

BROWARD COUNTY MORTGAGE CREDIT (MCC) PROGRAM

The Housing Finance Authority of Broward County has launched a Mortgage Credit Certificate Program to help reduce home loan financing costs for qualified homeowners in Broward County.

The Mortgage Credit Certificate program entitles qualified applicants to a federal income tax credit in an amount of up to \$2,000 annually. This enables qualified owners or buyers, who owe federal income taxes, to benefit from a dollar-for-dollar reduction of their tax bills. Additionally the homeowner will continue to receive the tax credit each year they continue to live in the home financed under the program.

The Mortgage Credit Certificate is not a mortgage; however, it may be used in conjunction with a first mortgage from a participating lender (except a mortgage revenue bond loan.) Borrowers must meet normal mortgage underwriting requirements, which demonstrate credit worthiness, and meet the program's income and home purchase price requirements.

New Loan Requirements

Except in the case of a loan to refinance a Qualified Subprime Loan, a MCC cannot be issued in conjunction with the acquisition or replacement of an existing loan or mortgage; however, a MCC can be used in conjunction with the replacement of construction period loans or bridge loans of a temporary nature. Construction period or bridge loans must be for no longer than 24 months. The Participating service provider (Lender) must obtain from the Applicant, via the Program documents, a statement to the effect that the loan being made in connection with the MCC will not be used to acquire or replace an existing mortgage or land contract, subject to the exceptions outlined above.

Service Providers

Please contact one of the participating service providers (lenders) listed below

Flagship Financial Services, Inc.

1500 NW 62 Street, #206
Fort Lauderdale, Florida 33309

Marcy Angrand

Phone: 954-771-8984
Fax: 954-772-5747
Email: marcy9042@yahoo.com

PNC Mortgage

1166 W Newport Center Drive, Suite 311
Deerfield Beach, Florida 33442

Terri Darvish

Phone: 561-926-7001
Fax: 866-575-1204
Email: Terri.Darvish@pncmortgage.com

Angelo J. Marino

Phone: 954-418-6986

Fax: 888-288-0401
Cell: 954-701-0268
Email: angelo.marino@pncmortgage.com

Bank of America Home Loans

1776 Pine Island Road, Suite 100
Plantation, FL 33322

Bonnie Gould

Phone: 954-832-3025
Fax: 866-517-0956
Cell: 954-817-8079
Email: <http://ae.bankofamerica.com/bonniegould>

Prospect Mortgage

15301 Ventura Boulevard, Suite D300
Sherman Oaks, CA 91403

Stephen Sirop

Phone: 954-378-2142
Fax: 877-872-1779

Email: Stephen.Sirop@ProspectMtg.com

FREQUENTLY ASKED QUESTIONS

What does the MCC do?

The MCC reduces the amount of federal income tax paid giving more available income to qualify for a mortgage loan and assist with house payments. The MCC allows 10-50 percent (currently at 30 percent and subject to adjustment) of the mortgage interest paid each year to be used as a "tax credit." As a Mortgage Credit Certificate holder, you will receive a direct dollar-for-dollar federal income tax reduction. Depending on your circumstances, you may enjoy a savings through increased monthly take home pay or as a year-end tax refund. The MCC may help you qualify for larger home or assist you in qualifying for a mortgage loan when you otherwise would not.

Is the MCC a mortgage?

No, the MCC is not a mortgage, but may be used in conjunction with a first mortgage from a participating lender (except a mortgage revenue bond loan.) Borrowers must qualify using standard credit requirements. Borrowers may also use any down payment assistance and grant programs available through any source acceptable to the lender.

What is the difference between a tax credit and tax deduction?

A mortgage interest deduction differs from a mortgage tax credit. A "tax credit" entitles taxpayers to subtract the amount of the credit from their total federal income tax liability, receiving a dollar for dollar savings.

A "tax deduction" is subtracted from the adjusted gross income before federal income taxes are computed. Therefore, with a deduction, only a percentage of the amount deducted is realized in savings.

MCC Example:

Mortgage Amount:	\$121,000
Mortgage Term:	30 Years
Interest Rate:	6%
Total Interest Paid First Year:	\$7,220
MCC Rate:	x 30%
	\$2,166
Tax Credit:	\$2,000 (max. tax credit)

How much of a tax credit can be issued under the MCC?

The maximum amount of the tax credit shall not exceed \$2,000 per year.

How do I qualify?

Borrowers must be first-time homebuyers who have not owned their principal residence during the last three years.* Borrower must meet normal mortgage underwriting requirements which demonstrate credit worthiness. There are income and home purchase price requirements in this program.

**This requirement is waived for homes purchased within a targeted area or by a qualified veteran. Due to Wilma Go Zone, all Broward County is treated as a Target Area for homes financed on or before December 31, 2010.*

What is a targeted area?

Census tract in which seventy percent (70%) or more of the families have an income which is eighty percent (80%) or less of the statewide median family income.

Are there additional costs?

Yes, there is an MCC application fee of \$350. The fee is paid at closing and subject to change.

Income and Home Purchase Price Limits

Borrowers household income may not exceed the following:

	Non-Targeted	Targeted
1-2 Family members	\$79,200	\$95,040
3+ Family members	\$91,080	\$110,880
The New or existing home purchase price may not exceed	\$365,854	\$447,154

Where can I buy and what type of home can I purchase?

A new or existing single family home (attached or detached), condo, townhome, certain manufactured homes and Plan Unit Development must be within Broward County.

What happens when I move?

If you move in the first full nine years you own the home, make a profit on the sale, and have income that exceeds the allowable income at the time of the sale, you may be subject to recapture. For more information, ask for a recapture brochure.

What's the next step?

- Have a participating lender pre-qualify you for a first mortgage loan and determine if an MCC benefits you.
- Locate a home by using a professional such as a realtor.
- Make an offer for the property.
- Return to your lender and comply with lender requirements.

I already own a home. Can I qualify?

Current homeowners with a mortgage loan originally financed through an Adjustable Rate Mortgage (ARM) and made after December 31st, 2001, but before January 1st, 2008, may qualify for the MCC Program. Please contact a participating lender for information on Qualified Subprime Refinancing.

For more information, contact the Broward County Housing Finance Authority at 954-357-4941 or Mildred Reynolds at mreynolds@broward.org.