



Department of Business & Industry

Together, HOME is Possible!



MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM

ADMINISTRATOR'S GUIDE

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Updates on Page 3

Revised _____



Revisions Table
(during Origination Period)

Date	Revision	Page

MORTGAGE CREDIT CERTIFICATE PROGRAM TEAM



Nevada Housing Division (NHD)

Creates the MCC program with two credit programs that have down payment assistance that may be used with the MCC program. The HFA markets the program. The HFA also solicits the participation of other counties and signs inter-local agreements with those choosing to participate.

Participating Lenders

Take applications, reserve the MCC in the eHousingPlus system, process, underwrite, approve, fund, close and may sell qualified first mortgage loans to the program. Lenders submit MCC compliance file documents to eHousingPlus for compliance approval.

eHousingPlus Program Administration

Maintains the program reservation system, websites, and posts guides, forms, training materials, provides training on compliance issues and system, answers program compliance questions, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

WHO TO CONTACT

Question	Direct Questions to:	Contact Information
General Program Compliance Questions Assistance with eHP Lender Portal Assistance with User Credentials for eHP Lender Portal	eHousingPlus (eHP)	Sue Denihan sue@ehousing.cc 813-579-6293 Patt Denihan patt@ehousing.cc 954-430-6072 Joe Athey joe@ehousing.cc 813-579-6294 Jennifer Erwin Jennifer@ehousing.cc 813-579-6295 Vicki Stewart Vicki@ehousing.cc 813-579-6283
Update an Underwriter Certified Loan	eHousingPlus (eHP)	Anyone at eHP Compliance Office services@ehousingplus.com 954-217-0817
Program Training Problems with Training	eHousingPlus (eHP)	Click on this link to attend MCC Program Training. Joe Athey 813-579-6294 joe@ehousing.cc
System Software Training for eHP Lender Portal	eHousingPlus (eHP)	Click on this link for the once weekly Live Webinar: http://www.ehousingplus.com/ehp-system-trainings/ Or Contact: Jennifer Erwin jennifer@ehousing.cc 813-579-6295 Vicki Stewart vicki@ehousing.cc 813-579-6283
Questions regarding the shipping of closing loan files	eHousingPlus (eHP) for questions regarding the program compliance file	services@eHousingPlus.com 954-217-0817
Questions regarding exceptions	eHousingPlus (eHP) for questions regarding exceptions on the program compliance file	Debbie Kerr eHP.exceptions@ehousingplus.com 954-217-0817 X216

TAX DISCLAIMER

This material is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This material may be used to support the promotion or marketing of the matter discussed herein. The taxpayer should seek advice from an independent tax advisor regarding the matters set forth herein based on the taxpayer's particular circumstances.

MORTGAGE CERTIFICATE CERTIFICATE (MCC) PROGRAM

Nevada Housing Division (NHD) has authorized the issuance of Mortgage Credit Certificates (MCCs), a federal income tax credit that is a portion of the mortgage interest paid each year. The credit offers a decrease in federal income tax liability. So the MCC has value only if the MCC recipient has tax liability after all other deductions and credits have been applied.

MCCs are nonrefundable. An MCC "converts" a portion of a mortgage loan interest deduction into a credit against the homeowner's federal income taxes. This dollar-for-dollar federal tax credit is equal to 20% of a homebuyer's annual mortgage interest on an eligible Category 1 Mortgage Loan and equal to 30% of a homebuyer's annual mortgage interest with a maximum credit of \$2,000 on an eligible Category 2 Mortgage Loan. Under NHD's MCC Program, a Category 1 Loan has a Loan Amount of \$225,000 or more and a Category 2 Loan has a Loan Amount under \$225,000.

The amount of the credit actually claimed on the MCC holder's federal income tax return cannot exceed the amount of federal income taxes due after all other credits and deductions have been taken into account. For example, if after taking into account other tax credits and deductions, a borrower only owes \$1,000, he or she cannot use the MCC tax credits in an amount in excess of \$1,000. Any unused MCC related tax credit can be carried forward up to three years to be applied against future income tax liability.

