

mortgage credit certificates (mcc)



making homeownership affordable
in colorado

what is a mortgage credit certificate?

The Mortgage Credit Certificate (MCC) program allows first time homebuyers to claim up to 20 percent of the paid mortgage interest each year as a federal income tax credit. MCCs are currently available in certain counties. Coming soon, CHFA will offer MCCs statewide.

how does the program work?

- For the life of the loan, MCC holders may claim a dollar-for-dollar reduction of income tax liability equal to 20 percent of the paid mortgage interest on the first mortgage. This reduces the amount of federal taxes owed, but cannot be issued as a refund.
- Because the liability is lower, additional income is available to qualify for a mortgage loan.
- The remaining 80 percent of the paid mortgage interest continues to qualify as an itemized tax deduction for the MCC holder.
- An MCC is valid as long as the original mortgage is outstanding and the financed home is the MCC holder's primary residence.
- If this home is sold, the transaction may be subject to the Federal Recapture Tax.



how can I obtain an mcc?

- First time homebuyers who meet the income and purchase price limits should contact a participating lender.
- Lenders make a reservation with CHFA and submit the loan for a compliance review.
- Upon completion of required documentation and after the loan closes, CHFA will send the certificate to the borrower for tax purposes.

reissued mortgage credit certificate?

MCC holders may be eligible to have their MCC reissued upon refinance. Visit our website for more information.

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