

FOR IMMEDIATE RELEASE:

January 29, 2014

Contact: Ashley Jared, 515-725-4934

# **Iowa Finance Authority Announces 2014 Mortgage Credit Certificate Program that will Allow Iowa Home Buyers to Reduce Federal Tax Liability**

## **Mortgage Credit Certificates may provide Iowa home buyers with up to \$2,000 in annual federal income tax credits**

(DES MOINES) – The Iowa Finance Authority (IFA) today announced that eligible Iowans may buy a home and reduce their federal income tax liability by up to \$2,000 a year for the life of their mortgage. The 2014 Take Credit Mortgage Credit Certificate program will be available beginning February 3, 2014 through IFA Take Credit Program Participating Lenders. Approximately 585 Iowa home buyers are expected to benefit from the program.

“The 2014 Take Credit Mortgage Credit Certificate Program will provide an incentive to Iowa home buyers as we move into the spring home buying season,” said Iowa Finance Authority Executive Director Dave Jamison. “This program will help to fuel an already healthy Iowa real estate market and help hundreds of Iowa families realize a reduction in their federal income taxes.”

The program provides eligible home buyers with a tax credit against their federal income tax liability every year for the life of their mortgage as long as the home is used as their primary residence up to a maximum of 30 years. The program is available only for IFA-approved new purchases closing after February 3, 2014. Eligible financing is limited to 30-year, fixed-rate, fully amortizing loans.

The amount of the tax credit is based on a percentage of the homeowners’ mortgage interest. For the 2014 Take Credit Program, the credit rate is set at 30% of the annual interest paid on the mortgage loan, up to a maximum of \$2,000 per year.

After an eligible homeowner has been approved for a Mortgage Credit Certificate by IFA they may close on a mortgage loan with an IFA Take Credit Participating Lender. After closing and upon final approval of the closing documents, IFA will issue the homeowner a mortgage credit certificate for eligible applicants. The homeowner in turn may apply the credit against their federal income tax liability on an annual basis for the life of their mortgage. The credit may be claimed on IRS Form 8396.

To take advantage of the program home buyers must be approved for a mortgage and meet federal eligibility requirements. Interested home buyers should visit [IowaFinanceAuthority.gov/TakeCredit](http://IowaFinanceAuthority.gov/TakeCredit) to find a Take Credit Participating Lender, access eligibility information and more.

The mortgage credit certificate was authorized by Congress in the 1984 Tax Reform Act and functions like a federal income tax credit. The 2014 Take Credit Program allocated approximately \$75 million of private activity bond volume cap to be used for issuing MCCs in calendar year 2014. The MCCs are available on a first-come first-serve basis and the program will be closed for further reservations once available funding has been exhausted.

###