

SC HOUSING MORTGAGE TAX CREDIT (MCC)

The SC Mortgage Tax Credit Program is made available by the South Carolina State Housing Finance and Development Authority (SC Housing). An eligible homebuyer will receive a Mortgage Credit Certificate (MCC) which allows a **federal tax credit** that may reduce their income tax liability. The homebuyer’s tax liability may be reduced each year by an amount each year equal to 50% of the mortgage interest paid or \$2,000.00, whichever is less. The homebuyer remains eligible to receive the tax credit for as long as he retains ownership, lives in the home, pays interest on the mortgage and has an actual tax liability. The mortgage interest remaining after the tax credit may still be claimed as a mortgage interest deduction on the homebuyer’s federal income tax return. A MCC reduces a homebuyer’s tax liability dollar-for-dollar, but may never exceed the actual tax liability.

A homebuyer with a MCC may see an immediate increase in take-home pay by reducing the amount of federal tax their employer withholds. Or, they may choose to keep his tax withholding at the same level with the potential to receive a larger refund when filing federal income tax return.

NON-TARGETED COUNTIES:

The borrower must be a first-time homebuyer or not have had ownership interest in a principal residence in the three (3) years preceding the date on which the loan is closed in the following areas:*

Aiken	Anderson	Charleston	Greenwood	Greenville	Lancaster
Lexington	Oconee	Pickens	Richland	Spartanburg	York

**This requirement is waived for veterans that have been discharged in the last 25 years. Must have served on active duty in the US Armed Services or Reserves (other than active duty training) and received a discharge other than dishonorable.*

TARGETED COUNTIES:

The borrower must not own a home or have any ownership interest in a home at the time their loan is closed. This applies to the following targeted areas:

Abbeville	Allendale	Bamberg	Barnwell	Beaufort	Berkeley	Calhoun
Cherokee	Chester	Chesterfield	Clarendon	Colleton	Darlington	Dillon
Dorchester	Edgefield	Fairfield	Florence	Georgetown	Hampton	Horry
Jasper	Kershaw	Laurens	Lee	McCormick	Marion	Marlboro

Newberry	Orangeburg	Saluda	Sumter	Union	Williamsburg	
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EXAMPLE OF SAVINGS

First Mortgage	\$150,000
Interest Rate	4.00%
First Years Interest est.	\$6,000
MCC Rate	50%
Federal Liability Reduced By	\$2,000.00
Maximum Allowed Per Year	\$2,000.00
Calendar Year Divided By	12
Tax Savings Per Month	\$166.00

Borrower will receive a \$2,000 a dollar for dollar federal tax credit and a \$4,000 interest deduction. This amount is adjusted each year by the amount of interest paid on the mortgage.

QUALIFICATIONS:

- All Eligible properties must be
 - Single family (1 Unit) owner occupied primary residence
 - This also includes approved condominiums, townhomes, PUDS and FHA approve mobile homes
- Properties must be located in South Carolina
- Land Values cannot exceed 30% of the total appraised value
- Types of loans
 - Conventional, FHA, USDA, VA
- The Loans cannot be used in conjunction with a SC Housing bond loan, a qualified Veterans bond loan, a FHA 203(K) loan or with a USDA Direct loan
- Loan Terms – 30 years
- There are NO minimum credit score requirement or ratio overlays by SC Housing. Borrower must meet all lenders loan requirements. Loan must be approved by FNMA DU or FHLMC LP

The maximum fee to secure the SC Mortgage Tax Credit is \$700.00. This fee can be paid by the Mortgagor, the seller or in lender paid fees. The Fee is paid at closing and must be shown on the closing documents.

FIRST TIME HOMEBUYER REQUIREMENTS:

Borrowers must meet the qualifications for the first mortgage under SC Housing’s programs to be eligible which also includes Income limits and House price limits.

See attached charts for income categories and maximum home prices by county and household size.

All funding is based on availability, so please contact a lending partner to apply and reserve funds.

Questions can be sent to: mortgage.production@schousing.com or contact one of SC Housing’s approved lenders