A purchaser of a new or existing single family home may apply for a MCC through any mortgage lender (who is willing to sign an agreement with NHD). Any lender is eligible to participate in the Program by entering into a Participation Agreement and complying with Program requirements. The MCC cannot be issued to a homebuyer who is refinancing an existing mortgage or in connection with a mortgage from a relative. Also, the MCC cannot be used in connection with a tax-exempt, bond-financed mortgage loan.

It's important to note that all or a portion of the MCC related tax credit may be subject to recapture if the Residence is disposed of (including by judicial process such as a foreclosure), refinanced, rented, ceases to be the principal residence of the MCC recipient within the first full nine years of ownership. This tax credit recapture is further explained in the Notice of Potential Recapture Tax and in the About Recapture Tax attachment to the Notice provided to an applicant. See IRS Form 8828 for more detailed information.

NHD offers qualified homebuyers the possibility of receiving a reimbursement of Recapture Tax should they have to pay. Also attached to the Notice of Potential Recapture Tax is the NHD Reimbursement Policy.

The Notice of Potential Recapture and the About Recapture Tax and NHD Reimbursement Policy are available upfront on the NHD MCC program web page in the web-based system. This makes it possible to have the applicant sign and receive this program disclosure early in the process.

FIRST MORTGAGE PRODUCT THAT MAY BE USED WITH THE MCC

A Mortgage Credit Certificate (MCC) is not a first mortgage or a down payment assistance (DPA) program. It is a federal income tax credit for qualified first-time homebuyers. But it must be issued in conjunction with one of the following first mortgage loans:

1. Nevada Housing Division (NHD) HiP first mortgage. NHD sets the interest rate and terms, OR
2. Lender's product from their rate sheet that **MUST** be a fixed rate product. It may be any loan type.

IMPORTANT: The Mortgage Credit Certificate program has stricter requirements than the Nevada Housing Division HiP first mortgage programs. If using the MCC with the Nevada Housing Division HiP first mortgage, the MCC stricter requirements apply.

MCC PROGRAM REQUIREMENTS

Regardless of the first mortgage, all loans with MCC's have the following requirements:

- Borrowers must be first-time buyers
- Borrowers and spouses must be able to permanently reside in the US.
- Work visas, student visas, any temporary visas do not qualify.
- Past 3 years tax returns or tax transcripts (any combination) for borrowers.
- Borrowers must live in the property they purchase as their principal residence.
- All applicants must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.
- Borrowers must occupy the property purchased within 60 days of closing.
- The past three years federal income tax transcripts are **NOT** required for **Targeted Area** buyers or those meeting the **Veterans Exception** requirements.

Military Discount

Qualified Military will be offered a FREE MCC and the lender may also charge a \$300 MCC fee (see program fees page of this guide for details). Veterans who have been honorably discharged, those serving on Active Duty, National Guard service personnel and Surviving Spouses are eligible. The most recent pay stub will be required for Active Duty and copy of the DD214 for Veterans.

Veterans Exception

Qualified Veterans do not have to be first-time buyers. For the Veterans Exception, "Veteran" is defined as "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable." The Veteran cannot have previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran exception to the first-time homebuyer requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006. Borrower must provide true and correct copies of discharge or release papers, which demonstrate that such discharge or release was other than dishonorable.

Targeted Areas

Borrowers purchasing in targeted areas do not need to be first-time buyers. And do not need to submit the past three years tax transcripts. Targeted areas are determined by census tract number provided by HUD specifically for this program. Targeted areas are considered either economically distressed or have very low loan origination.

Eligible Area

The Nevada Housing Division is authorized to offer the MCC Program state-wide.

INCOME LIMITS

Use 1003 Qualifying Income (cosigner income excluded).

