



TSAHC MCC Program FAQ

****Please Note****

The TSAHC MCC program may differ from other MCC programs throughout Texas.

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 20% of the mortgage interest paid during the tax year. Homeowners are eligible for the tax credit every year, as long as they occupy the home as their primary residence.

Q. Can homebuyers use both Non-Bond DPA and the MCC program together?

A. First-time home buyers may use both forms of assistance when purchasing a home. ****The MCC Program cannot be combined with the Bond 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 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 and MCC/DPA Combos 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 homebuyer required to stay in the home any number of years?

A. Homebuyers 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 who is a first-time homebuyer and that meets our income criteria.

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

A. Use the "Targeted Areas" document on the TSAHC website to verify if a tract code is considered within a Targeted Area. If so, your borrower will be able to take advantage of higher income limits.

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

A. Yes, the 3 Year Deferred Forgivable 2nd Lien Non-Bond DPA Conventional can be combined with the MCC program.

Furthermore, the MCC by itself, can be combined with any fixed rate loan type.

Q. What are the additional fees?

A. \$500 MCC Issuance and \$200 Compliance Review fee for Stand-alone MCC files.

Q. What is the minimum credit score?

A. There is no FICO requirement for the stand-alone MCC program, the only qualification is household income.