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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913]** ( *Division 31 repealed and added by Stats. 1977, Ch. 610. )*

**PART 1. STATE HOUSING POLICY AND GENERAL PROVISIONS [50000 - 50300]** ( *Part 1 added by Stats. 1977, Ch. 610. )*

**CHAPTER 3.5. Qualified Mortgage Bonds And Mortgage Credit Certificates [50172 - 50199.2]** ( *Heading of Chapter 3.5 amended by Stats. 1985, Ch. 1399, Sec. 1. )*

**ARTICLE 1. Definitions and General Provisions [50172 - 50175]** ( *Heading of Article 1 renumbered from Article 2 by Stats. 1994, Ch. 1164, Sec. 2. )*

**50172.** As used in this chapter, the following terms have the following meanings:

(a) "Certificate credit rate" means the rate of the credit allowed by this chapter that is specified in the mortgage credit certificate.

(b) "Certified indebtedness amount" means the amount of indebtedness that meets both of the following criteria:

(1) Is incurred by the taxpayer for any of the following purposes:

(A) To acquire the principal residence of the taxpayer.

(B) As a qualified home improvement loan, as defined by Section 103A(l)(6) of Title 26 of the United States Code, on that residence.

(C) As a qualified rehabilitation loan, as defined by Section 103A(l)(7) of Title 26 of the United States Code.

(2) Is specified in the mortgage credit certificate.

(c) "Committee" means the California Debt Limit Allocation Committee established pursuant to Section 8869.83 of the Government Code.

(d) "Federal act" means, for purposes of mortgage credit certificates, Section 612 of the Tax Reform Act of 1984 (Public Law 98-369).

(e) "Issuer" means a state agency or local agency and includes a redevelopment agency, housing authority or other local entity, authorized by state law to issue qualified mortgage bonds, to which the committee has assigned an allocation under this chapter.

(f) "Mortgage credit certificate" means any certificate that does all of the following:

(1) Is issued under a qualified mortgage credit certificate program by a state or local agency that has authority to issue qualified mortgage bonds to provide financing on the principal residence of a taxpayer.

(2) Is issued to a taxpayer by a state or local agency in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence.

(3) Specifies the certificate credit rate and the certified indebtedness amount.

(g) "Mortgage credit certificate program" means any program established by the state or a local agency for any calendar year in which the state or a local agency is authorized to issue qualified mortgage bonds and under which the issuing agency elects not to issue an amount of qualified mortgage bonds it may otherwise issue during the calendar year.

(Amended by Stats. 2024, Ch. 493, Sec. 1. (SB 1512) Effective January 1, 2025.)

50175. This chapter is enacted in implementation of the Mortgage Subsidy Bond Tax Act of 1980 (Title XI, Public Law 96-499) and Section 612 of the Tax Reform Act of 1984 (Public Law 98-369). Accordingly, the definitions contained in this article and the provisions of this chapter shall be construed to be consistent with the purposes and provisions of those federal acts and in its implementation. This chapter does not apply to any issuance of bonds which is excepted from, or otherwise not affected by, the federal acts.

To the extent that any provision of this chapter is held to be inconsistent with or repugnant to the federal acts, the provision shall be given effect in accordance with its terms to the greatest extent possible and consistent with the federal acts, and the inconsistency shall have no effect on the remaining provisions of this chapter.

*(Amended by Stats. 1985, Ch. 1399, Sec. 4. Effective October 1, 1985.)*