

# Lender's Information Return for Mortgage Credit Certificates (MCCs)

For calendar year ending .....

## Part I Reporting Authority

|  |                                |
|--|--------------------------------|
| Lender's name  | Employer identification number |
| ⋮  |                                |
| Lender's address (number, street, or P.O. box no., if mail is not delivered to street address) | Room/suite                     |
| City, town, or post office, state, and ZIP code  |                                |

## Part II Issuing Authority

|  |                                |
|--|--------------------------------|
| Issuer's name  | Employer identification number |
| ⋮  |                                |
| Issuer's address (number, street, or P.O. box no., if mail is not delivered to street address) | Election date                  |
| City, town, or post office, state, and ZIP code  | Nonissued bond amount          |

## Part III Recipients of Mortgage Credit Certificates (If more than five recipients, see instructions.)

| (a)<br>Name(s) | (b)<br>Address<br>Do not use a P.O. box number. | (c)<br>Social Security Number(s) |
|----------------|---|----------------------------------|
| 1              |   |                                  |
| 2              |   |                                  |
| 3              |   |                                  |
| 4              |   |                                  |
| 5              |   |                                  |

## Part IV Computation of the Total Amount of Mortgage Credit Certificates (Note: Match the information entered on each line with information entered on each corresponding line in Part III.)

| (d)<br>Date of Issue of MCC                        | (e)<br>Certified Indebtedness Amount<br>of Each MCC Issued | (f)<br>Certificate Credit Rate | (g)<br>Amount of MCC Issued<br>(column (e) × column (f)) |
|--|--|--------------------------------|--|
| 1  |  |                                |  |
| 2  |  |                                |  |
| 3  |  |                                |  |
| 4  |  |                                |  |
| 5  |  |                                |  |
| 6 Total amount of MCCs issued. (See instructions.) |  |                                | ▶  |

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than representative of lender) is based on all information of which preparer has any knowledge.

▶ \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_  
Signature of authorized representative of lender

|                                 |   |       |   |                        |
|---------------------------------|---|-------|---|------------------------|
| <b>Paid Preparer's Use Only</b> | Preparer's signature ▶                                | Date  | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
|                                 | Firm's name (or yours if self-employed) and address ▶ | EIN ▶ | ZIP code ▶                                      |                        |

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Any person who makes a loan that is a "certified indebtedness amount" on any mortgage credit certificate (MCC) must maintain books and records of such activity and file Form 8329. (See Temporary Regulations section 1.25-8T(a).)

A separate Form 8329 must be filed for each issue of MCCs for which the lender made mortgage loans during the calendar year. Each issue of MCCs corresponds to the MCC program relating to the nonissued bond amount that was the subject of the election made on the election date. Both the nonissued bond amount and the election date are to be provided in Part II of this Form 8329.

### Purpose of Form

Form 8329 is used by lenders of certified indebtedness amounts to provide the IRS with information regarding the issuance of MCCs under section 25.

The MCC must be issued under a program that meets the residence requirements of section 143(c). Under these requirements, the residence must: (1) be a single-family residence that can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided, and (2) be located in the jurisdiction of the authority issuing the certificate. See section 25(c)(2) for additional requirements.

### Who Must File

Any person who makes a loan that is a certified indebtedness amount on any MCC must file Form 8329.

### When To File

File Form 8329 by January 31 following the close of the calendar year in which the lender made certified indebtedness loans.

The IRS may grant an extension of time to file Form 8329 if there is reasonable cause for not filing on time.

### Where To File

File Form 8329 with the Internal Revenue Service Center, Ogden, UT 84201.

### Penalty

Any person required to file Form 8329 may be subject to a \$200 penalty for each form that is not filed by the due date.

### Definitions

A "mortgage credit certificate" is a certificate issued under a "qualified mortgage credit certificate program" by the state or political subdivision having the authority to issue qualified mortgage bonds to provide financing for the acquisition, qualified rehabilitation, or qualified home improvement of a taxpayer's principal residence. For more information, see section 25(c)(1).

