



**HOMEBUYER ASSISTANCE PROGRAMS  
PROGRAM GUIDELINES MORTGAGE CREDIT CERTIFICATES**

The Mortgage Credit Certificate Program operates as an IRS tax credit. With a MCC, the qualified homebuyer becomes eligible to take a federal income tax credit of either 15% or 20% of the annual interest paid on the mortgage each year for as long as the buyer lives in the home. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer’s net earnings and increases the buyer’s capacity to qualify for a mortgage loan. Applications are processed through participating MCC lenders. Homebuyer may be subject to recapture tax if they sell their residence within 9 years.

Application fee:            **MCC Only:** .2% of first trust deed loan or \$250, whichever is greater  
    **With a deferred loan and/or closing cost grant:**  
    80% AMI: .2% of first trust deed loan or \$250, whichever is greater  
    100% AMI: \$250

**The MCC can only apply to:**

- Purchases of single family homes including detached homes, condominiums or townhouses (duplexes and/or two-on-one units are not eligible).
- FHA, VA or conventional loans with fixed or adjustable rates. No bond-backed loans such as CalHFA and Cal Vet, and no negative amortization loans.
- Occupy the home as a principal residence

**I. LOW INCOME MCCS / 20% TAX CREDITS**

**To qualify, the Buyer must:**

- Be a first-time homebuyer (no ownership in a property within the last three years)
- Maximum household income:

2015 Maximum Income Limits			
Household Size	80% Income Limit	Household Size	80% Income Limit
1	\$45,400	5	\$70,000
2	\$51,850	6	\$75,200
3	\$58,350	7	\$80,400
4	\$64,800	8	\$85,550

- No Minimum housing debt ratio requirements
- Property purchase price limited to:  
     New/Resale:     \$653,125

**II. NON-TARGETED MCCS \ 15% TAX CREDITS**

**To qualify, the Buyer must:**

- Be a first-time homebuyer (no ownership in a property within the last three years)
- Maximum household income:  
     1 - 2 persons            \$81,100  
     3+ persons              \$93,150
- No minimum housing debt ratio requirement
- Property purchase price limited to: \$534,375

### III. TARGETED MCCS / 20% TAX CREDITS

The following modifications apply in certain targeted census tracts:

- Do not need to be a first-time homebuyer
- Income limits are higher:
  - 1-2 persons                 \$ 97,200
  - 3+ persons                 \$113,400
- No minimum housing debt ratio requirement
- Higher purchase price limits of:
  - New/Resale:     \$653,125

#### Targeted Neighborhoods

The areas listed below are considered targeted under the MCC program. To see if subject property is in a targeted census tract, go to the bottom of first page of First-Time Homebuyer section and click **Census Tract Information**. Enter address information and compare census tract with below list.

Targeted Census Tracts	General Area
12, 16	Normal Heights
65, 66	Loma Portal
83.05, 83.39, 83.41, 83.43, 83.61, 83.63	52 Freeway Area
86, 90	Kearney Mesa/Clairemont Area
94	Miramar Area
22.01, 22.02, 23.01, 23.02, 24.01, 24.02, 25.01, 26.01, 26.02	City Heights/East San Diego
27.02, 27.07, 27.08, 27.09, 27.10, 27.12, 28.01, 29.04, 30.01, 30.04, 31.05, 31.11	East San Diego
170.35	Black Mountain Area
33.01, 33.03, 33.04, 33.05, 34.03, 34.04, 35.01, 35.02, 36.01, 36.02, 36.03	Southeast San Diego
40, 41, 47, 48, 49	Southeast San Diego
39.01, 39.02	Logan Heights
50, 51	Barrio Logan
52, 53, 57, 58	Downtown
100.05, 100.09, 100.13, 101.03, 101.06, 101.11, 101.12	South San Diego/San Ysidro

