

Mortgage Credit Certificate (MCC) Overview for Tax Preparers

Updated: December 2025



Disclaimer

This information is intended to provide general information about the MCC program and required documentation for tax filing. Virginia Housing does not and cannot give tax advice. Please visit www.irs.gov for additional information.

Note

The MCC program has been suspended after April 28, 2023 and no new MCCs will be issued. If you're a homeowner who received an MCC before the program was suspended, the MCC is still valid as long as the loan is not paid off or refinanced, the home is not sold, and the homeowner still resides in the property. The FAQs below are for homeowners who received an MCC before the program was suspended and gives additional information on the MCC program and tax filing.

What is a Mortgage Credit Certificate (MCC)?

The MCC provides a tax credit that may be applied toward the buyer's federal tax liability equal to a percentage (e.g., credit rate) of the mortgage interest paid each year.

Can the borrower receive an MCC after they have purchased their home?

No. MCC applications cannot be processed after loan closing.

When does the borrower receive an MCC?

After a review of all closing documentation to confirm the MCC requirements are met, the MCC is mailed directly to the borrower approximately a month after loan closing.

Does Virginia Housing send an MCC to the borrower each year?

No, Virginia Housing does not send a new copy of the MCC each year. It is important for the borrower to keep the MCC in a safe place because it contains important information needed each year when filing taxes to claim the credit. However, the borrower may contact Virginia Housing via email (MCCreprint@VirginiaHousing.com) to request a new copy of their MCC. Charges may apply to request copies of the MCC.

What is the credit rate of the Virginia Housing-issued MCC? How can the borrower find their credit rate?

The borrower's credit rate is identified on their MCC. See below for a sample MCC with the credit rate identified.

Mortgage Credit Certificate
 Issued Pursuant to § 25 of the Internal Revenue Code
 Virginia Housing Development Authority

1. This Mortgage Credit Certificate (this "MCC") is issued by the Virginia Housing Development Authority ("VHDA"), a political subdivision of the Commonwealth of Virginia, 601 S. Belvidere Street, Richmond, Virginia 23220, TIN: 54-0921892.
 2. This MCC is issued pursuant to VHDA's election not to issue qualified mortgage bonds made on December 18, 2014, which VHDA calls the 2014-A Issue of Mortgage Credit Certificates.
 3. This MCC is number: [REDACTED]
 4. The Holder of this MCC is: [REDACTED]
 5. The MCC Holder's address is [REDACTED], which is the address of the residence to which this MCC relates.
 6. The MCC Holder's TIN is: [REDACTED]
 7. The certificate credit rate for this MCC is: 00.00% . Borrower's Credit Rate
 8. The certified indebtedness amount for this MCC is: \$417,302.00.
 9. The acquisition cost of the residence for this MCC is: \$425,000.00.
 10. The maximum VHDA purchase price applicable to the residence for this MCC is: \$500,000.00.
 11. This MCC meets the requirements of §§ 1.25-3T(d), 1.25-3T(e), 1.25-3T(g), 1.25-3T(l), 1.25-3T(j), 1.25-3T(k), and 1.25-3T(n) of the federal income tax regulations, relating to requirements regarding residence, 3-year, new mortgage, prohibited mortgages, particular lenders, allocations to particular developments, and interest paid to related persons, respectively.

What information is required to file for the MCC credit?

The information needed to file for the MCC credit will be available on the MCC and the 1098 issued by the lender each year. Required information will include:

- Total interest paid during the tax year
- Issuer of the MCC
- MCC number
- MCC issue date
- Credit rate

What forms are required for filing the credit with federal tax returns?

Internal Revenue Service (IRS) Form 8396 and Schedule 3 of Form 1040. Instructions for filing for the MCC credit are included in IRS Form 1040. Learn more about these forms at www.irs.gov.

How long can the credit be used?

The credit can be used for the life of the mortgage as long as the borrower resides in the property. The credit is no longer valid if the loan is paid off, refinanced, the property is sold, or the property is no longer the borrower's primary residence.

Where can I find more information?

Additional information about Virginia Housing's MCC is available at VirginiaHousing.com/homeowners/new-homeowner-resources. Information is also available from the IRS at www.irs.gov.

Contact Us

VirginiaHousing.com

Virginia Housing Headquarters

877-843-2123

601 South Belvidere Street
Richmond, VA 23220

Virginia Housing Center

4224 Cox Road
Glen Allen, VA 23060

Southwest Virginia Housing Center

800-447-5145

105 East Main Street
Wytheville, VA 24382

Virginia Relay Partner

711 (in Virginia)

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