Maximum Income Limits for Targeted and Non-Targeted Areas (Effective June 15, 2017)

Carson City Municipality	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,060
Churchill County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,620
Clark County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$73,225	\$88,620
Douglas County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$77,431	\$83,040
Families of 3 or more persons	\$89,045	\$96,880
Elko County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$80,000	\$96,000
Families of 3 or more persons	\$92,000	\$112,000
Eureka County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$78,700	\$94,440
Families of 3 or more persons	\$90,505	\$110,180
Humboldt County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$76,600	\$91,920
Families of 3 or more persons	\$88,090	\$107,240
Lander County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$82,200	\$98,640
Families of 3 or more persons	\$94,530	\$115,080
Lyon and Nye Counties	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,060

Mineral County	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,060
Esmeralda and Lincoln	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,060
Pershing	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$62,900	\$75,480
Families of 3 or more persons	\$72,335	\$88,060
Storey	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$73,304	\$81,720
Families of 3 or more persons	\$84,300	\$95,340
Washoe	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$73,304	\$81,720
Families of 3 or more persons	\$84,300	\$95,340
White Pine	NON-TARGETED AREAS	TARGETED AREAS
Families of 2 or fewer persons	\$70,100	\$84,120
Families of 3 or more persons	\$80,615	\$98,140

TARGETED AREAS FOR THIS PROGRAM

Targeted Area census tracts are determined by HUD for this program.

Census Tract Numbers of Targeted Areas - CLARK COUNTY

3.01	6.00	24.05	43.02
3.02	7.00	25.06	46.01
4.02	8.00	29.54	46.02
5.14	11.00	29.56	47.07
5.21	15.01	29.96	47.09
5.22	16.12	34.28	47.10
5.23	22.04	34.31	47.12
5.24	22.07	38.00	47.13
5.28	24.03	40.00	47.15
	24.04	43.01	71.00

Census Tract Numbers of Targeted Areas - WASHOE COUNTY

1.02	18.02
2.01	21.02
9.00	22.11
10.08	27.03
17.01	

Census Tract Numbers of Targeted Areas - MINERAL COUNTY

9708	
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To determine the census tract of a property, please use the link below

<http://www.ffiec.gov/Geocode/default.aspx>

Property Requirements

- New or existing, one unit, detached or attached, condos, townhomes and manufactured housing.
- Homes are considered new if never previously occupied.
- Mobile, recreational, seasonal or other types of vacation or non-permanent homes are not permitted.
- Land may not exceed the size required to maintain basic livability. *Example: If property can be subdivided and sold off in pieces, that property does not qualify.”
- Properties purchased in the program must be residential units.
- No more than 15% of the square footage of the home being purchased may be used in connection with a trade or business including Child Care services.

**Acquisition Cost
(aka Sales Price or Purchase Price)
and does not exceed maximum listed in county of home purchase**

Maximum Home Purchase Prices Non-Targeted and Targeted Areas (Effective June 15 , 2017)

County	NON-TARGETED AREAS	TARGETED AREA
Carson City Municipality	\$263,646	\$322,235
Churchill	\$253,809	\$310,211
Clark	\$264,706	\$323,529
Douglas	\$333,529	\$407,646
Mineral	\$253,809	\$310,211
Storey	\$317,646	\$388,235
Wash	\$317,646	\$388,235
Elko, Eureka, Nye, Lyon, Esmeralda, Humboldt, White Pine Lander, Lincoln, Pershing.	\$253,809	\$310,211

Homebuyer Education

All buyers (any person on the Note/Warranty Deed) MUST complete an approved homebuyer education course acceptable to NHD. Approved courses are:

