

24 NCAC 01D .0603 PROCEDURES

(a) The agency will have overall administrative responsibility for the MCC program in North Carolina and will delegate part of its administrative role to participating lenders through a Lender Participation Agreement. Lender responsibilities will include:

- (1) Program promotion;
- (2) Loan origination and MCC application origination;
- (3) Loan underwriting;
- (4) Submission of the completed MCC application to the agency;
- (5) Loan closing; and
- (6) Record keeping and report filing.

These requirements are described in greater detail in the Lender Participation Agreement and the MCC Program Operating Manual.

(b) Eligible home buyers will apply for Mortgage Credit Certificates in conjunction with a standard loan application with a participating lender. MCC processing will generally coincide with the lender's regular credit under-writing procedures. In addition, the borrower must certify that required state and federal regulations will be met. These requirements, which are described in greater detail in Section 143 of the Internal Revenue Code and the MCC Program Operating Manual, relate to:

- (1) Residency requirements;
- (2) First-time home ownership;
- (3) Purchase price limits;
- (4) Borrower income limits;
- (5) Loans in targeted areas; and
- (6) Certain loan financing requirements.

(c) The MCC will be revoked if:

- (1) The residence for which the MCC was used ceases to be the MCC certificate holder's principal residence; or
- (2) The borrower does not meet the requirements for a qualified MCC; or
- (3) On the discovery of any material misstatement.

(d) The following reporting requirements will be met:

- (1) The agency will make quarterly reports to the Internal Revenue Service (IRS) as well as an annual report on forms provided by the IRS. These reports will provide information concerning the annual volume of MCCs issued and concerning program beneficiaries.
- (2) Lenders will file an annual report to the IRS on forms provided by the IRS for each MCC - assisted mortgage.

History Note: Authority G.S. 122A-5; 122A-5.1; 122A-5.4; 122A-5.6; Sec. 25, IRC; 26 CFR 1.25; Temporary Adoption Eff. September 22, 1987 for a Period of 120 Days to Expire on January 20, 1988; Eff. January 1, 1988; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 23, 2017.