

Mortgage Credit Certificate Program Term Sheet

Program Features:

- Mortgage Credit Certificates ("MCC") issued by SONYMA enables first-time homebuyers to convert 20% of their annual mortgage interest into a direct income tax credit on their Federal Tax Return for each year of the life of their loan;
- MCCs can be used with any fixed-rate mortgage product offered by your lender;
- Borrowers with MCCs can also take advantage of the \$8,000 Federal first-time homebuyer credit (if closed by November 30, 2009);
- Potential applicants will be able to estimate the amount of credit they may be eligible for by using SONYMA's MCC Benefits Calculator [click here](#).

Eligible Borrowers must:

- Be a first time homebuyer as defined by SONYMA;
- Meet SONYMA's Household Income Limit requirements ([click here to see Household Income Limits for your area](#));
- Occupy the home as their permanent residence;
- Not have used more than 15% of their current residence (or a prior residence) for a business or commercial use in the past year.

Note: If you currently own a residential investment or vacation home and you intend to retain ownership of the home, you will not qualify for a Mortgage Credit Certificate even if you are attempting to purchase a home located in a Target Area.

Eligible Properties must:

- Be located in New York State;
- Have a sales price that does not exceed SONYMA's Purchase Price limits ([click here to see Purchase Price Limits for your area](#));
- Not have been used for any business or commercial purpose;
- Be one of the following property types:
 - Existing or newly constructed one family home (includes condominiums and cooperatives);
 - Existing two, three, and four family home that is at least five years old as of the SONYMA loan application date and has been used only as a residence during the past five years;
 - Two family home located in a Target Area that is newly constructed or was constructed within the five years prior to the SONYMA loan application date; and

- Have a maximum of five (5) acres.

Additional Considerations:

- The amount of the MCC tax credit cannot exceed the amount of a borrower's *annual* Federal income tax liability. Unused portions of the credit may be carried forward for up to three (3) years.
- Failure to occupy the property will result in revocation of the MCC.
- All borrowers are subject to a potential "recapture tax" under Federal law. (Click here for details on recapture tax).
- **MCC recipients will be required to pay a one time MCC application fee of \$250 for mortgages equal to or less than \$100,000 and \$500 for mortgages greater than \$100,000.**

Exceptions for Borrowers Purchasing Homes in a Target Area:

Federal law provides certain special incentives for applicants purchasing homes in Federally-designated Target Areas. SONYMA is committed to helping revitalize these neighborhoods.

The incentives are as follows:

- The first time homebuyer requirement is eliminated;
- Household Income and home Purchase Prices Limits are higher (See SONYMA's Household Income Limits and Purchase Prices Limits); and
- Two family homes that are new constructed or are less than five (5) years old are eligible.

To apply for the Mortgage Credit Certificate program you must contact one of our Participating Lenders located statewide.

- **SONYMA's MCC Participating Lender List**

Free viewers are required for some of the attached documents.
They can be downloaded by clicking on the icons below.