1. **Nevada Housing Division** - www.homeispossiblenv.org
2. **eHomeAmerica** (local agencies are approved online education providers)
www.ehomeamerica.org
3. **Women's Development Center** – www.wdclv.org
4. **Financial Guidance Center** – www.financialguidancecenter.org
5. **Housing for Nevada** – www.housingfornevada.org
6. **Community Services of NV** – www.csnv.org
7. **Finally Home** - www.finallyhomecourse.com/
8. **Neighborhood Housing Services Southern Nevada** – 702-649-0998
9. **Chicanos por La Causa CPLC** – 702-207-1614
10. **Nevada Partners** – 702-924-2100
11. **Additional HUD-approved agencies** – www.HUD.gov
12. **MGIC** - <https://www.mgic.com/lender-services/homebuyer-education.html>
13. **Nevada Rural Housing Authority** - <http://nvrural.org/homebuyer-services/prospective-homebuyer/homebuyer-education>

LENDER TRAINING REQUIREMENTS

MANDATORY PROGRAM TRAINING FOR LENDERS

Lender training is mandatory for anyone working with this program. eHousingPlus provides program training online 24/7. To attend, click here: http://www.ehpuniversity.com/index.html?page_id=56

eHousingPlus LENDER PORTAL SYSTEM TRAINING

Conducted once a week via live WebEx with the eHousingPlus Compliance Office. Anyone who will need access to the eHousingPlus Lender Portal for the MCC program will need to attend. Training lasts 45 to 60 minutes. [Click here to register to attend.](#)

LENDER PORTAL USER CREDENTIALS

Those lenders who have credentials in the current HiP program will be granted access. A new lender will need to request user credentials following Program training.

MCC RESERVATION TO COMPLIANCE APPROVAL PROCESS

QUALIFY

Lenders use MCC program requirements to qualify applicants for the program. Buyers must present an executed sales agreement before being entered into the program reservation system. Once qualified, MCC applicant signs the Notice of Potential Recapture. The Notice and attachments may be found on the eHousingPlus NHD Programs page under Guide & Forms. There are not many program disclosures. Please provide as soon as possible.

RESERVE A STAND ALONE MCC

To reserve the MCC, visit the eHousingPlus web page for the Nevada Housing Division MCC program, locate and click on the Lender/Program Portal. The borrower is required to have a signed real estate purchase contract for a specific address. You will need a 1003 loan application and the Real Estate Purchase contract in order to make a reservation. If the reservation is successful, you will receive a loan number and a message that you've completed the reservation successfully.

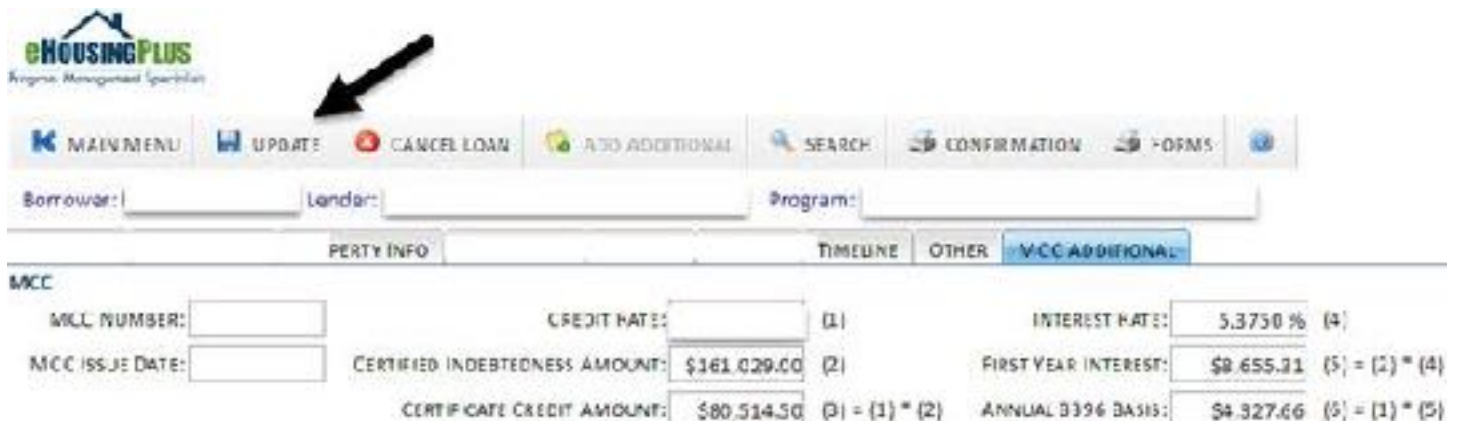
RESERVE A HiP FIRST MORTGAGE AND MCC COMBO LOAN

