



Mortgage Credit Certificate Tax Credit Worksheet

Section A. Lender completes this section for borrower's eligible MCC credit.

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|---|---------------------------|
| 1. Mortgage loan amount for 1 st mortgage | \$ _____ |
| 2. Interest rate on 1 st mortgage (%) | _____ % |
| 3. Establish first year's interest by amortizing the loan for one year | \$ _____ |
| 4. Mortgage credit rate (30% for existing; 50% for new homes) | _____ 30% or 50% |
| 5. Tax credit equals 30% (or 50%) of the first year's interest | \$ _____
(max \$2,000) |
| 6. The monthly benefit is calculated by dividing the tax credit shown on Line #5 above by 12 months | \$ _____ |

Section B. Hypothetical example for completing Section A.

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|---|------------------------------|
| 1. Mortgage loan amount on 1 st mortgage | \$ 225,500 _____ |
| 2. Interest rate on 1 st mortgage (%) | _____ 7.00% |
| 3. First year's interest amortized (\$127,400 x 5%) = | \$ 15,785 (est.) _____ |
| 4. Mortgage credit rate (%) [existing home, so use 30%] | _____ 30% |
| 5. Tax credit (\$15,785 x 30%) = | \$ 4,735 (max \$2,000) _____ |
| 6. The monthly benefit (\$2,000 ÷ 12) = | \$ 166 _____ |

* The maximum annual credit is up to \$2,000 per year. Not all borrower(s) will have a tax liability that reaches the maximum in any given year. **Best practice is to use the actual amount of federal taxes withheld on current tax return and divide by 12** to not over estimate what customer will get as actual benefit.