

Mortgage Credit Certificate Rates by Mortgage Amount

Mortgage Amount	Tax Credit Rate
\$50,000 and less	35%
\$50,001 to \$70,000	30%
\$70,001 to \$90,000	25%
\$90,001 and more	20%

Can You Afford To Turn Down An Extra \$162 Per Month?

If you or your family is planning to purchase a home, Ruoff Home Mortgage and the Indiana Housing and Community Development Authority can help you put money back in your wallet or pocketbook with a Homeownership Tax Credit (also known as a federal Mortgage Credit Certificate, or MCC).

Here's how the Homeownership Tax Credit works. You obtain a mortgage through Ruoff Home Mortgage. In addition to your mortgage, you will receive a certificate that provides you a federal tax credit of up to \$2,000 per year. A tax credit is more valuable than a tax deduction because it lowers your actual tax liability, rather than your taxable income.

The size of your Homeownership Tax Credit will vary based upon your mortgage loan amount. On a \$150,000 loan, you will receive a credit of 20 percent of the interest that you pay. For example, if your mortgage's interest rate is 6.5% you will pay \$9,750 in interest during the first 12 months and receive a Homeownership Tax Credit worth \$1,950. This averages out to approximately \$162.50 per month.

Branch Locations

Fort Wayne, Indiana

North

1110 E. Dupont Rd.
Fort Wayne, IN 46825
260.497.0800

Southwest

6920 Pointe Inverness Way, Suite 110
Fort Wayne, IN 46804
260.489.5595

Warsaw, Indiana

310 Enterprise Dr.
Warsaw, IN 46850
574.268.9033

South Bend, Indiana

1710 Edison Road
South Bend, IN 46617
574.234.5201

Elkhart, Indiana

57340 Alpha Drive
Goshen, IN 46528
574.830.5567

RUOFF
HOME MORTGAGE
1110 E. Dupont Rd.
Fort Wayne, IN 46825

**IHCDA
MORTGAGE
CREDIT
CERTIFICATE**



www.ruoff.com



What Is The Purpose of the Homeownership Tax Credit?

Indiana’s Mortgage Credit Certificate (MCC) was created in 1987 to benefit middle and lower-income home buyers. Administered by the Indiana Housing and Community Development Authority, the Homeownership Tax Credit allows qualified home buyers to lower their federal income tax liability for as long as they hold the original mortgage on their home (up to 30 years).

The purpose of this program is to make home ownership more affordable for first time home buyers. This program was designed to provide the consumer with as much flexibility as possible, since it may be applied to all types of loans (fixed rate, adjustable rate, conventional, FHA, VA, etc.).

Federal law does not allow the mortgage credit certificate to be used in conjunction with a mortgage financed by IHCD’s low interest First Home Plus. But, the mortgage credit certificate can be packaged with other competitive mortgage products, such as low down payment loans offered by the Federal Housing Administration (FHA). In metropolitan, areas some home builders may help you reduce up front expenses by paying a portion of your closing costs, or your ½ % application fee.

Who Qualifies For Credit?

To qualify for this credit, your household income must be below certain limits, which vary by county (see chart right of page). Or, visit the IHCD’s Web Site at www.indianahousing.org.

What Is The Credit Amount?

Your Homeownership Tax Credit amount will range between 20 percent and 35 percent of the interest that you pay on your mortgage each year, depending on the mortgage loan amount. The maximum credit per year is \$2,000. Since your interest payments change overtime, your credit also will vary from one year to the next.

What Are The Two Different Ways To Use The MCC Credit?

Option 1: Take the full tax credit at the end of the year when filing taxes. This amount is a dollar-for-dollar reduction against your federal tax liability.

Option 2: You may choose to revise your W-4 withholdings form to increase your take home pay from your employer. To do this you would need to contact your employer’s HR department.

How Does The Process Work?

Step 1 – Meet with your Ruoff Home Mortgage Loan Consultant who can help you determine whether you may qualify for a Homeownership Tax Credit based on your household income and the purchase price of the home you plan to buy. In Allen County, the acquisition ceiling is \$316,177.

Step 2 – If you believe you qualify, contact a professional tax consultant or accountant who can help you make the most effective use of your tax credit. IRS literature references the Homeownership Tax credit program as Mortgage Credit Certificate or MCCs.

Step 3 – When you apply for a mortgage, tell your Ruoff Home Mortgage Loan Consultant that you also would like to apply for a MCC tax credit. The application fee is equal to ½ percent of your mortgage loan amount.

Step 4 – Prior to your mortgage closing, your Ruoff Home Mortgage Loan Consultant will secure preliminary approval for your mortgage credit from IHCD. After closing, you will receive a certificate confirming your credit.

Step 5 – Take your certificate and your information sheet from IHCD to your tax advisor and ask about adjusting your 1040’s.

IHCD’s MCC 2011 Federal Income Limits

County	1 or 2 Persons	3 or more Persons
Adams	\$59,300	\$68,195
Allen +	\$63,000	\$72,450
Blackford	\$59,300	\$68,195
Dekalb	\$59,300	\$68,195
Elkhart +	\$59,300	\$68,195
Grant +	\$59,300	\$68,195
Huntington	\$59,300	\$68,195
Jay	\$59,300	\$68,195
Kosciusko	\$59,300	\$68,195
LaGrange	\$59,300	\$68,195
Noble	\$59,300	\$68,195
St. Joseph +	\$59,400	\$68,310
Stueben	\$59,300	\$68,195
Wabash	\$59,300	\$68,195
Wells	\$63,000	\$72,450
Whitley	\$63,000	\$72,450

Indiana Housing Community Development Authority defines a first time home buyer as someone whom has not had homeownership in the last three years.

* Represents a target county. In targeted counties, the first time home buyer requirement is waived.

+ Represents a non-target county but with target areas within the county.

Contact your Ruoff Home Mortgage Consultant to find out if your prospective home is located in a target area and if you qualify as a first time buyer.



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