To reserve the HiP first and MCC, visit the [eHousingPlus web page for the Nevada Housing Division HiP program](#), locate and click on the Lender/Program Portal. You will reserve the HiP first mortgage within the Lender Portal. The borrower is required to have a signed real estate purchase contract for a specific address. You will need a 1003 and the Real Estate Purchase contract in order to make a reservation. If the reservation is successful, you will receive a loan number and a message that you've completed the reservation successfully. Immediately after you reserve the HiP first mortgage click on the "Add Additional" button from the Main Menu found when looking at the loan details. See example below for Step-by-step details to add the MCC to a HiP first mortgage.

STEP 1 - CLICK ON ADD ADDITIONAL BUTTON



STEP 2 - DO NOT ENTER ANY INFORMATION, ACKNOWLEDGE YOU WANT THE MCC AND CLICK ON UPDATE BUTTON



PROCESS

Lenders process the loan as they would normally keeping in mind the program timelines.

UNDERWRITE AND CERTIFY

Lenders underwrite and are responsible for credit decisions of the loans in the program. Following credit approval AND WITHIN 20 DAYS OF LOAN RESERVATION, Underwriter completes the online Underwriter Certification within the eHousingPlus Lender Portal.

The Lender must follow Insurer/Guarantor guidelines if considering using the MCC benefit when underwriting. This is a relationship outside the program solely between the Lender and ultimate Investor. Lenders are totally responsible for such decisions.

CLOSE

Borrower executes the Affidavit (Mortgagor Affidavit & Lender Certificate).

SHIP / SUBMIT

Ship the Compliance File to eHousingPlus. The Compliance File Checklist is found within the eHousingPlus Lender Portal in the Loan Forms section.

EXCEPTIONS

Lenders are notified by eHousingPlus of exceptions via email and in eHousingPlus Lender Portal.

PROCESSING TIMETABLE

Loan Processing, Delivery and Purchase Timetable

Once a loan is reserved in the eHousingPlus system and is provided the Servicer's Loan number, the loan must be:

- (1) underwriter certified within 20 days of loan reservation
- (2) closed and delivered to the Servicer within 45 days of loan reservation and
- (3) purchased within 70 days of loan reservation.

Loans not meeting the deadlines, will cancel automatically without further notice. Lenders should review their pipeline reports on a continuous basis in accordance with the provisions of the Agreement.

MCC Term of Program Regardless of First Mortgage Type

MCCs must be made for loans receiving Compliance Approval on or before December 31, 2018.

PROGRAM FEES

These fees are non-refundable.

ADDITIONAL FEES MAY APPLY FOR NHD MCC Program such as Servicer Fees that are netted at purchase.

Program Fees

Fees are assessed on a per-file fee basis, individually or as a combined package, as stated below. Fees are submitted together with the Compliance File by the lender, at the time of loan package delivery.

There may be additional fees incurred, such as fees for chronically deficient file deliveries by lenders who fail to follow directions consistently and are delivering poor files. The MCC's can be reprinted the first year for no additional expense, but after the first year there is a small fee.

