

Exhibit V

Mortgage Credit Certificate Program Monthly Savings Worksheet

You may be eligible to receive from the Louisiana Housing Corporation, through your participating lender, a Federal Tax Credit that reduces your Federal tax liability dollar for dollar and still be able to receive a tax deduction for most of the interest you pay on the purchase of a home.

Generally, you qualify if you have not owned a home during the past three years (unless the home you are purchasing is located in a Targeted Area or one of the borrowers is a qualified Veteran), and you can answer “Yes” to the following questions:

- | | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| 1. Is your gross annual household income less than shown on the MCC Income Limit chart shown in Exhibit U. | _____ | _____ |
| 2. Do you plan to occupy the home as your primary residence within 60 days of loan closing? | _____ | _____ |
| 3. Is the Acquisition Cost of the home less than the maximum Purchase Price that is allowed for the program? See Exhibit T. | _____ | _____ |
| 4. Have you completed a mortgage loan application with a Participating Originator? | _____ | _____ |

If you answered “Yes” to each of these questions, you probably qualify for a Mortgage Credit Certificate (MCC).

Example Estimated Monthly Savings

Estimate Savings

Amount of 1 st Mortgage Loan Amount	\$	100,000	\$	_____
Interest Rate 1 st Mortgage	x	4.5%	x	_____
First Year Interest Paid	= \$	4,500	= \$	_____
MCC Tax Rate	x	40%	x	40%
Reduced Federal Tax Liability	= \$	1,800	= \$	_____
Divide by Calendar Year-12 Months	/	12	/	12
Monthly Savings	= \$	150	= \$	_____

The MCC Tax Rate for the Louisiana Housing Corporation Mortgage Credit Certificate Program is 40% for all types of qualified properties.

To receive immediate benefit from the MCC Program, borrowers should file a revised W-4 Federal Tax Withholding Form. This will reduce your yearly Federal tax withholdings and increase your monthly take-home pay.