

What is the Homebuyer Tax Credit?

The Home *Start* Homebuyer Tax Credit makes homeownership more affordable for first-time homebuyers. To qualify, eligible homebuyers must receive a Mortgage Credit Certificate (MCC) from New Hampshire Housing. The Homebuyer Tax Credit can decrease the income taxes you owe and boost your take-home pay, which helps you qualify for a mortgage and make your mortgage payments. The Homebuyer Tax Credit is not a one-time credit—it is an annual credit for the life of the original mortgage, as long as you live in the home.

What are the benefits?

Having a Homebuyer Tax Credit can save you up to \$2,000 a year over the life of your loan. With these savings you can:

- Reduce your tax withholdings and increase your take-home pay.
- Potentially qualify for a higher priced home during the homebuying process.
- Use your increased take-home pay to offset your monthly mortgage payments, making your home more affordable.

How does the Homebuyer Tax Credit work?

The Homebuyer Tax Credit is a direct dollar-for-dollar reduction in your federal taxes worth 10% to 50% of the interest you pay on your mortgage. You can estimate your potential savings by using the following formula:

$$\text{Mortgage amount} \times \text{loan interest rate} = \text{annual mortgage interest paid}$$

$$\text{Annual mortgage interest paid} \times \text{Homebuyer Tax Credit rate} = \text{annual tax credit}$$

Example: \$150,000 mortgage x 5% interest rate = \$7,450 paid in annual interest

$$\begin{aligned} \$7,450 \times 35\% \text{ Homebuyer Tax Credit rate} &= \text{\$2,607} \\ &\text{\$2,000 maximum annual tax credit} \end{aligned}$$

In this example, you may boost your take-home pay by \$167 a month—money that you can use to pay your mortgage!

Note: Your annual tax credit savings cannot exceed \$2,000. You also must have a tax liability to use the credit.

For more details about how the Homebuyer Tax Credit works, visit www.GoNewHampshireHousing.com and consult with your tax professional.

How can I apply for the Homebuyer Tax Credit?

To apply for a Homebuyer Tax Credit, contact a Participating MCC Lender. There may be a nonrefundable fee to apply for the Homebuyer Tax Credit. If you are combining your Homebuyer Tax Credit with a New Hampshire Housing mortgage product, the fee may be reduced. For more information about this discount and to see a list of Participating MCC Lenders, visit www.GoNewHampshireHousing.com.

Home Start Homebuyer Tax Credit Program Disclaimer

In connection with the Home Start Homebuyer Tax Credit Program, New Hampshire Housing Finance Authority makes no promise, no representation and no warranty to any party, including any homebuyer or any lender. Homebuyers should first become fully informed about the Program, and then, with their own tax advisor, the homebuyer should decide if an MCC provides any benefit. Only applies to a mortgage with an existing Homebuyer Tax Credit issued on or before December 31, 2024.



How do I qualify for the Homebuyer Tax Credit?

Eligible homebuyers can receive the Homebuyer Tax Credit by receiving a Mortgage Credit Certificate (MCC), which is issued by New Hampshire Housing. To qualify for an MCC you must:

- Be a first-time homebuyer (have not owned a home in three years) or are purchasing a home in a “targeted area.”
- Be qualified for a new mortgage. MCCs cannot be used with existing loans.
- Intend to occupy the home as your principal residence.
- Be purchasing a house that is a single-family residence and that meets certain purchase price limits.
- Meet certain income limits.

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You can combine the Homebuyer Tax Credit with a New Hampshire Housing mortgage!

The Homebuyer Tax Credit may be combined with many of New Hampshire Housing's great mortgage programs. By combining the Homebuyer Tax Credit with one of New Hampshire Housing's mortgage programs, you can get the best we have to offer and make your new home even more affordable. In addition to the Homebuyer Tax Credit, New Hampshire Housing offers the following:

- Great mortgage loans
- Competitive rates
- Low downpayment requirements
- Cash assistance for downpayment and closing costs
- A dedicated group of participating lenders and real estate agents to help you buy your home

More information about New Hampshire Housing's loans and a list of participating lenders can be found at www.GoNewHampshireHousing.com.



New Hampshire Housing
Bringing You Home

Home *Start* Homebuyer Tax Credit

***Save up to \$2,000
per year!***



**Making Homeownership
Affordable**

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