



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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TDHCA's Mortgage Credit Certificate can be your key to homeownership

(AUSTIN) — Promoting homeownership as the key to bringing prosperity to families and economic stability to local communities, the Texas Department of Housing and Community Affairs saluted two area homeowners who recently purchased their first home through the Department's Texas Mortgage Credit Program while reminding all residents of the benefits of homeownership.

The Department presented Emily and Tim Martinez, and Russell Forrester, both of Austin, each with the keys to their new homes at a ceremony held today to help heighten the awareness of this innovative homebuyer program. Joining both households were their respective lenders: Amanda Stewart of MSH Mortgage, and Elisa Hernandez and Michael Ray of Prime Lending

"Despite what you may be hearing about national housing trends, now is a great time to buy a home in Texas," said TDHCA Executive Director Michael Gerber. "Interest rates and home prices both have tumbled from a year ago. TDHCA's mortgage credit certificates make this the perfect opportunity to achieve the American Dream."

TDHCA in February released \$30 million in mortgage credit certificate authority through its Texas Mortgage Credit Program. The program, designed for first time homebuyers, helps make homeownership more affordable by providing a dollar for dollar reduction of a borrower's tax liability, not to exceed \$2,000 annually. Since June 2008, TDHCA has issued 305 mortgage credit certificates with a total value of \$11.5 million. Approximately \$25 million in mortgage credit certificate authority remains available.

Under the Texas Mortgage Credit 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. The \$2,000 is then deducted from the borrower's annual tax liability, and the benefit lasts for the entire life of the mortgage loan.

For residents living in economically distressed areas of the state as identified by census tract, the first time homebuyer requirement is waived, and households may earn up to 140 percent of the area median family income and still be eligible to participate. The first time homebuyer requirement is also waived for qualifying veterans of the U.S. armed forces; however veterans must have received an honorable as evidenced by form DD-214 to be eligible to participate.

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The program targets individuals and families buying their first home or who have not owed a home in the previous three years. Credits are available in conjunction with FHA, VA, USDA, or conventional mortgage loans issued through a statewide network of participating banks and mortgage companies who have agreed to participate with TDHCA in this initiative.

These lending products utilize strict and conservative underwriting standards, providing a safe, secure mortgage based on Fannie Mae and Freddie Mac guidelines.

In addition to helping make homeownership more affordable, Gerber noted that the Department's mortgage credit certificates will help create new construction and remodeling jobs, generate an influx of wages and salaries into local economies, and increase the local tax base.

"The Texas Mortgage Credit Program is yet another helpful tool that TDHCA can offer to qualifying Texans who, like Mr. Forester and the Martinez household, are prepared to be homeowners," he said. "This is a great program, and we are excited to bring them to our fellow Texans. If you are ready to take that step toward homeownership, the state is ready to help you."

For more information on either of these mortgage credit programs, 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.