

**ALABAMA HOUSING FINANCE AUTHORITY**  
**MCC TAX CREDIT WORKSHEET**

**EXAMPLE OF MCC'S BENEFIT:**

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*In this example, the home buyers would increase their monthly take-home pay by \$100.*

- |   |    |         |         |
|---|----|---------|---------|
| 1. Enter the mortgage loan amount.  | \$ | 100,000 | _____   |
| 2. Enter the interest rate.   |    | 6.0     | _____ % |
| 3. Estimate the first year's interest<br>by multiplying lines 1 and 2.                          | \$ | 6,000   | _____   |
| 4. Mortgage credit certificate rate   |    |         | x 20%   |
| 5. Calculate the tax credit by multiplying<br>20% (0.2) by the first year's interest in line 3. | \$ | 1,200   | _____   |
|   |    |         | ÷ 12    |
| 6. Calculate the monthly benefit<br>by dividing the tax credit (line 5) by 12 months.           | \$ | 100     | _____   |

**YOUR MCC CALCULATION:**

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*The total in line 6 is an estimate of your monthly increase in take-home pay. Simply ask your employer to adjust your regular tax withholdings by this amount.*

- |   |    |       |         |
|---|----|-------|---------|
| 1. Enter the mortgage loan amount.  | \$ | _____ | _____   |
| 2. Enter the interest rate as a decimal<br>(examples: 6% = .06, 6.5% = .065).                   |    | _____ | _____ % |
| 3. Estimate the first year's interest<br>by multiplying lines 1 and 2.                          | \$ | _____ | _____   |
| 4. Mortgage credit certificate rate   |    |       | x 20%   |
| 5. Calculate the tax credit by multiplying<br>20% (0.2) by the first year's interest in line 3. | \$ | _____ | _____   |
|   |    |       | ÷ 12    |
| 6. Calculate the monthly benefit<br>by dividing the tax credit (line 5) by 12 months.           | \$ | _____ | _____   |