

The SC Housing 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 equal to **30%** 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. Any mortgage interest remaining after the tax credit may still be claimed as a mortgage interest deduction on the homebuyer’s federal income tax return. An MCC reduces a homebuyer’s tax liability dollar-for-dollar, but may never exceed the actual tax liability.

A homebuyer with an 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 their withholdings at the same level with the potential to receive a larger refund when filing federal income tax returns or by reducing the amount of taxes owed.

	MCC Program Requirements												
Homebuyer Eligibility Requirements	<p>Borrowers purchasing property in the following non-targeted counties must not have had an ownership interest in another property within the three years prior to loan closing:</p> <table><tr><td>Aiken</td><td>Greenville</td><td>Lexington</td><td>Richland</td></tr><tr><td>Anderson</td><td>Greenwood</td><td>Oconee</td><td>Spartanburg</td></tr><tr><td>Charleston</td><td>Lancaster</td><td>Pickens</td><td>York</td></tr></table> <p>Borrowers purchasing properties in all other targeted counties cannot have an ownership interest in another property at the time of loan closing, but may have had an ownership interest in another property within the past three years.</p> <p>The First Time Homebuyer requirement in non-targeted counties will be waived for Veterans. Must have served on Active Duty in the US Armed Forces or Reserves (other than active duty for training) and received a discharge other than dishonorable within the last 25 years.</p>	Aiken	Greenville	Lexington	Richland	Anderson	Greenwood	Oconee	Spartanburg	Charleston	Lancaster	Pickens	York
Aiken	Greenville	Lexington	Richland										
Anderson	Greenwood	Oconee	Spartanburg										
Charleston	Lancaster	Pickens	York										
Sales Price and Income Limits	<p>Sales price and income limits are county-specific. Refer to the SC Housing Homebuyer Sales Price and Income Limits that can be found in Lender Online and are subject to change without notice.</p> <p>For detailed information on how to calculate Household Income for program compliance, see the SC Housing Mortgage Credit Certificate Program Guide/Manual also found in Lender Online.</p>												

	MCC Program Requirements			
Calculation of Tax Advantage – Example		First Mortgage	\$225,000	
		Interest Rate	3.00%	
		First Years Interest	\$6,750.00	
		MCC Rate	30%	
		Federal Liability Reduced By	\$2,025.00	
		Maximum Allowed Per Year	\$2,000.00	
		Calendar Year Divided By	12	
		Tax Savings Per Month	\$166.66	
Eligible Properties	<p>All eligible properties must be</p> <ul style="list-style-type: none"> • Single Family (1 unit) • Owner-occupied, primary residence • Townhomes • Condominium (approved by Fannie Mae, Freddie Mac or applicable insurer – FHA, VA or USDA) • PUDs (approved by Fannie Mae, Freddie Mac or applicable insurer – FHA, VA or USDA) • Any off-frame modular or manufactured housing eligible for insurance under FHA, VA, USDA or Conventional loan guidelines. • Property must be located in South Carolina 			
Loan Types	This program can be used with Conventional, FHA, VA and Guaranteed Rural Housing loans. The MCC cannot be used in conjunction with a SC Housing bond loan or FHA 203(K).			
Loan Terms	30-year fixed rate			
Reservation	<p>All SC Housing Mortgage Tax Credit Program (MCC) Files will be reserved for 60 days using Lender on Line via https://lol.schousing.com .</p> <p>Loans must close within the 60-day reservation. A one-time 30-day lock extension will be allowed. Any request for extension on a reservation, must be submitted prior to expiration of the original lock.</p>			
Credit Score Requirements	There are no minimum credit score requirements for the SC Housing Mortgage Tax Credit Program. However, if the MCC is issued in conjunction with another SC Housing Loan Program, all applicants must meet the credit score requirements outlined in the respective program guide.			
Federal Tax Transcripts	<p>Tax Transcripts for the last three calendar years are required on all MCC submissions, regardless of whether property is located in a targeted or non-targeted county.</p> <p>Taxes for the most current year must be filed no later than February 15 of the following calendar year.</p>			
Qualifying a Mortgagor with MCC	The MCC Tax Credit may either be used as income to qualify or as a reduction to the monthly payment subject to investor guidelines/requirements. SC Housing does not make the determination for credit qualifying purposes; please consult your underwriter for further clarification.			
Closing Requirements	Once the borrower has been determined eligible for the MCC, SC Housing will issue a Certificate of Eligibility and all necessary documents that must be executed by the borrower(s) prior to the issuance of the MCC certificate.			

	MCC Program Requirements
	THE MCC MUST BE CLOSED SIMULTANEOUS WITH THE FIRST MORTGAGE CLOSING. All MCC closing documents must be dated the day of closing. MCC Certificate will not be issued if documents are not executed same day.
Delivery Requirements	The Approval Submission Package must be sent to SC Housing at least 15 days prior to the scheduled loan closing. The loan file must be delivered via e-Docs in accordance with the MCC Transmittal Checklist (SC-MCC-101).
Closed Loan Submission Package	<p>After loan closing, SC Housing requires submission of the original closed loan package, in accordance with the Closing Package Checklist (SC-MCC-300).</p> <p>Lender must include a check payable to South Carolina State Housing Finance and Development Authority for the MCC Issuance Fee of \$500.00. This check must be certified funds or a lender check.</p> <p>The first mortgage and the MCC must be closed and executed by the Commitment Expiration noted on the Conditional Commitment – NO EXCEPTIONS.</p> <p>The documentation outlined below must be submitted to SC Housing within 30 days of the MCC Conditional Commitment Expiration Date. Failure to comply with this requirement will result in an automatic cancelation of the Conditional Commitment.</p> <p>Upon receipt and review of acceptable documentation the Mortgage Tax Credit Certificate will be issued and the original will be mailed to the borrower and copy will be forwarded to the lender.</p>
Fees and Costs	In addition to the MCC non-refundable funding fee of \$500 , the lender has the option of charging the borrower an additional administrative fee of up to \$500 for the MCC. The fee can be paid by the borrower or seller.
Federal Recapture	The Mortgage Tax Credit program is subject to Federal Recapture
Re-Financing of a Loan with a MCC	<p>Borrower(s) that have a loan with an existing MCC attached can re-finance their homes and still keep the MCC. The following requirements apply:</p> <ul style="list-style-type: none"> • The property must be owner occupied • The MCC percentage amount will be the same as the original MCC • The loan must be a fixed rate loan to a fixed rate loan • One re-issuance per eligible holder • The re-issuance must be completed within 1-year of the refinance closing • A \$250 re-issuance fee will be required • See SC Housing Mortgage Credit Certificate Program Guide/Manual more details
Contact Information	<p style="text-align: center;">Lender Help Desk 803.896.2211 mortgage.production@schousing.com</p> <p style="text-align: center;">Underwriting Questions/File Submission and Status Updates under.writing@schousing.com</p>