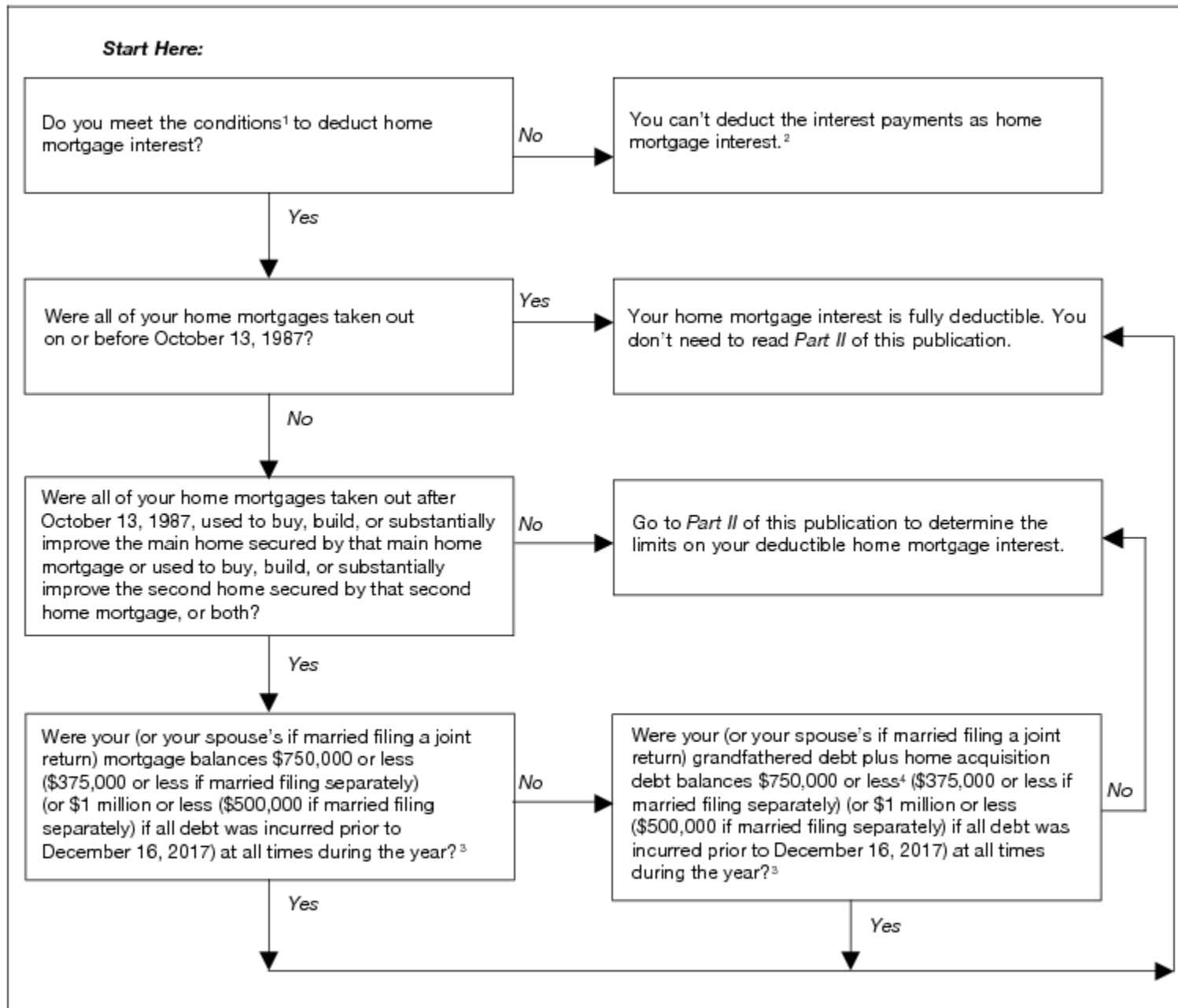


Figure A. Is My Home Mortgage Interest Fully Deductible?