A "qualified mortgage credit certificate program" is a program established for any calendar year by a state or political subdivision that is authorized to issue qualified mortgage bonds under section 143 (and for which there has been an appropriate allocation of state volume cap for that calendar year under section 146) but elected instead to issue mortgage credit certificates. (See section 25(c)(2) for additional requirements.) The aggregate amount of all mortgage credit certificates issued under any single MCC program may not exceed 25% of the nonissued bond amount for which the election was made. See section 25(d)(2).

The "certified indebtedness amount" is the amount of indebtedness specified in the MCC and incurred by a taxpayer:

- a. To acquire his or her principal residence,
- b. To make qualified home improvements on that residence, or
- c. To make a qualified rehabilitation of that residence.

The "certificate credit rate" is the rate specified by the issuer on the MCC. However, the rate cannot be less than 10% nor more than 50%. For other limitations, see Temporary Regulations section 1.25-2T(b).

## Specific Instructions

### Part I—Reporting Authority

Provide information about the mortgage lender.

### Part II—Issuing Authority

Provide information about the mortgage credit certificate issuer.

**Election date.** Enter the date the issuing authority elected to issue MCCs in lieu of qualified mortgage bonds for the MCC program that included the amounts listed in Part IV, column (e).

**Nonissued bond amount.** Enter the total amount of qualified mortgage bonds (as defined in section 143(a)(1) and the related regulations) that the issuer has authority to issue but elected instead on the election date to convert into authority to issue MCCs.

### Part III—Recipients of Mortgage Credit Certificates

**Column (a).** Enter the name(s) of the MCC holder(s) to whom the lender made certified indebtedness loan(s) during the calendar year. If an MCC lists more than one holder, enter all of the holders on one line.

**Column (b).** Enter the number and street, city, state, and ZIP code of the property for which the MCC was issued. Do not use a P.O. box number.

**Column (c).** Enter the social security number(s) of the holder(s) listed on the MCC.

### Part IV—Computation of the Total Amount of Mortgage Credit Certificates

**Column (d).** Enter the date the issuing authority issued the certificate for the amount included in column (e). Do not give the date the loan was made nor the date when any preliminary approval to issue an MCC was given by the issuer.

If the loan is for a reissued MCC as permitted by the regulations, the date of the reissued certificate should be given, preceded by the word "Reissued." For example, "Reissued, July 26, 1999."

**Column (f).** Enter the certificate credit rate for each MCC.

**Column (g).** For each certificate amount listed in column (e), multiply by the certificate credit rate associated with that certificate shown in column (f).

**Line 6.** This is the aggregate amount of MCCs issued (Part IV, column (g)) in connection with the lender's loans relating to the issuer's MCC program for the calendar year. The total should reflect all of the MCCs described on the lender's Form 8329, including any attachments, for the MCC program for the calendar year.

## Additional Entries

If the lender must report on more than 5 mortgage credit certificates, it should report these additional certificates on an attachment formatted like Form 8329.

Instead of formatting its own attachment, the lender may use one Form 8329 as a transmittal document and use additional Forms 8329 as attachments. In such a case, draw an "X" across the 5 lines of Parts III and IV of the Form 8329 used as a transmitting document. Complete the remainder of this Form 8329, making certain that all mortgage credit certificate amounts reported in all the attachments in Part IV, column (g) are totaled for line 6 of the transmittal document. Sign only the transmittal Form 8329 and indicate in the top margin the number of Forms 8329 attached to this Form 8329.

On the attached Forms 8329, show the lender's name and employer identification number in Part I and enter mortgage credit certificate information on the 5 lines of Parts III and IV.

### Signature

Form 8329 must be signed by an authorized representative of the lender.

Leave the paid preparer's space blank if the return was prepared by a regular employee of the lender. Otherwise, anyone who is paid to prepare the return must sign it in the Paid Preparer's Use Only area.

The paid preparer must complete the required preparer information and:

- Sign the return, by hand, in the space provided for the preparer's signature (signature stamps and labels are not acceptable).
- Give a copy of the return to the lender.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . . 3 hr., 35 min.

**Learning about the law or the form** . . . . . 1 hr.

**Preparing and sending the form to the IRS** . . . . . 1 hr., 6 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To File** on this page.

