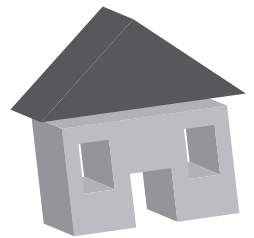
A **large** number would indicate a buyer is a great fit for the MCC program.

A **small** number would indicate a buyer may be a good fit for the MCC program because they have some tax liability

Zero tax liability indicates the MCC is not a good fit for the borrower. ➡ **Borrower will file the IRS form 8396 with their tax return every year**

For MCC applicants to fully benefit they must be able to:

1. Qualify for a mortgage loan
2. Qualify for one of the HFA Programs
3. Have tax liability after the use of all other credits and deductions
4. File a form with their federal income tax return each year



Borrowers 1. must be a first-time homebuyer

2. Have the minimum FICO score
3. Meet both the income and purchase price limits
4. Have a signed real estate purchase agreement for a specific property.

Down payment assistance may be used for:

1. Borrowers down payment & closing costs
2. Any down payment exceeding minimum requirements to be applied to the first mortgage principal reasonable and customary closing costs

Down payment assistance may NOT be used for:

1. Covering the cost difference between the sales price and appraised value
2. Payoff of any borrower debt
3. pay for any portion of the realtor commission or fees.



Online Homebuyer Education

eHomeAmerica - www.eHomeAmerica.org

MGIC (Free) - English - <https://homebuyersmgic.com>

Spanish - Compradoresdecasamgic.com



Allowable property types

- New or existing
- Residential; 1 to 4 units
- Detached or attached
- Condos or town homes



Unallowable property types

- Manufactured homes
- Temporary homes
- Seasonal homes
- Mobile homes
- Recreational homes

No more than 15 percent of the square footage of a home may be used in connection with a trade or business. This includes childcare businesses.

Income and purchase price limits

Are continuously updated on the MyFirstFloridaHome Website