(Instructions: Include balances of **ALL** mortgages secured by your main home and second home.)



¹ You must itemize deductions on Schedule A (Form 1040). The loan must be a secured debt on a qualified home. See *Part I, Home Mortgage Interest*, earlier.

² See Table 2 in *Part II* of this publication for where to deduct other types of interest payments.

³ A taxpayer who enters into a written binding contract before December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, is considered to have incurred the home acquisition debt prior to December 16, 2017, and may use the 2017 threshold amounts of \$1,000,000 (\$500,000 for married filing separately).

⁴ See *Part II* of this publication for more information about grandfathered debt and home acquisition debt.

Decision (1)

Do you meet the conditions (Footnote 1) to deduct home mortgage interest?

Footnote 1: You must itemize deductions on Schedule A (Form 1040). The loan must be a secured debt on a qualified home. See Part I, Home Mortgage Interest, earlier.

If no, you can't deduct the interest payments as home mortgage interest (Footnote 2). Footnote 2: See Table 2 in Part II of this publication for where to deduct other types of interest payments. Stop here

If yes, continue to Decision (2)

Decision (2)

Were all of your home mortgages taken out on or before October 13, 1987?

If yes, your home mortgage interest is fully deductible. You don't need to read part II of this publication. Stop here.

If no, continue to Decision (3)

Decision (3)

Were all of your home mortgages taken out after October 13, 1987, used to buy, build or substantially improve the main home secured by that main home mortgage or used to buy, build or improve the second home secured by that second home mortgage, or both?

If no, go to part II of this publication to determine the limits on your deductible home mortgage interest.

If yes, continue to Decision (4)

Decision (4)

Were your (or your spouse's if married filing a joint return) mortgage balances \$750,000 or less (\$375,000 or less if married filing separately) (or \$1 million or less (\$500,000 if married filing separately) if all the debt was incurred prior to December 16, 2017) at all times during the year (Footnote 3)?

Footnote 3: A taxpayer who enters into a written binding contract before December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, is considered to have incurred the home acquisition debt prior to December 16, 2017, and may use the 2017 threshold amounts of \$1,000,000 (\$500,000 for married filing separate).

If yes, your home mortgage interest is fully deductible. You don't need to read part II of this publication. Stop here.

If no, continue to Decision (5)

Decision (5)

Were your (or your spouse's if married filing a joint return) grandfathered debt plus home acquisition debt balances \$750,000 or less (Footnote 4) (\$375,000 or less if married filing separately) (or \$1 million or less (\$500,000 if married filing separately) if all the debt was incurred prior to December 16, 2017) at all times during the year (Footnote 3)?

Footnote 4: See Part II of this publication for more information about grandfathered debt and home acquisition debt.

Footnote 3: A taxpayer who enters into a written binding contract before December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, is considered to have incurred the home acquisition debt prior to December 16, 2017, and may use the 2017 threshold amounts of \$1,000,000 (\$500,000 for married filing separately).

If yes, your home mortgage interest is fully deductible. You don't need to read part II of this publication. Stop here.

If no, go to part II of this publication to determine the limits on your deductible home mortgage interest.

HOME EQUITY LOAN PURPOSE OF FUNDS and HOME DEBT CERTIFICATION

TAX YEAR _____

Client: _____

I certify that the following is true and correct regarding my eligibility of the Home Equity Loan interest deduction:

_____ Interest on my home equity loans and lines of credit were used to buy, build, or substantially improve my home that secures the loan. This loan is secured by my main home or second home(qualified residence), not to exceed the cost of the home.

_____ If part of my home equity loans and lines of credit were not used to buy build, or substantially improve my home that secures the loan, I have provided the proper loan amounts to calculate the amount that may or may not be deductible.

_____ Home Debt Originating on or after December 15, 2017

_____ Home Debit Originating after October 13, 1987 and Before December 15, 2017

I certify that all information provided by me and contained in my tax return necessary to determine my eligibility for mortgage interest deduction is true and correct.

Taxpayer Signature

Spouse Signature