

## Do You Qualify?

To be eligible for an MCC, the homebuyer and their household must meet certain eligibility criteria:

- **Be a first-time homebuyer.**  
Defined as “someone who has not owned a primary residence in the past three years”.  
*This requirement is waived if the homebuyer is a qualified veteran or the home being purchased is in a federal designated target area.*
- **Use the home as a Primary Residence.**
- **Have “Household income” at or below the Program limits.**  
Low-to-moderate income, based on household size.
- **The Sales Price of the home does not exceed the Program limits.**
- **Apply through a Participating Lender.**  
Homebuyer must receive an MCC Commitment from GSFA prior to closing the mortgage loan.



This brochure contains general program information and is not intended as legal or tax advice. Homebuyers are encouraged to consult with a tax advisor regarding the impact of an MCC on their individual tax liability. Your GSFA MCC Approved Lender can provide you with complete program guidelines and an application.

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## GSFA MCC® Mortgage Credit Certificate

*Tax Credit for First-time homebuyers*



*Apply for an MCC when  
you buy your home.  
It can mean thousands  
of dollars back each  
year as a tax credit.*



# Mortgage Credit Certificate

## Tax Credit for First-time Homebuyers

If you are buying your first home, a Mortgage Credit Certificate (MCC) from Golden State Finance Authority could **save you thousands of dollars each year.**

Unlike an income tax deduction, an MCC is a dollar-for-dollar reduction in “federal income taxes owed.”

- The credit is equal to 20% of the annual mortgage interest paid.
- The remaining mortgage interest (80%) continues to qualify as an itemized deduction.

- The tax credit also helps increase a homebuyer’s disposable income and in-turn assist them when qualifying for the initial mortgage loan.
- The tax credit can be taken year-after-year, as long as the person continues to live in the home and pay mortgage interest.
- Plus, any unused credit can be carried forward up to three years.



## How to Apply

Apply for the Program through a GSFA MCC Participating Lender.

Participating Lenders will review all Program guidelines and determine if you qualify. The Lender will submit your MCC application to GSFA at the same time as you apply for your mortgage loan.

Applications are accepted on a first-come, first-serve basis.

**Don't wait --  
Call today to get started!**

### See the Tax Benefits of an MCC\*

	Without an MCC	With an MCC
Gross Income	\$60,000	\$60,000
Mortgage Interest Paid (Annual)	\$9,000	\$9,000
Mortgage Interest Deducted	\$9,000 <i>(100% of Interest Paid)</i>	\$7,200 <i>(80% of Interest Paid)</i>
Taxable Income	\$44,800	\$46,600
Federal Income Tax Owed	\$5,846	\$6,116
<b>MCC Credit Applied (20%)</b>	--	<b>\$1,800</b>
Federal Income Tax Due	\$5,846	\$4,316
Taxes Withheld (Annual)	\$6,200	\$6,200
Tax Refund	\$354	<b>\$1,884</b>

\*Above example of Tax Benefits of an MCC is based on a \$200,000 mortgage with a 4.5% interest rate = \$9,000 annual interest; \$9,000 x 20% MCC Credit = \$1,800. This illustration is simplified for example purposes only. Actual figures may vary and many other considerations may impact actual tax debt. Homebuyers are encouraged to consult with a tax advisor regarding the impact of an MCC on their individual tax liability.