**Corporate or Cashier checks should be made payable to eHousingPlus.
NOTE: BORROWER LAST NAME & OUR LOAN NUMBER MUST BE INCLUDED ON THE CHECK OR WIRE/ACH.**

- | | |
|--------------------------------------------------------------------------------------------------------|-----------|
| • Stand Alone MCC
(MCC Only loan) | \$ 795.00 |
| • MCC when using Military Discount*
(MCC loan using Military Discount) | \$ FREE |
| • Combined HiP First Mortgage AND MCC
(HiP loans and HiP Teachers with an MCC) | \$ 670.00 |
| • Combined HiP Heroes First Mortgage AND MCC
(HiP Heroes loan with an MCC using Military Discount*) | \$ 275.00 |
| • Lender MCC Fee
(This fee may be charged with ANY MCC loan) | \$ 300.00 |
| • Certificate Reprint AFTER the first year, if needed | \$ 100.00 |
| • Lender fee for chronically deficient file(s), if applicable | \$ 100.00 |
| • Certificate Reprint up to 12 months after the MCC is issued | no charge |

*Qualified Military will be offered a FREE MCC (see above) and the lender may also charge a \$300 Lender MCC fee. Veterans who have been honorably discharged, those serving on Active Duty, National Guard service personnel and Surviving Spouses are eligible. The most recent pay stub will be required for Active Duty and copy of the DD214 for Veterans.

PROGRAM FORMS

The program forms are generated directly from the eHousingPlus Lender Portal at the loan level. The program forms MUST be printed from the Lender Portal. It is not acceptable to re-create program forms.

All forms are available behind security in the eHousingPlus Lender Portal. The forms are behind security so that system data is accessed when the forms are printed. The forms auto-fill and are ready for execution. It's important that Underwriters and Closers are certain that the data in the system is correct before forms are printed. Forms are subject to change without notice. That's why it's important that lenders use forms directly from the Lender Portal.

The simple rule of who signs program forms – if the person is named on the Mortgage or Warranty Deed, they sign the compliance forms. Also, remember Cosigners cannot live in property, do not sign program documents or take title.

Original, personal signatures of all borrowers are required and must match on all documents associated with the transaction. Whenever a party is known in any of the documents by more than a single name, a Name Affidavit Will Be Required. Powers of Attorney and/or Personal Representatives for the Borrower Are Not Acceptable. Exception: Active Duty Military Personnel may provide an "Alive and Well" letter.

DOCUMENTS REQUIRED FOR THE MCC COMPLIANCE FILE

eHousingPlus has developed a checklist to be utilized after closing to assemble the Compliance File that is delivered to eHousingPlus. The checklist is located in the eHP Lender Portal in the Loan Forms area.

PLEASE SUBMIT ONLY COMPLETE FILES IN AN ACCO-BOUND FILE FOLDER IN THE EXACT ORDER SHOWN BELOW. INCOMPLETE AND NON ACCO-BOUND FILES WILL BE RETURNED AT LENDER EXPENSE.

- The Compliance Checklist
- Compliance/Admin Fee (non-refundable)

ORIGINAL OR CERTIFIED TRUE ONLY OF THE FOLLOWING:

- SIGNED Notice of Potential Recapture 1 page
- SIGNED Affidavit - Mortgagor & Lender Certificate - 2 pages

COPIES OF THE FOLLOWING:

- Signed 3 years Income Tax Returns or Transcripts or any combination
- Homebuyer Education Certificate
- Real Estate Purchase Contract
- FINAL SIGNED 1003
- FINAL SIGNED CLOSING DISCLOSURE (TRID form)
- Warranty Deed
- DD214 ONLY if Veteran is qualifying under HiP for Heroes Military Discount or Veterans Exception
- Recent Pay Stub ONLY for active duty military qualifying under HiP for Heroes Military Discount

**THE COMPLETE ACCO-BOUND COMPLIANCE FILE FOLDER IS SUBMITTED TO:
eHousingPlus. 3050 Universal Blvd., Suite 190, Weston, FL 33331**