APPLICATION PROCESS

1. Home buyer contacts a Take Credit Participating Lender. A list of lenders is available at IowaFinanceAuthority.gov/Take Credit.
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 IFA has determined preliminary eligibility and prior to closing, the lender must obtain a Notice of Commitment from IFA.
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.

* A borrower application fee of $300 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.

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 2015 allocation is sufficient to issue MCCs for mortgages totaling $42 million. The MCCs will be provided on a first-come, first-served basis.

Phone: (XXX) XXX-XXXX

IOWA FINANCE AUTHORITY

800.432.7230

IowaFinanceAuthority.gov

March 2015

2015 Take Credit Mortgage Credit Certificate (MCC) Program

IOWA FINANCE AUTHORITY

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 owned or had ownership interest in a 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.

PROGRAM BENEFITS

The 2015 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.*

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

* 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.

MAXIMUM PURCHASE PRICE

- $250,000 for properties not in Targeted Areas
- $305,000 for properties in Targeted Areas

Income limits, Targeted Area details and an eligibility quick check are available at **IowaFinanceAuthority.gov**.

QUALIFIED FINANCING

- 30-year fixed rate, fully amortizing mortgage loan
- Use of Iowa Title Guaranty is required
- Closed in the name of a Take Credit Participating Lender
- Only new purchases approved by IFA prior to closing
- No cosigners
- May be used with an IFA Homes for Iowans mortgage
- May be combined with IFA's Plus grants, offering $2,500 in down payment assistance
- May be combined with $5,000 Military Homeownership Assistance grant

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