

Mortgage Credit Certificate (MCC)



The Michigan State Housing Development Authority (MSHDA) Mortgage Credit Certificate (MCC) is a federal tax credit issued in connection with the purchase of a home. It allows homebuyers to credit 20% of the annual mortgage interest paid against their year-end federal income tax liability. The maximum credit is \$2,000 per year.

Federal tax credit of up to 20% of the annual mortgage interest paid on your mortgage

- MCC tax credit is available for the life of the original mortgage (up to 30 years)
- Tax credit may allow borrower more income to qualify for the mortgage or to make the monthly payment
- Homebuyer must contact a MSHDA approved MCC lender to apply and qualify for the MCC tax credit (a complete list of lenders is located at Michigan.gov/Homeownership)
- MCC tax credit is only available when applying for a mortgage for the purchase of a home
- Eligible homes: principal residence, single family unit, condominium, or manufactured home
- Available for first-time homebuyers statewide and repeat homebuyers in targeted areas
- Maximum home purchase price of \$224,500
- Income limits vary statewide based on household size and location. See [Sales/Income limits](#)
- Maximum of two (2) acres
- Fee for MCC program is \$400 (the lender may charge an additional \$100 administration fee)
- IRS recapture tax may apply if borrower sells the home within the first nine years after purchase (MSHDA Recapture Tax Reimbursement program is available)
- Borrower may keep the original MCC tax credit if the loan is modified (rate and/or term only) and the modification does not change the principal balance of the loan
- The MCC program cannot be combined with a MSHDA MI Home Loan or MI Home Loan Flex mortgage or land contracts, refinances and rehab loans (i.e. FHA 203K)

To Get Started

Contact a MSHDA MCC participating lender

Michigan.gov/Homeownership

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