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Governor

BOYD K. RUTHERFORD
Lt. Governor

Kenneth C. Holt
Secretary

Tony Reed
Deputy Secretary

December 6, 2017

Notification 2017-16

TO: ALL PARTICIPATING LENDERS

SUBJECT: TAX REFORM MARYLAND HOMECREDIT PROGRAM

This is a follow-up to our Notification 2017-14 dated November 14, 2017. The Community Development Administration (CDA) will continue to issue Mortgage Credit Certificates (MCCs) under the Maryland HomeCredit Program until further notice. However, on or after January 1, 2018, the enactment of the Tax Cuts and Jobs Act (H.R. 1) may eliminate private activity bonds, with the result that the MCCs issued after December 31, 2017 cannot be used to claim a federal tax credit.

As a refresher on the process, the MCC (either by itself or along with an MMP loan) **is issued at the time of the loan closing**. Therefore, we can only be sure that **MCCs ISSUED by December 31, 2017 will be able to be used to claim a tax credit under the Maryland HomeCredit Program**. Anything issued after that date is entirely dependent on the outcome of the legislation. (The loan reservation date is not relevant to this deadline.)

CDA will work with our lender partners to assist with the timely closing of the loans currently in the pipeline with extra focus on those with MCCs.

We will continue to monitor the legislative process and will take programmatic action if needed. We value your partnership with the Maryland Mortgage Program and will do all that we can to keep you informed as this issue develops."

As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Notification or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing

