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## **LHC Launces New Tax Credit Program for Select Homebuyers**

BATON ROUGE, LA - The Louisiana Housing Corporation (LHC) is launching a new \$5 million program that will enable first-time homebuyers, veterans and individuals purchasing a home in certain areas of the state to take up to a \$2,000 annual tax credit on top of available grants for down payment assistance and closing costs.

"Homebuyers will be able to claim a dollar for dollar tax benefit every year as long as they remain in their home," said LHC Executive Director Keith Cunningham. "This is the first statewide program of its kind and is another way we're working to expand homeownership opportunities to Louisiana residents."

The Mortgage Credit Certificate (MCC) Program will be available statewide and enables first-time homebuyers to take up to 40 percent of their annual mortgage interest payments as a tax credit against their personal income tax. The LHC defines a "first-time homebuyer" as a Louisiana resident who has not owned a principal residence in the past three years, so previous homeowners may still qualify. The first-time homebuyer requirement is waived for applicants who are qualified veterans and individuals who purchase a home in a [Federally Designated Targeted Area](#).

Borrowers using the MCC Program will be able to claim a tax credit annually on their federal tax returns or monthly through an adjustment on their W-4s. Borrowers who choose the monthly option will see an increase in their take home pay and disposable income, thereby improving the qualification of their loan amount.

"Depending upon the borrower's tax bracket, a tax credit is typically better than a tax deduction because it reduces the borrower's tax bill on a dollar-for-dollar basis," said Brenda Evans, Director of Housing Development. "The tax benefits of the MCC program can vary, so we encourage borrowers to learn about the program and talk to their lenders about it, because it is a great financial opportunity for new homeowners."

Another benefit of the MCC program is it can be used in addition to the LHC's down payment and closing cost assistance programs. LHC's Market Rate and Preferred Conventional programs offer grants totaling 3 percent to 4 percent of the loan amount and do not have to be paid back, regardless of the length of time borrowers stay in their new homes.

For more information about the MCC program, visit [www.lhc.la.gov/page/MCC](http://www.lhc.la.gov/page/MCC) or call the LHC toll-free at 1-888-454-2001. Homebuyers must meet published purchase and income limits in order to qualify.

For information about the LHC's down payment and closing cost assistance programs, visit [www.lhc.la.gov/page/buyers](http://www.lhc.la.gov/page/buyers) and click [Market Rate GNMA Program](#) or [LHC Preferred Conventional Program](#).