

**NEW HAMPSHIRE HOUSING PROVIDES HOMEBUYERS TAX CREDIT PROGRAM**

*New program aims to give first-time homebuyers a boost at tax time*

First-time homebuyers looking for an extra tax break are in luck—New Hampshire Housing recently launched a new program designed to save first-time homebuyers up to $2,000 a year on their taxes. The new Home *Start* Homebuyer Tax Credit Program allows first-time homebuyers throughout the state, and others purchasing homes in certain areas of the state, to obtain a federal Mortgage Credit Certificate (MCC), which allows them to turn a percentage of the mortgage interest they pay into a dollar-for-dollar tax credit against their income for the life of the mortgage loan. Participants also may be eligible to take a federal deduction on the remainder of their mortgage interest paid in addition to the maximum $2,000 Homebuyer Tax Credit. The new initiative’s goal is to help make homeownership more affordable for low- and moderate-income buyers across the state.

**IRS Forms - Mortgage Credit Certificate**

FORM 8396 Once issued an MCC, the MCC Holder must file Form 8396 each year in order to claim the credit on their individual tax return. See Form 8396 at [www.irs.gov/pub/irs-pdf/f8396.pdf](http://www.irs.gov/pub/irs-pdf/f8396.pdf).

FORM 8828 An MCC provides a unique federal tax subsidy to the MCC Holder. Therefore, the MCC Holder may be subject to repay all or part of this subsidy to the Federal government if the MCC Holder;

1. sells the residence within nine (9) years of purchase; and
2. realizes a capital gain on the sale of the property; and
3. has had a significant increase in their annual household income since the mortgage loan was closed.

This repayment is commonly referred to as “Recapture Tax”. See Form 8828 at [www.irs.gov/pub/irs-pdf/f8828.pdf](http://www.irs.gov/pub/irs-pdf/f8828.pdf) for details.

Go to [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com) for more details about how to qualify for the credit.

Unlike the federal government’s first-time buyer tax credits of 2008 and 2009-10, which provided a one-time boost of $7,500-8,000 to new buyers, the Home *Start* Homebuyer Tax Credit program allows its participants to save more by giving them the opportunity to claim a tax credit for as much as $2,000 each year, as long as they have their original mortgage and use the home as their primary residence. Program participants also don’t have to wait for a federal tax return check to realize their tax credit benefit; instead, they can adjust their tax withholdings so they receive more take home pay each month. They may then choose to use that extra money each month to help make mortgage payments.

The Homebuyer Tax Credit can also be combined with New Hampshire Housing mortgage programs, some of which offer additional benefits like cash assistance for downpayment and closing costs.

Individuals and homebuyers who are interested in learning more about the Homebuyer Tax Credit, including how to qualify, are encouraged to take the free online class found at [Education.GoNewHampshireHousing.com](http://www.Education.GoNewHampshireHousing.com). More information about the Homebuyer Tax Credit Program can also be found at [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com) or by calling New Hampshire Housing at 1-800-649-0470.

**About New Hampshire Housing Finance Authority:** New Hampshire Housing Finance Authority is a self-supporting public benefit corporation. The Authority operates a number of rental and homeownership programs designed to assist low- and moderate-income persons with obtaining affordable housing. Since its inception, New Hampshire Housing has helped more than 39,000 families purchase their own homes and has been instrumental in financing the creation of more than 14,500 multi-family housing units. More information about its programs can be found on the agency's website at [www.nhhfa.org](http://www.nhhfa.org/) or [www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com).

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