

1st Choice Mortgage Co.

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MORTGAGE TAX CREDIT



**Idaho Housing
and Finance**
ASSOCIATION



Borrower Qualifications

1. Must be a First Time Home Buyer, and follow IHA First Time Home Buyer Requirements.
2. Utilize IdaMortgage loan products.
 - Conventional
 - FHA
 - VA
 - RD
 - Does exclude any IHA bond loans.
4. \$500 One time fee from the borrower.
5. First Time Homebuyer Certificate required.
7. Limited time
8. Client must file IRS Form 8396 each of the 10 years.
9. Please consult your tax professional for complete details.

*IF YOU HAVE
QUESTIONS
REGARDING THIS NEW
LOAN PRODUCT,
PLEASE CALL 1ST
CHOICE MORTGAGE
AT 208-375-LOAN.*

GET UP TO A \$2000 PER YEAR TAX CREDIT FOR 10 YEARS!

Idaho Housing and Finance Association **Mortgage Credit Certificate (MCC) Program** is an alternative way for IHFA to assist first-time homebuyers.

With an MCC, 20% of your annual mortgage interest can be converted into a tax credit and deducted dollar for dollar from your Federal income tax liability.

The remaining 80% of mortgage interest continues to qualify as an itemized tax deduction. The credit can be taken to reduce your tax burden every year for 10 years as long as you continue to live in the home.

The feasibility of the MCC and the degree to which it can provide housing assistance is totally dependent upon the extent to which you have a Federal tax liability, which can be offset by the MCC tax credit.

The benefits of an MCC to a first-time homebuyer can be significant. For example, for a mortgage of \$200,000 with an



interest rate of 5.5%, the mortgage interest paid in the first year is \$10,933.

With an MCC, 20% of interest, \$2,000 (MAX), can be converted to a direct tax credit, a savings of \$166 per month. Note that the MCC amount will decrease slightly each year as the amount of interest paid decreases.

To take advantage of this program, you must file [IRS Form 8396](#) with your Federal tax return for each year.

Please consult your tax professional for any questions regarding this program.



1ST CHOICE



MORTGAGE COMPANY

"Providing superior customer service and the lowest rates for over 19 years"
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