

# Mortgage Credit Certificate

The Mortgage Credit Certificate (MCC) program allows first-time home buyers in Arizona, excluding Maricopa County, to claim up to **\$2,000** of their annual mortgage interest as a federal tax credit – each year and every year they live in their homes.

Mortgage Credit Certificates (MCCs) are tax credits that reduce federal tax liability, saving home buyers money. Tax credits can be claimed year-after-year as long as the homeowner lives in the home and holds a mortgage...for up to 30 years!

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

## Program Eligibility



**Must apply prior to home purchase**



**First-time homebuyers**

- No home ownership within the past 3 years
- Exceptions: Veterans and target area\* buyers



**All home and loan types**

- Single family, manufactured housing, condos, duplexes, and townhomes
- FHA, VA, USDA, and Conventional



**Program Fees**

- \$500 one-time admin fee
  - Payment plans available
- \$100 annual renewal fee

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

#### Household Income Limits

##### Family Size (1-2 people)

- Non-Target Area: \$94,200
- Target Area: \$113,040

##### Family Size (3+ people)

- Non-Target Area: \$108,330
- Target Area: \$131,880

#### Purchase Price Limits

- Non-Target Area: \$510,939
- Target Area: \$624,481

### Coconino County

#### Household Income Limits

##### Family Size (1-2 people)

- Non-Target Area: \$99,900
- Target Area: \$119,880

##### Family Size (3+ people)

- Non-Target Area: \$114,885
- Target Area: \$136,609

#### Purchase Price Limits

- Non-Target Area: \$538,926
- Target Area: \$658,687

### Pinal County

#### Household Income Limits

##### Family Size (1-2 people)

- Non-Target Area: \$102,800
- Target Area: \$123,360

##### Family Size (3+ people)

- Non-Target Area: \$118,220
- Target Area: \$136,609

#### Purchase Price Limits

- Non-Target Area: \$543,644
- Target Area: \$664,453

\*Target Areas are economically distressed areas that are determined by census tracts. See our website for a full map of these areas.

\*Limits as of May 15, 2024



# Who We Are

At CIC, we know your worth.

Community Investment Corporation (CIC) is an economic development 501(c)(3) nonprofit, serving Arizona since 1996.

Our goal is to promote economic inclusion for all, regardless of socioeconomic status. We will achieve it by leveraging our financial and knowledge capital into the areas of our local economy where expansion of access is desperately needed. Specifically, our work ensures that more people in our community can buy homes, can access the education they want for their children, and can get the funding they need to start, sustain, and grow their small businesses.

The guiding principle we live by is: Nobody who has the desire and diligence to participate in our economy should ever be on the outside looking in.

We give the members of our community, who are shut out of and left behind in our economy, access to the knowledge and financing they need to pursue new opportunities.

We pursue three distinct program areas that are foundational to individual and community well-being:



## Housing

Helping aspiring homeowners through tax credits and down payment assistance



## Entrepreneurship

Providing much needed financing to small businesses and nonprofits, as well as, introducing innovative systems to promote private investment in early stage businesses.



## Education

Assisting schools with access to capital, bond compliance, and family engagement

# MCC Example Over 5 Years

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

Loan amount	\$ 350,000.00
Annual interest rate	6.50%
Loan period (Years)	30
Start date	10/1/2023

Year	Interest Paid	40% of Interest Paid	Annual MCC Credit	Cumulative MCC Credit
2023	\$ 3,790	\$ 1,516	\$ 1,516	\$ 1,516
2024	\$ 22,592	\$ 9,037	\$ 2,000	\$ 3,516
2025	\$ 22,327	\$ 8,931	\$ 2,000	\$ 5,516
2026	\$ 22,045	\$ 8,818	\$ 2,000	\$ 7,516
2027	\$ 21,743	\$ 8,697	\$ 2,000	\$ 9,516

**Almost \$60k in savings over the life of a 30-year mortgage!**

