


# What is a Mortgage Credit Certificate?

Mortgage Credit Certificates (MCCs) are tax credits that reduce federal tax liability, **saving homebuyers money!** Claim the tax credit year-after-year as long as the homeowner lives in the home and holds a mortgage!

MCCs allow taxpayers to claim a federal tax credit of 40% of the mortgage interest paid annually, up to \$2,000 per year.

If an MCC recipient does not have a federal tax liability in a particular year, the credit can be carried forward to future tax years (up to 3 years).




**\$125,000 Loan Amount**  
**x 4% Interest**

---

**= \$5,000 Interest the first year**  
**x 40% MCC Credit**

---

**= \$2,000 Tax Credit**



## Who Qualifies?

### PROGRAM ELIGIBILITY

- **First-time homebuyers only**
  - First-time homebuyer = no home ownership within past three years
  - **Exceptions:**
    - Military veterans do not have to be first-time homebuyers
    - Applicants who purchase in target areas\* do not have to be first-time homebuyers
- **All types of homes and all types of loans**
- **Valid for properties ANYWHERE within the state of Arizona**
- **Must apply and gain approval for an MCC PRIOR to home closing**
- **One-Time Program Fee – \$500**
  - Not an application fee – clients only pay to enroll.
  - Payment plans offered up to 6 months
- **Annual Administrative Fee – \$100**
  - Due the year following home purchase; pro-rated for first year based on purchase date

### HOUSEHOLD INCOME LIMITS

#### All AZ Counties (except Coconino, Pinal, and Maricopa)

Family Size	Non-Target Area	Target Area*
1 to 2 persons	\$82,800	\$99,360
3 or more persons	\$95,220	\$115,920

#### Coconino County

Family Size	Non-Target Area	Target Area*
1 to 2 persons	\$85,900	\$103,080
3 or more persons	\$98,785	\$120,260

#### Pinal and Maricopa Counties

Family Size	Non-Target Area	Target Area*
1 to 2 persons	\$88,300	\$105,960
3 or more persons	\$101,545	\$123,620

### PURCHASE PRICE LIMITS

#### All AZ Counties (except Coconino, Pinal, and Maricopa)

Property Type	Non-Target Area	Target Area*
New or Existing	\$349,525	\$427,198

#### Coconino County

Property Type	Non-Target Area	Target Area*
New or Existing	\$351,620	\$429,757

#### Pinal and Maricopa Counties

Family Size	Non-Target Area	Target Area*
New or Existing	\$366,907	\$448,442

**Contact our Homeownership Team**

MCC@cictucson.org | (520) 462-4MCC (4622)

\* Target Areas are determined by census tract. For a list of target areas in your county, please visit [www.cictucson.org/mcc/target-areas](http://www.cictucson.org/mcc/target-areas)



Loan Statistics	
Loan Amount	\$200,000
Interest Rate	5.0%
Lenth (Years)	30

Year	Interest Paid	40% of Interest Paid	MCC Credit	Total MCC Credit
1 2020	\$ 9,933	\$ 3,973	\$ 2,000	\$ 2,000
2 2021	\$ 9,782	\$ 3,913	\$ 2,000	\$ 4,000
3 2022	\$ 9,623	\$ 3,849	\$ 2,000	\$ 6,000
4 2023	\$ 9,457	\$ 3,783	\$ 2,000	\$ 8,000
5 2024	\$ 9,281	\$ 3,712	\$ 2,000	\$ 10,000
6 2025	\$ 9,097	\$ 3,639	\$ 2,000	\$ 12,000
7 2026	\$ 8,903	\$ 3,561	\$ 2,000	\$ 14,000
8 2027	\$ 8,699	\$ 3,480	\$ 2,000	\$ 16,000
9 2028	\$ 8,485	\$ 3,394	\$ 2,000	\$ 18,000
10 2029	\$ 8,260	\$ 3,304	\$ 2,000	\$ 20,000
11 2030	\$ 8,024	\$ 3,210	\$ 2,000	\$ 22,000
12 2031	\$ 7,775	\$ 3,110	\$ 2,000	\$ 24,000
13 2032	\$ 7,514	\$ 3,006	\$ 2,000	\$ 26,000
14 2033	\$ 7,239	\$ 2,896	\$ 2,000	\$ 28,000
15 2034	\$ 6,950	\$ 2,780	\$ 2,000	\$ 30,000
16 2035	\$ 6,647	\$ 2,659	\$ 2,000	\$ 32,000
17 2036	\$ 6,328	\$ 2,531	\$ 2,000	\$ 34,000
18 2037	\$ 5,992	\$ 2,397	\$ 2,000	\$ 36,000
19 2038	\$ 5,640	\$ 2,256	\$ 2,000	\$ 38,000
20 2039	\$ 5,269	\$ 2,108	\$ 2,000	\$ 40,000
21 2040	\$ 4,879	\$ 1,952	\$ 1,952	\$ 41,952
22 2041	\$ 4,470	\$ 1,788	\$ 1,788	\$ 43,740
23 2042	\$ 4,039	\$ 1,616	\$ 1,616	\$ 45,356
24 2043	\$ 3,587	\$ 1,435	\$ 1,435	\$ 46,790
25 2044	\$ 3,111	\$ 1,245	\$ 1,245	\$ 48,035
26 2045	\$ 2,611	\$ 1,045	\$ 1,045	\$ 49,079
27 2046	\$ 2,086	\$ 834	\$ 834	\$ 49,914
28 2047	\$ 1,533	\$ 613	\$ 613	\$ 50,527
29 2048	\$ 953	\$ 381	\$ 381	\$ 50,908
30 2049	\$ 342	\$ 137	\$ 137	\$ 51,045
<b>Total</b>	<b>\$ 186,512</b>	<b>\$ 74,605</b>	<b>\$ 51,045</b>	