

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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17W-122

Attention: Business Development Managers & Mortgage Brokers

December 22, 2017

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

Included in this Bulletin: **MCCs Preserved Under Tax Reform Bill**

Great news! Under the tax legislation just signed into law, the Mortgage Credit Certificate (MCC) program will not be eliminated after December 31, 2017. This means existing approved MCCs programs may continue to be offered by Mountain West Financial. However, please note that CalHFA has provided special guidance regarding their MCC program:

- **ALL MCCs will continue to be ineligible for credit qualifying purposes on CalHFA first mortgage loans reserved on or after Friday, November 17, 2017.**
- CalHFA MCCs can be used for qualifying purposes on **non-CalHFA first mortgages**.
- CalHFA will continue to issue MCCs until current funding allocation is depleted.
- Lenders may reserve new CalHFA MCCs until funds have been exhausted.
- CalHFA does not intend to seek additional funding for their MCC program.

Borrower MCC Benefits:

- Receive dollar-for-dollar tax credit, reduces potential federal income tax liability.
- Save money and increase disposable income to purchase a home.
- More easily qualify for a higher first mortgage (note: **cannot** be used for qualification on CalHFA first mortgages):
 - Conventional and FHA loans: adds additional disposable income.
 - VA loans: added to the residual income
 - USDA: Used as a deduction from the monthly payment
- Take advantage of the tax credit every year for the life of the first mortgage.
- Reapply for a Reissued Mortgage Credit Certificate when refinancing mortgage.

Please note that most MCC programs require Originator training. Please see [Approved Affordable Housing programs](#) for details.