

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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17W-116

Attention: Business Development Managers & Mortgage Brokers

December 8, 2017

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: Mortgage Credit Certificate – Uncertainty of Future Update

Due to the **proposed** Federal Tax Reform, there is still uncertainty of the future of the Mortgage Credit Certificate (MCC) programs. As previously announced, the current version of the House Bill includes elimination of MCC programs, and currently reflects an effective date of December 31, 2017. Given the continued uncertainty, new MCC reservations are no longer being accepted.

Please note that all MCCs need to be **issued** on or before December 31, 2017 based on the pending tax bill. Many housing agencies (such as CalHFA) have issued more stringent timelines which have already been communicated.

All loans with CalHFA MCCs must already be closed and funded. Non-CalHFA MCC must fund by December 18, 2017. Because MCC agencies may have stricter timelines, it is critical that brokers bring each unfunded loan to the MCC team now, to review the specific deadlines and ensure a funding can take place.

Background:

The U.S. House of Representatives has passed a tax-reform package that eliminates the Mortgage Credit Certificate (MCC) program after December 31, 2017. As it currently stands, Housing Finance Agencies (HFAs) will be unable to reissue any existing MCCs for homeowners who refinance their homes after December 31, 2017. (Currently, an MCC is in effect for the life of the home loan, but must be reissued if the loan is refinanced).

MWF will continue to monitor the updates regarding the proposed draft bill. As we receive updates, the information will be shared. Please contact the MCC team at MCC@mwfinc.com with questions about existing MCC reservations.

Author: Strategic Products