

## PROGRAM BENEFITS

The 2016 Take Credit program awards a tax credit value of 50% of annual mortgage interest paid (up to a maximum of \$2,000 per year) to be taken as a credit against federal income tax liability for the life of the loan up to 30 years, as long as the home remains your primary residence.\*

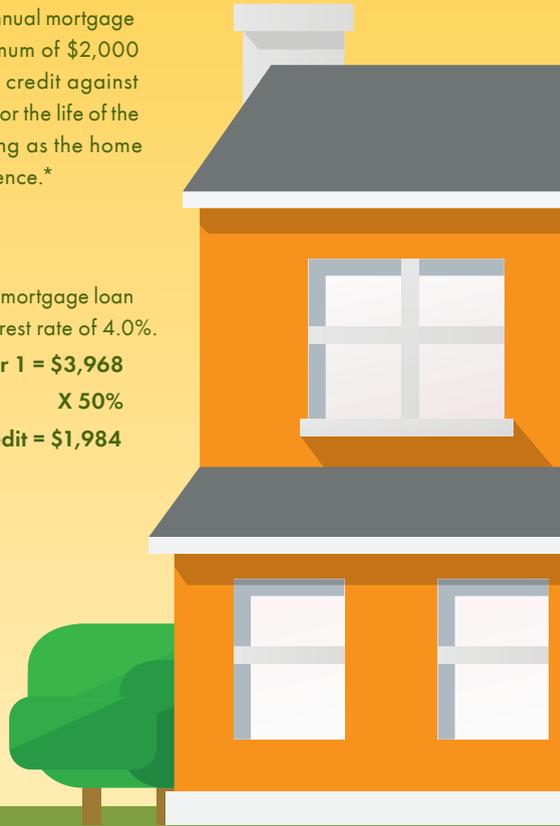
### EXAMPLE

A home buyer qualifies for a mortgage loan of \$100,000 at a fixed interest rate of 4.0%.

**Interest Paid in Year 1 = \$3,968**

**X 50%**

**Take Credit Year 1 Credit = \$1,984**



IOWA FINANCE  
AUTHORITY

800.432.7230

[IowaFinanceAuthority.gov](http://IowaFinanceAuthority.gov)

2015 Grand Avenue

Des Moines, Iowa 50312



2016 TAKE CREDIT

Mortgage Credit Certificate  
(MCC) Program

IOWA FINANCE AUTHORITY

\* The remaining amount of mortgage interest paid that is not taken as a tax credit is allowed to be taken as a deduction from taxable income on federal income tax returns if the home buyer itemizes. The MCC tax credit has a greater value than taking mortgage interest as an itemized deduction from taxable income. The MCC reduces tax liability on a dollar for dollar basis whereas an itemized deduction only reduces the amount of income being taxed.

## HOME BUYER ELIGIBILITY

### Home buyers must:

Meet federal income limits for Iowa, which vary by household size and county;

**AND**

Be purchasing a home in Iowa to be immediately occupied as a primary residence;

**AND**

### Meet one of the following:

1. Be a first-time home buyer, defined as a person who has not had an ownership interest in their primary residence in the past three years; OR
2. Purchase a home in a Targeted area; OR
3. Be a military veteran with a discharge other than dishonorable who has not previously used a Mortgage Revenue Bond Program.

Income limits, Targeted area details and an eligibility quick check are available at [IowaFinanceAuthority.gov](http://IowaFinanceAuthority.gov).

## MAXIMUM PURCHASE PRICE

\$255,000 for properties not in Targeted areas.

\$312,000 for properties in Targeted areas.

## QUALIFIED FINANCING

To be eligible for an MCC, the applicant must be financing a new purchase of an eligible property through a Take Credit Participating Lender using one 30-year fixed rate, fully amortizing mortgage loan.

### Eligible Financing:

- Financing through IFA's Homes for Iowans or Homes for Iowans Plus Programs
- Other 30-year, fixed rate, fully amortizing mortgage offered by the Take Credit Participating Lender.

### Financing that does not qualify:

- Financing through IFA's FirstHome or FirstHome Plus Program.
- An Adjustable Rate Mortgage (ARM), balloon mortgage, 80-20 financing option or financing with a term less than 30 years.
- Financing not closed in the name of a Take Credit Participating Lender.
- Financing for a property in which the applicant has any prior ownership interest.
- Financing which closes prior to receiving a written Commitment Notice from IFA.

## APPLICATION PROCESS

1. Home buyer contacts a Take Credit Participating Lender. A list of lenders is available at [IowaFinanceAuthority.gov/TakeCredit](http://IowaFinanceAuthority.gov/TakeCredit).
2. Lender collects all eligibility verifications, makes a reservation in IFA's online lender portal and submits the required eligibility documents to IFA for review.\*
3. Once preliminary eligibility has been determined, IFA will issue a written Notice of Commitment to the lender. The lender must obtain the Commitment Notice from IFA prior to closing in order to qualify for the MCC.
4. Upon loan closing, the lender uploads final eligibility documents to IFA. IFA confirms eligibility and sends the MCC to the home buyer after closing.
5. Homeowner uses the MCC at tax time to claim the credit.

## QUICK FACTS

- Homeowner must have a tax liability to use the credit.
- For homeowners without a tax liability in a given year, the credit can be carried forward for up to three years.
- The MCC may be reissued upon refinance and may be transferable upon sale under certain conditions if reissued by IFA in accordance with program requirements.
- Funding for the program is limited. The 2016 allocation is sufficient to issue MCCs for mortgages totaling \$80 million. The MCCs will be provided on a first-come, first-served basis. The MCC may be combined with IFA grants for down payment and closing costs, including the \$2,500 Plus grant and the \$5,000 Military Homeownership Assistance grant.

\* A borrower application fee of \$350 must be paid at the time of request if the applicant is not using an IFA mortgage. No application fee is required with an IFA mortgage.