

## MAXIMUM ANNUAL INCOME LIMITS

COUNTY	NUMBER OF PERSONS IN HOUSEHOLD	
	1 or 2	3 or more
Alachua	\$53,550	\$61,583
Brevard	\$54,900	\$63,135
Broward	\$58,100	\$66,815
Clay	\$57,850	\$66,528
Collier	\$63,300	\$72,795
Duval	\$57,850	\$66,528
Gadsden	\$57,700	\$66,355
Indian River	\$53,250	\$61,238
Lake	\$55,100	\$63,365
Lee	\$54,100	\$62,215
Leon	\$57,700	\$66,355
Manatee	\$55,900	\$64,285
Monroe	\$58,450	\$67,218
Nassau	\$57,850	\$66,528
Okaloosa	\$55,150	\$63,423
Orange	\$55,100	\$63,365
Osceola	\$55,100	\$63,365
Palm Beach	\$62,100	\$71,415
St. Johns	\$57,850	\$66,528
Sarasota	\$55,900	\$64,285
Seminole	\$55,100	\$63,365
All Other Counties	\$52,550	\$60,433

## MAXIMUM SALES PRICE LIMITS

COUNTY	HOMES NEW & EXISTING
Baker	\$247,500
Broward	\$331,579
Clay	\$247,500
Collier	\$354,375
Duval	\$247,500
Lake	\$211,500
Lee	\$223,875
Manatee	\$304,223
Martin	\$280,658
Miami-Dade	\$331,579
Monroe	\$343,799
Nassau	\$247,500
Orange	\$211,500
Osceola	\$211,500
Palm Beach	\$331,579
Sarasota	\$304,223
Seminole	\$211,500
St. Johns	\$247,500
St. Lucie	\$280,658
All Other Counties	\$204,432

## About Florida Housing

Florida Housing administers a number of multifamily, single family and special programs that help low-income Floridians obtain safe, decent affordable housing that might otherwise be unavailable to them. Our rental housing programs include the Multifamily Mortgage Revenue Bond, Low Income Housing Tax Credits, State Apartment Incentive Loan, Florida Affordable Housing Guarantee and Home Investment Partnerships programs.

Homeownership programs include the First Time Homebuyer Program, the Homeownership Loan Program and down payment assistance programs such as the Homeownership Assistance Program, HOME Down Payment Assistance, Homeownership Assistance for Moderate Income, and Three Percent Cash Assistance. In addition, Florida Housing offers the Mortgage Credit Certificate program.

We also administer Special Programs including the Predevelopment Loan Program, State Housing Initiatives Partnership, the Elderly Housing Community Loan, Demonstration Loans and the Affordable Housing Catalyst Program.



we make housing affordable

227 N. Bronough Street • Suite 5000  
Tallahassee, FL 32301  
Telephone 850.488.4197  
Fax 850.488.9809  
www.floridahousing.org

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# Homeownership

# MORTGAGE CREDIT CERTIFICATE PROGRAM

# Mortgage Credit Certificate Program

## What is a Mortgage Credit Certificate?

A Mortgage Credit Certificate (MCC) allows the homebuyer to claim a tax credit for some portion of the mortgage interest paid per year. It is a dollar for dollar reduction against their federal tax liability.

## Who is eligible to receive an MCC?

Any first time homebuyer, as defined by the Internal Revenue Code, whose income generally does not exceed 115 percent of the area median income is eligible for the MCC program. These requirements do not apply if the homebuyer is purchasing in a federally designated targeted area.

For a list of census tracts please visit our web site at [www.floridahousing.org](http://www.floridahousing.org)

## How much of a tax credit can be issued under the MCC program?

An MCC may be issued to homebuyers at tax credit rates varying from 10 percent to 50 percent based on the mortgage interest paid per year capped at \$2,000 annually. Florida Housing determines the tax credit rate. The credit is non-refundable but may be carried forward for a period of up to three (3) years.

## What is the MCC program criteria?

All mortgage loan types are eligible and must be underwritten according to FHA, VA, RD or conventional loan criteria. New and existing single family homes, duplexes, town homes, condominiums and manufactured homes (with certain restrictions) are eligible properties. Purchase price and income limits, adjusted by household size apply. The homebuyer must also occupy the property as their principal residence.

## How does the homebuyer benefit from an MCC?

Homeowners normally claim an itemized deduction for the amount of mortgage interest paid each year when preparing their federal income taxes. This itemized deduction only reduces the amount of taxable income. However, the MCC will allow the homebuyer the benefit of a dollar for dollar reduction of their tax bill in the event income taxes are owed. Depending on the tax credit rate, the residual mortgage interest paid may be taken as an itemized deduction.

## What is the homebuyer required to do in order to maintain the MCC?

The homebuyer needs to do two things:

- 1.) adjust their with-holdings on their W-4 form with their employer and,
- 2.) file IRS Form 8396 with their federal income tax return. This form can be obtained from the IRS web site at [www.irs.gov](http://www.irs.gov).

## How does the Participating Lender benefit?

- The lender offers the potential homebuyer the benefit of a tax credit
- The lender can use its standard mortgage products in conjunction with the credit
- The lender can charge customary fees
- The lender maintains its servicing rights to the loan
- The lender may be compensated a flat fee for originating the loan
- The MCC product may increase the number of loans produced by the lender
- The MCC can be used to gross up income or reduce the housing expense ratio for the borrower

## What are the Lender requirements for participation in the MCC program?

There is no participation fee for Lenders. Lenders will need to complete an Application for Participation in the MCC program and execute

an Origination Agreement with Florida Housing in order to be eligible to participate in the program. An Origination Guide will be available to the Lenders outlining the parameters of the MCC program and Lender training will be provided.

## MCC Example:

Mr. and Mrs. Hosey qualified for a \$120,000 mortgage loan at an interest rate of 6 percent for 30 years. Florida Housing has agreed to issue a tax credit under the MCC program at a rate of 20 percent.

The amount of the tax credit will be determined as follows:

- $\$120,000 \times .06 \text{ percent} = \$7,200$   
(first year's mortgage interest)
- $.20 \text{ (tax credit rate)} \times \$7,200 = \$1,440$   
(tax credit amount)
- $\$1,440 / 12 = \$120/\text{savings per month}$

The \$120 savings per month to the homebuyer can be used to gross up the homebuyer's income or reduce the housing expense ratio for qualifying purposes. The residual mortgage interest for that year of \$5,760 (\$7,200 minus \$1,440) can be taken as a regular itemized deduction. The homebuyer will need to adjust their W-4 accordingly to realize the benefit of the credit.

For the loan in this example, the monthly principal and interest payment would be \$719.46. The MCC allows the homebuyer an additional \$120 per month to put towards their mortgage payment. When the savings are applied to the mortgage payment, the tax credit for the first year is as if reducing the interest rate from 6.00 percent to 4.38 percent effectively.

**SEE REVERSE SIDE FOR...  
Maximum Income and Sales Price Limits**