



## Senator Jason Crowell The Crowell Connection

Senator Jason Crowell – Serving Bollinger, Cape Girardeau,  
Madison, Mississippi, Perry, and Scott Counties.

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## First-Time Homebuyers Can Utilize New MHDC Program

Owning a home is an essential part of the American Dream, but there are also many challenges that come with making that dream into a reality. This is why the Missouri Housing Development Commission works to strengthen communities and the lives of Missourians through the financing, development, and preservation of affordable housing. They have recently unveiled a new program that could help even more first-time homebuyers achieve their dream.

Housing markets are struggling, and consumers need incentives to get out there and commit to buying a home. Missouri Housing Development Commission's Tax Credit Advance Loan Program encourages first-time homebuyers to make the jump from renting to owning their own home. The program provides an advance of up to \$6,750 to use on their down payment and closing costs.

This summer, the federal government created a first-time homebuyer tax

credit to encourage new homebuyers to purchase homes. The credit works like an interest-free loan from the federal government and must be repaid through an increase in federal income taxes over a period of 15 years. However, the federal tax credit has been largely ineffective because homebuyers don't receive the money until they receive their federal income tax refund.

The Missouri Housing Development Commission recently developed the Tax Credit Advance Loan Program, which makes a second mortgage available to the homebuyer at the time of closing worth up to 6 percent of the home purchase price or a maximum of \$6,750. The homebuyer then files for the federal tax credit and uses the credit refund to pay off the MHDC tax credit advance loan. If the tax credit advance loan is paid off by the designated deadline (no later than June 2010), the homeowner pays no interest other than a modest servicing fee.



For many, the idea of owning a home is only a dream because of a lack of cash on hand for a down payment or closing costs said. But with this program, families can receive an advance on the tax credit that makes their dream a reality.

The federal tax credit and the MHDC tax credit advance loan program are both set to expire June 30, 2009. More information and a list of participating lenders are available at [www.mhdc.mo.gov](http://www.mhdc.mo.gov) or by calling 1-800-

246-7973.

## **Contact Me**

As always, I appreciate hearing your comments, opinions, and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: [jcrowell@senate.mo.gov](mailto:jcrowell@senate.mo.gov) or visit me on the web at <http://www.senate.mo.gov/crowell>.

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