



MCC ALERT

2017/2018 Alert #2

TO: MCC PARTICIPATING LENDERS
FROM: Kari H'Orvath / EDA Housing
EFFECTIVE DATE: December 6, 2017
SUBJECT: The Proposed 2017 House Tax Bill

The Proposed 2017 House Tax Bill includes the elimination of the Mortgage Credit Certificate (MCC) program and no credit will be allowed for any MCC issued after Dec. 31, 2017. Thus, even for qualified MCC programs existing on Dec. 31, 2017 that would otherwise be permitted to issue MCC's in calendar years 2018 and 2019, no MCC's can be issued after Dec. 31, 2017 should the tax reform pass as proposed.

Due to the uncertainty of the future of the MCC programs which provide benefits to first-time homebuyers by increasing affordability through a federal tax credit, all borrowers who want an MCC are advised that there is a possibility, based on pending federal legislation, that the program may be eliminated December 31, 2017. If the loan including the County's First Time Home Buyer (FTHB) loan has not funded by December 31, 2017 and the bill is passed, the loans may be subject to re-underwriting and re-qualifying without an MCC.

All loans must be closed and complete MCC closing packages must be received at our office by December 18, 2017. There is no guarantee that MCC certificates will be issued for any incomplete MCC closing packages or MCC closing packages received after December 18, 2017.

For more information: If you have any questions or would like more information, please visit our website at www.rchomelink.com or contact the EDA Housing staff at (951) 343-5469.

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