

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 44103. Mortgage Credit Certificate Program.

(a) NMHC. There is hereby established within the Northern Mariana Housing Corporation (NMHC) a Mortgage Credit Certificate Program (Credit Program). The expectation of the Credit Program is to provide assistance to qualified and eligible first-time homeowners in obtaining an income tax credit. The Credit Program reduces the amount of taxes the holder of the certificate would pay. The objective of the Credit Program is to assist a first time homebuyer to qualify for a loan by allowing the lender to reduce the housing expense ration by the amount of tax savings.

(b) Mortgage Credit Certificate. NMHC shall issue to first-time homebuyers a Mortgage Credit Certificate. The purpose of the Credit Certificate is to provide housing assistance to eligible first-time homebuyers authorized by Congress in the 1984 Tax Reform Act.

(1) Tax Credit. The Mortgage Credit Certificate gives the homebuyer a federal tax credit each year the buyer keeps the same mortgage loan and lives in the same house. The qualified homebuyer who is awarded a Mortgage Credit Certificate may take an annual credit against their federal income taxes. The Credit is subtracted dollar for dollar from federal income taxes due.

(2) Median Income. For households that are 80% of the area's median income and below, the credit equal to 20% of the annual interest paid on the homebuyer's mortgage. For households that are above 80% of the area's median income not exceeding the Mortgage Credit Certificate income limits, the credit is equal to 15% of the annual interest paid on the homebuyer's mortgage. The remainder of the mortgage interest is taken as a deduction from gross income on the homebuyer's income tax return in the usual manner which shall be paid directly to the financial institution as part of the down payment and/or closing cost, for the purpose of reducing the First-time Homeowner's financial requirement to secure a mortgage loan.

(3) Relief. The relief shall be available to each family or individual in addition to any other grants or loans that the family or individual may receive from NMHC or other agencies, in accordance with the provisions set forth in this Act.

Source: PL 12-68, § 4.