Notice to Public and to  
All Interested Mortgage Lenders

Nevada Housing Division  
Mortgage Credit Certificate Program

The Nevada Housing Division (the *“Division”*) intends to implement a Mortgage Credit Certificate Program, Series 2015A (the *“MCC Program”*) in the amount of $110,000,000 that will entitle eligible low and moderate income first-time homebuyers, certain veterans and borrowers of qualified home improvement loans and qualified rehabilitation loans to a federal income tax credit.

The MCC Program provides homeownership opportunities for qualified households through a federal income tax credit. The MCC can help first-time homebuyers qualify for a mortgage loan by increasing their buying power at their current income. MCCs entitle an eligible borrower to a direct tax credit against the eligible borrower’s federal income tax liability, making more income available both to qualify for a mortgage loan and to make the monthly mortgage payments. The MCC can be applied to most types of mortgage loans

Under the MCC Program, a homebuyer who satisfies the eligibility requirements described below may receive a federal income tax credit in an amount equal to a percentage of the interest paid by the homeowner during the taxable year on the remaining principal of the loan incurred by the homeowner to acquire his/her principal residence. In order to qualify to receive a credit certificate, the homebuyer must qualify for a conventional, FHA, VA, RHS or other home mortgage loan from a lending institution and must meet the other requirements of the MCC Program.

There are 3 types of home loans that may qualify for an MCC. The first is to buy the borrower’s principal residence. This residence may be a new or existing single-family dwelling, including townhouse/condominium or manufactured home. It can also be for certain 2-, 3- or 4-family residences so long as one unit is to be occupied by the borrower.

Home improvement loans of up to $15,000 may also be eligible for a mortgage credit certificate. To qualify, the home improvements must substantially improve or protect the livability or energy efficiency of the home; such as new or renovated plumbing or electric systems, renovation of the kitchen, or the installation of improved heating or air-conditioning system. Installation of a swimming pool, tennis court, hot tub or other recreational and entertainment facilities will not qualify.

In addition, qualified rehabilitation loans may also be eligible for a mortgage credit certificate. Qualified rehabilitation loans are incurred by the owner in connection with a qualified rehabilitation or the acquisition of a residence with respect to which there has been a qualified rehabilitation, but only if the mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation. A “qualified rehabilitation” is a rehabilitation of a building that meets certain specific requirements as to the building’s age, the amount of the structure retained in place and the expenditures for the rehabilitation as a percentage of the mortgagor’s basis in the residence.

The credit certificates will be issued to qualified mortgagors on a first-come, first-served basis by the Division acting through an administrator, which will review applications from lending institutions and prospective mortgagors to determine compliance with the requirements of the MCC Program and determine that credit certificates remain available under the MCC Program. No credit certificates will be issued prior to 90 days from the date of publication of this notice or after the date that all of the credit certificate amount has been allocated to homebuyers and in no event with respect to loans closed after December 31, 2017.

In order to satisfy the eligibility requirements for a certificate under the MCC Program-

(a) the prospective residence must be a single-family residence located within the Nevada Counties of Washoe and Clark (collectively, the “*MCC Program Area”*), that can be reasonably expected to become the principal residence of the mortgagor within a reasonable period of time after the financing is provided (generally, 60 days); the borrower must also notify the Division if the residence ceases to be the borrower’s principal residence (at which time the credit will be revoked);

(b) except for residences in certain federally-designated targeted areas and residences for certain veterans, and except for home improvement loans and qualified rehabilitation loans, all prospective homebuyers must not have an ownership interest in his/her principal residence at any time during the three-year period ending on the date the mortgage is executed;

(c) the prospective homebuyer’s current family income must not exceed $69,035 to $91,098 depending upon county and family size; these income limits may be obtained at [www.housing.nv.gov](http://www.housing.nv.gov) and are subject to adjustment from time to time;

(d) the acquisition cost of the residence must not exceed 90% (110% in certain targeted areas) of the average area purchase price applicable to the residence with current purchase price limits ranging from $281,250 to $318,375 depending upon county; and (d) no part of the proceeds of the qualified indebtedness may be used to acquire or replace an existing mortgage; these purchase price limits may be obtained at www.housing.nv.gov and are subject to adjustment from time to time;

(e) the mortgage loan being obtained may not be used to repay the borrower’s existing loan or indebtedness on the residence, other than in limited circumstances, such as construction or bridge loans.

To obtain additional information on the MCC Program please call Chief Financial Officer, Michael Holliday at 775-687-2062. The Housing Division intends to maintain a list of mortgage lenders that will participate in the MCC Program by making loans to qualified holders of these MCCs.

Any lender interested in appearing on this list or in obtaining additional information regarding the MCC Program should call Michael Holliday, Chief Financial Officer at 775-687-2062. This notice is published in satisfaction of the requirements of Section 25 of the Internal Revenue Code of 1986, as amended, and Treasury Regulation Sections 1.25-7T and 1.25‑3T(j)(4) issued thereunder regarding the public notices prerequisite to the issuance of mortgage credit certificates and to maintaining a list of participating lenders.