

MORTGAGE TAX CREDIT

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The Ohio Housing Finance Agency's (OHFA) Mortgage Tax Credit provides first-time homebuyers with a direct federal tax credit on a portion of the mortgage interest, lowering the tax liability by up to 40 percent. 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% and OHFA Advantage Assistance*.

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, FHA 203(k) and VA Loans: 640 or higher.
 - FHA Loans (Non-203(k)): 660 or higher. Credit scores of 650-659 are acceptable for an additional fee.
 - You meet debt to income ratios for your loan type.
- You meet income and purchase price limits.**

**OHFA Advantage Assistance can only be used with conventional loans.*

***Please note that the mortgage tax credit program cannot be used in conjunction with the RenovateOhio FHA 203(k) loan. 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



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Mike DeWine, Governor, State of Ohio
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