

MORTGAGE TAX CREDIT

888.362.6432 | MYOHIOHOME.ORG



The Ohio Housing Finance Agency's Mortgage Tax Credit provides homebuyers with a direct federal tax credit on a portion of the mortgage interest, which provides at least a \$2000 tax savings per year. The tax credit cannot be larger than the owner's annual federal income tax liability after deductions, exemptions and other credits.

Homebuyers must have a tax liability in order to use this non-refundable credit. The mortgage tax credit is in addition to the IRS home mortgage interest deduction.

- If you use the tax credit with a loan through OHFA's first-time homebuyer program, you receive a tax credit of 40 percent of the home mortgage interest. The maximum annual tax credit is \$2,000.

Homebuyers coupling a mortgage tax credit with a loan through OHFA's first-time homebuyer program can also receive down payment assistance equal to 2.5%.*

AM I ELIGIBLE?

- You have not owned or had an ownership interest in your primary residence in the last three years.
- You meet credit score requirements.
 - Conventional, USDA, and VA Loans: 640 or higher
 - FHA Loans: 650 or higher
- You meet debt to income ratios for your loan type.
- You meet income and purchase price limits.**

**Homebuyers using the mortgage tax credit in conjunction with an OHFA loan could have a slightly higher interest rate.*

HOW DO I APPLY?

OHFA works with lenders, credit unions and mortgage companies across the state. Visit our website to find an OHFA-approved lender in your area, and click on the GETTING STARTED tab to view tips on the application process. You may also call us toll-free at 888.362.6432.

****Income and purchase price limits vary by Ohio county and community. For income and purchase price limits in your area, visit our website at myohiohome.org.**

OHFA is an Equal Opportunity Housing entity. Loans are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry.

MTC EXAMPLE

Mortgage Amount	\$111,000
Annual Percentage Rate	4.5%
Total Interest Paid First Year	\$4,995
Mortgage Tax Credit Rate	x .40
Tax Credit Amount*	\$1,998

To receive these benefits, you must choose a lender that participates in both the first-time homebuyer program and OHFA's mortgage tax credit. Find a participating lender at MYOHIOHOME.ORG.

**Your tax credit will vary each year based upon the mortgage interest that you pay.*

INFORMATION



We Open the Doors to an Affordable Place to Call Home



57 East Main Street | Columbus, OH 43215
888.362.6432 | MYOHIOHOME.ORG

Mike DeWine, Governor, State of Ohio
Shawn Smith, Executive Director



Revised January 30, 2020