

Understanding TSAHC's Mortgage Credit Certificate

Step One:

Watch the MCC Program Overview Video

Watch the **video** on our website or use our **online calculator** to see how the MCC program lowers your federal income tax bill every year that you live in your home.



Step Two:

Calculate Your MCC Benefits

The MCC gives you back 15% of the mortgage interest paid every year.

Example Loan Amount

\$320,000

Example Interest Rate

x *7.625%*

Example Interest Paid in 1st Full Year

\$24,400

15% of \$24,400 = \$3,660 (tax credit)

The \$3,660 tax credit amount can be used as additional income ($\$3,660 \div 12 = \305 additional monthly income) on your loan application to help you qualify for the mortgage loan

See how much interest you can save on your loan using an MCC:

Your Loan Amount

Your Interest Rate

x

Your Interest Paid in 1st Full Year

TSAHC's MCC

x *15%*

Your Tax Credit

Additional Benefits:

- This additional income can help lower your Debt-to-Income ratio (DTI)
- By reducing the interest you pay, the MCC also reduces your effective mortgage interest rate (see how in the example below)

Step Three:

Calculate Your Effective Interest Rate with an MCC

How does an MCC decrease/lower the mortgage interest rates homebuyers pay?

Example Interest Rate

7.625%

Example TSAHC's MCC

x 0.85

Example Net Effective Rate

6.481%

A 15% tax credit/discount effectively lowers the interest rate to 6.481%! Loan qualifying and payments are still based on 7.625%. However, this buyer will receive 15% of the interest paid back as a tax credit when they file their income tax return. Therefore, they are effectively paying a 6.481% interest rate on their mortgage.

How does the MCC help with your mortgage interest rate?

Your Interest Rate

Your TSAHC's MCC

x 0.85

Your Net Effective Rate

For more information, visit our website or contact us today!



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