



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Contact: Gordon Anderson 512.475.4743
Jill McFarren 512.475.2844

State housing agency supporting homeownership with \$15 million Mortgage Credit Certificate Program

(AUSTIN) — Understanding that homeownership is the key to creating stable families and communities, the Texas Department of Housing and Community Affairs (TDHCA) has launched a \$15 million Mortgage Credit Certificate (MCC) Program that will help hundreds of low to moderate income households purchase their first home and provide an array of economic and societal benefits to the state.

The MCC Program will make buying a home more affordable by providing an estimated 413 eligible homebuyers with a credit of up to \$2,000 against the federal taxes on the interest paid on their mortgage loan. Reducing the interest payments increases the borrower's disposable income, freeing up more money to qualify for the loan or make monthly mortgage payments.

"Promoting homeownership is a critical mission of the Department," said Michael Gerber, TDHCA Executive Director. "These funds will not only help Texas families purchase their first home, they will generate new construction jobs, increase the community's tax base and create more cohesive, close-knit neighborhoods. I strongly urge anyone who has thought the dream of owning a home was beyond their reach to explore this program. The state of Texas is ready to help you realize your dreams."

Under the MCC Program, homebuyers earning up to 115 percent of the area median family income are eligible to deduct 30 percent of the annual interest paid on their mortgage loan up to the maximum amount of \$2,000 per year. Depending on the loan amount and interest rate, homeowners could have up to \$167 per month in additional income to apply to their mortgage.

For residents living in certain "targeted" regions of the state, such as portions of southeast Texas designated as the Hurricane Rita Gulf Opportunity (GO) Zone, households may earn up to 140 percent of the median family income and still be eligible.

"The MCC Program is yet another helpful tool that TDHCA can offer to qualifying Texas families who are ready for homeownership," Gerber said. "It is a great program, and we are excited to bring it to our fellow Texans."

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221 E. 11TH • AUSTIN, TEXAS 78701 • (800) 525-0657 • (512) 475-3800

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All conventional mortgage products are eligible, and loans are available through a network of participating lenders. The MCC Program may not be used to refinance an existing loan, and the homebuyer must meet income limits, meet the qualifying requirements of the mortgage loan, and not have owned a home in the previous three years. The credit cannot be larger than the annual federal income tax liability, after all other credits and deductions have been taken into account.

For more information on the MCC Program, how to qualify for a credit, or to locate the nearest participating lender, please call TDHCA's Texas Homeownership Division toll free at (800) 792-1119 or visit the program's website at www.myfirsttexashome.com.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community and energy assistance programs, and colonia activities. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.