

Home Start Homebuyer Tax Credit

Description:	<ul style="list-style-type: none"> The Home Start Homebuyer Tax Credit Program is a Mortgage Credit Certificate (MCC) Program. The MCC Program is a Federal program that aims to provide Eligible Borrowers with a long-term benefit to help them afford a home. An MCC works by reducing the Federal income taxes that an Eligible Homebuyer must pay. The MCC can convert a percentage of the interest paid on a mortgage into a tax credit. The maximum tax savings could be up to \$2,000 per year. 																						
MCC Rate Based on Mortgage Amount:	Loans less than \$140,000 \$140,001 to \$160,000 \$160,001 to \$200,000 Loans greater than \$200,000	50% MCC Rate 45% MCC Rate 35% MCC Rate 25% MCC Rate																					
Term:	<ul style="list-style-type: none"> Maximum term not to exceed 30 years MCC only valid for homes purchased with the MCC and for as long as the homebuyer lives in the home 																						
Loan and Rate Requirements: (Please note: to work with the borrower directly you need to be a participating MCC Lender)	<ul style="list-style-type: none"> Fixed rate cannot exceed New Hampshire Housing's highest published rate Must meet the lender's underwriting criteria Government-insured (FHA, RD or VA) or eligible for sale to Fannie Mae or Freddie Mac Adjustable rate must have an initial mortgage interest rate, on the date the rate is locked, that is equal to or less than the Authority's lowest posted interest rate on that day Must have an initial rate period, maximum rate adjustment and a maximum total rate adjustment consistent with the following table: <table border="1"> <thead> <tr> <th colspan="2">Rate Period</th><th colspan="2">Interest Rate Caps</th></tr> <tr> <th>Initial Rate Period</th><th>Adjustments After Initial Period</th><th>Maximum First Rate Adjustment</th><th>Maximum Total Rate Adjustment</th></tr> </thead> <tbody> <tr> <td>5 years</td><td>Each year after initial</td><td>Equal to or less than 3%</td><td>Equal to or less than 6%</td></tr> <tr> <td>7 years</td><td>Each year after initial</td><td>Equal to or less than 3%</td><td>Equal to or less than 6%</td></tr> <tr> <td>10 years</td><td>Each year after initial</td><td>Equal to or less than 5%</td><td>Equal to or less than 6%</td></tr> </tbody> </table>			Rate Period		Interest Rate Caps		Initial Rate Period	Adjustments After Initial Period	Maximum First Rate Adjustment	Maximum Total Rate Adjustment	5 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%	7 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%	10 years	Each year after initial	Equal to or less than 5%	Equal to or less than 6%
Rate Period		Interest Rate Caps																					
Initial Rate Period	Adjustments After Initial Period	Maximum First Rate Adjustment	Maximum Total Rate Adjustment																				
5 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%																				
7 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%																				
10 years	Each year after initial	Equal to or less than 5%	Equal to or less than 6%																				
Eligible Homebuyers:	<ul style="list-style-type: none"> Must be a first-time homebuyer (no ownership in the past 3 years). Homebuyers who buy in a Targeted Area do not have to be first-time homebuyers. Household income must be at or below current MCC Program Income Limits Acquisition cost must be within current MCC Program Purchase Price Limits Must owner occupy principal residence Borrowers with non-occupant cosigners would not be eligible for the program 																						
Eligible Properties:	<ul style="list-style-type: none"> New or existing single-unit homes, which include manufactured homes on their own land or located in an Authority-approved cooperative Max 5.99 acres; larger tracts need to be pre-approved 																						
Fees:	<ul style="list-style-type: none"> See Fee Table for Home Start Homebuyer Tax Credit Program 																						
Homebuyer Education:	<ul style="list-style-type: none"> Borrower must complete New Hampshire Housing's online MCC Homebuyer Education course located at Online Education 																						
Recapture Tax:	<ul style="list-style-type: none"> In certain circumstances, Eligible Homebuyers may be subject to pay Recapture Tax at time of sale of property 																						