



NC Home Advantage  
TAX CREDIT

## Buying Your 1<sup>st</sup> Home? Make it Happen with Up to \$2,000 in Annual Tax Savings

**The NC Home Advantage Tax Credit** is a Mortgage Credit Certificate (MCC) that allows eligible buyers to receive a federal tax credit of 30% of the mortgage interest paid annually on existing homes (50% on new construction). If you qualify, you could save up to \$2,000 per year on your federal tax liability.

### Am I Eligible for the NC Home Advantage Tax Credit?

- ✓ You are a first-time buyer (have not owned a principal residence in three years), military veteran or are purchasing a home in a targeted area
- ✓ Your income and home sales price do not exceed certain limits
- ✓ You are buying a home in North Carolina
- ✓ You occupy the home as your principal residence within 60 days of closing
- ✓ You are a legal resident of the United States

### 🔑 How Does the MCC Work?

On a \$200,000 mortgage with an interest rate of 5.5%, you might pay \$11,000 in interest in the first full year of your loan. The MCC would allow you to take a federal income tax credit up to \$2,000 for that year. Please note that you can still claim a mortgage interest deduction for the remaining 70% of the mortgage interest paid if you itemize deductions. An MCC can be used with most fixed-rate mortgages, including the NC Home Advantage Mortgage™, and with some adjustable-rate mortgages. Home buyers must be approved for the MCC before their home purchase to get the tax credit.



### HOW TO APPLY

The NC Home Advantage suite of products is offered statewide by the NC Housing Finance Agency, a self-supporting public agency, through participating lenders. Find a lender near you at [www.nchfa.com/home-buyers/find-lender](http://www.nchfa.com/home-buyers/find-lender) or by calling 1-800-393-0988 or contact the home buying partners above to get started.

