



TSAHC MCC Program FAQ

Q. What is an MCC?

A. A Mortgage Credit Certificate, is a federal tax credit that reduces the amount of federal income tax paid by the homeowner. The tax credit is equal to 15% of the mortgage interest paid during the tax year with no maximum benefit of \$2,000. Homeowners are eligible for the tax credit every year, as long as they occupy the home as their primary residence.

Q. What is a credit rate, and is there a maximum benefit of \$2,000?

An MCC's credit rate determines the percentage of interest the homeowner receives as a credit when filing income taxes. The Non-Bond DPA and MCC Combo Program has a credit rate of 15%. This means all of TSAHC's MCC programs do not have a credit max of \$2,000.

Q. Can home buyers use the MCC program by itself?

A. Beginning November 1st, 2023, the MCC program will no longer be available as a standalone product.

****The MCC Program must be combined with TSAHC's DPA Program.***

Additionally, TSAHC's down payment assistance grants can be combined with other down payment assistance programs offered in the home buyer's city or county

Q. What are the MCC eligibility requirements?

A. To qualify, you must be below your county's income and purchase price limits. MCCs are also restricted to first-time home buyers.

Please Note: The definition of first-time home buyer is anyone who has not had ownership interest in a primary residence in the past three years.

Q. Do I calculate household or qualifying income for MCC eligibility?

A. MCC's use the total income from the household (anyone who will be on the deed) to determine program eligibility. The income of cosigners, and children within the home does not need to be calculated. Please see *Section 2.2* of TSAHC guidelines for more information.

Q. Is a home buyer required to stay in the home any number of years?

A. Home buyers who received a TSAHC MCC, may be subject to Recapture Tax if they sell their home within 9 years of purchase, they make a profit on the sale, and their income has increased 5% over the county limit every year they lived in the home.

Q. Is the MCC program available for Heroes, First-Time Homebuyers, or general buyers?

A. The MCC program is available to ANYONE applying for DPA that is a first-time home buyer and meets our income criteria.

Q. How can I determine if my home buyer gets to use the higher income and purchase price limits?

A. Use the "Targeted Areas Map" on TSAHC's website to verify if an address is considered within a Targeted Area. If so, your borrower will be able to take advantage of higher income and purchase price limits.

[*Targeted Areas Map](#)

Q. Can I use the MCC program with a conventional loan?

A. Yes, TSAHC Conventional DPA Programs can be combined with the MCC program.

Q. What are the additional fees?

A. A \$400 MCC Issuance fee is added to DPA/MCC combo files. The \$400 issuance fee is waived for Texas Heroes applying for DPA and MCC programs.