

program guide



SC Housing Mortgage Tax Credit (MCC)

Effective December 16, 2024

The SC Housing Mortgage Tax Credit Program is made available by the South Carolina State Housing Finance and Development Authority (“SC Housing”). An eligible homebuyer will receive a Mortgage Credit Certificate (MCC) which allows a **Federal tax credit** that may reduce their income tax liability. The homebuyer’s tax liability may be reduced each year by an amount equal to **30%** of the mortgage interest paid, up to \$2,000.00. The homebuyer remains eligible to receive the tax credit for as long as he retains ownership, lives in the home, pays interest on the mortgage and has an actual tax liability. Any mortgage interest remaining after the tax credit may still be claimed as a mortgage interest deduction on the homebuyer’s federal income tax return. An MCC reduces a homebuyer’s tax liability dollar-for-dollar, but may never exceed the actual tax liability. Potential homebuyer(s) should consult their tax advisor to determine if the MCC is right for them.

A homebuyer with an MCC may see an immediate increase in take-home pay by reducing the amount of federal tax their employer withholds. Or, they may choose to keep their withholdings at the same level with the potential to receive a larger refund when filing federal income tax returns or by reducing the amount of taxes owed.

Loan Purpose/Type	This program can be used with Conventional, FHA, VA and Guaranteed Rural Housing loans. The MCC cannot be used in conjunction with a SC Housing bond loan or FHA 203(K).												
Homebuyer Eligibility	<p>The First Time Homebuyer Eligibility requirement is dependent upon whether a borrower purchases property in a targeted or a non-targeted county.</p> <table border="1" data-bbox="342 1100 1581 1161"> <tr> <td>Aiken</td> <td>Anderson</td> <td>Charleston</td> <td>Greenville</td> <td>Greenwood</td> <td>Lancaster</td> </tr> <tr> <td>Lexington</td> <td>Oconee</td> <td>Pickens</td> <td>Richland</td> <td>Spartanburg</td> <td>York</td> </tr> </table> <p>The First Time Homebuyer requirement in non-targeted counties can only be waived for the following:</p> <p>Veterans – Must have served on active duty in the U.S. Armed Forces (other than active duty for training) and received a discharge other than dishonorable and not previously utilized a waiver to receive a bond funded loan.</p> <p>Borrowers purchasing properties in any other county not listed above are considered targeted and cannot have ownership interest in another property to include a mobile home taxed as real property at the time of loan closing, but may have had an ownership interest in a principal residence within the past three years. Unimproved land is allowed. This requirement applies to all borrowers.</p> <ul style="list-style-type: none"> • Must be a US Citizens, Permanent Resident Alien with a “Valid Green Card” – (Alien Registration Receipt Card; INC USCIS Form I-551) – VISA of any kind are not eligible • Borrowers purchasing property in the following non-targeted counties must not have had an ownership interest in another property within the three years prior to loan closing: <p>SC Housing does not allow cosigners or non-occupying co-borrowers. In addition, SC Housing will not permit non-borrowing spouses or others not obligated to the underlying mortgage loan to take title to the subject property.</p>	Aiken	Anderson	Charleston	Greenville	Greenwood	Lancaster	Lexington	Oconee	Pickens	Richland	Spartanburg	York
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Income and Sales Price Limits	<p>Compliance Income used for program eligibility is based on total income for anyone that is listed on the loan application and/or holding title to the property at closing. Refer to program manual for more specific details.</p> <p>Income and Sales Price limits must meet program and investor requirements. Limits are county-specific and are subject to change without notice. Refer to the SC Housing Homebuyer Sales Price and Income Limits that can be found in Lender Online.</p>												

Reservation	<p>Rate locks will be accepted from 10:00 AM – 6:00 PM Monday - Friday; excluding state recognized holidays and days that the US Financial Markets are closed for business. Rates are posted daily at https://lol.schousing.sc.gov and are subject to change without notice.</p> <p>Rate Lock Periods</p> <ul style="list-style-type: none"> 60 day – New and Existing Construction - one-time extension, up to 30 days will be permitted and must be submitted prior to expiration of original lock
Fees and Costs	In addition to the MCC non-refundable funding fee of \$500 , the lender has the option of charging the borrower an additional administrative fee of up to \$500 for the MCC. The fee can be paid by the borrower or seller.
Eligible Properties	<p>Owner Occupied, primary residence; Single family, one unit; PUDs, attached, detached; condominiums; true off frame modular homes and manufactured housing eligible for insurance under FHA, VA, USDA or Conventional loan guidelines permitted; Full Appraisal meeting all insurer and AUS requirements; Property must be located in South Carolina</p> <ul style="list-style-type: none"> Properties cannot exceed 5 acres.
Credit Score Requirements	There are no minimum credit score requirements for the SC Housing Mortgage Tax Credit Program. However, if the MCC is issued in conjunction with another SC Housing Loan Program, all applicants must meet the credit score requirements outlined in the respective Program Manual.
Federal Tax Transcripts	<p>Tax Transcripts for the last three calendar years are required on all MCC submissions,</p> <p>Taxes for the most current year must be filed no later than February 15 of the following calendar year. Refer to manual for specific detail.</p>
Qualifying a Mortgagor with MCC	The MCC Tax Credit may either be used as income to qualify or as a reduction to the monthly payment subject to investor guidelines/requirements. SC Housing does not make the determination for credit qualifying purposes; please consult your underwriter for further clarification.
Closing Requirements	<p>Once the borrower has been determined eligible for the MCC, SC Housing will issue a Certificate of Eligibility and all necessary documents that must be executed by the borrower(s) prior to the issuance of the MCC certificate.</p> <p>THE MCC MUST BE CLOSED SIMULTANEOUS WITH THE FIRST MORTGAGE CLOSING. All MCC closing documents must be dated the day of closing. MCC Certificate will not be issued if documents are not executed same day.</p>
Delivery Requirements	The Approval Submission Package must be sent to SC Housing at least 15 days prior to the scheduled loan closing. The loan file must be delivered via e-Docs in accordance with the MCC Transmittal Checklist (SC-MCC-101).
Closed Loan Submission Package	<p>After loan closing, SC Housing requires submission of the original closed loan package, in accordance with the Closing Package Checklist (SC-MCC-300). Lender must include a check payable to South Carolina State Housing Finance and Development Authority for the MCC Issuance Fee of \$500.00. This check must be certified funds or a lender check. The documentation outlined below must be submitted to SC Housing within 30 days of the MCC Conditional Commitment Expiration Date. Failure to comply with this requirement will result in an automatic cancelation of the Conditional Commitment.</p> <p>Upon receipt and review of acceptable documentation the Mortgage Tax Credit Certificate will be issued and the original will be mailed to the borrower and copy will be forwarded to the lender.</p>
Federal Recapture	The Mortgage Tax Credit program is subject to Federal Recapture
Re-Financing a Loan with an MCC	<p>Borrower(s) that have a loan with an existing MCC attached can re-finance their homes and still keep the MCC. The following requirements apply:</p> <ul style="list-style-type: none"> The property must be owner occupied The MCC percentage amount will be the same as the original MCC The loan must be a fixed rate loan to a fixed rate loan One re-issuance per eligible holder The re-issuance must be completed within 1-year of the refinance closing A \$250 re-issuance fee will be required See SC Housing Mortgage Credit Certificate Program Manual more details
<p>Lender shall deliver loans that were originated in accordance with AUS and insurer guidelines as applicable, unless otherwise stated with this program guide. **In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio, loan and property requirements. Information contained in this program guide is for Lending Partner use only and not intended for use by individual consumers or borrowers.</p>	