

TAX CREDIT 2009

Bringing the Dream of Homeownership Within Reach

As part of its plan to stimulate the U.S. housing market and address the economic challenges facing our nation, Congress has passed legislation that grants a tax credit of up to \$8,000 to first-time home buyers.

Here is more information about how the 2009 First-Time Home Buyer Tax Credit can help prospective home buyers become part of the American dream.

Who Qualifies?

First-time home buyers who purchase homes **between January 1, 2009 and December 1, 2009.**

To qualify as a “first-time home buyer” the purchaser or his/her spouse **may not have owned a residence during the three years prior to the purchase.**

Which Properties Are Eligible?

The 2009 First-Time Home Buyer Tax Credit may be applied to primary residences, including: single-family homes, condos, townhomes, and co-ops.

How Much Will the Credit Be?

The **maximum allowable credit for home buyers is \$8,000.** Each home buyer’s tax credit is determined by two factors:

The price of the home—the credit is equal to 10% of the purchase price of the home, up to \$8,000.

The buyer’s income—**single buyers with incomes up to \$75,000** and **married couples with incomes up to \$150,000**—may receive the maximum tax credit.

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

If the Buyer(s)' Income Exceeds These Limits, Can He/She Still Get a Credit?

Yes, some buyers may still be eligible for the credit.

The credit decreases for buyers who earn **between \$75,000 and \$95,000 for single buyers and between \$150,000 and \$170,000 for home buyers filing jointly**. The amount of the tax credit decreases as his/her income approaches the maximum limit. Home buyers earning more than the **maximum qualifying income—over \$95,000 for singles and over \$170,000 for couples are not eligible for the credit**.

Will the Tax Credit Need to Be Repaid?

No. The buyer does not need to repay the tax credit, if he/she occupies the home for three years or more. However, if the property is sold during the three-year period, the credit will be recouped on the sale.

FHA LOANS AS OF MAY 2009

Some approve FHA loans down to a 540 credit score up to \$417,000

Some approve FHA loans up to \$729,750 with a 580 Score

HUD Action Allows Home Buyers To Use \$8,000 Tax Credit For Down-payments On FHA-Insured Loans

May 13, 2009 - HUD Secretary Shaun Donovan's decision to **allow consumers to use the \$8,000 first-time home buyer tax credit to help cover their down-payment** and closing costs on FHA-insured mortgages will be a big boost to the housing market, according to the National Association of Home Builders (NAHB).

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

“The biggest obstacle for first-time buyers is coming up with a down-payment,” said NAHB Chairman Joe Robson, a home builder from Tulsa, Okla. “We commend Secretary Donovan for acting decisively to enable buyers to access the tax credit at the time of closing. This will help to stimulate home sales, stabilize housing and get the economy back on track.”

The measures announced by HUD would allow FHA-approved lenders; federal, state and local government agencies; and FHA-approved non-profit organizations to supply home buyers short-term or “bridge loans” up to the amount of the \$8,000 first-time home buyer tax credit.

Longer term loans secured by second liens can also be used by government agencies and FHA-approved non-profit organizations to facilitate home sales. Several state housing finance agencies have introduced such programs and a number of agencies are considering that possibility.

More information about these programs can be found on the National Council of State Housing Agencies Web site at www.ncsha.org/section.cfm/3/34/2920.

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

Previously, the home buyer would have been unable to access the tax credit until they filed their next annual tax return or an amended 2008 tax return and received the refund from the IRS.

Robson and others NAHB leaders discussed this matter and other housing-related issues with Secretary Donovan last week.

“Secretary Donovan shares our view on the need for a housing and economic recovery,” said Robson. “We appreciate his leadership in moving swiftly to help first-time home buyers to access the tax credit up-front at the time of closing. The timing could not have been better as we are in the midst of the crucial spring home buying season.”

The next step is to see how FHA-approved lenders use HUD’s new guidelines to actually monetize the tax credit for first-time home buyers and structure the payback provisions of the loans. NAHB encourages lenders to act promptly to put these provisions into place.

To qualify for the tax credit, first-time home buyers must actually close on their home purchase by Dec. 1, 2009. Buyers can take the credit on their 2008 or 2009 income tax return.

For further information about the tax credit – including a detailed question and answer section and a number of home-buying resources for consumers – log on to NAHB’s consumer Web site at www.federalhousingtaxcredit.com. A Spanish version is also available to provide detailed information on the tax credit to Spanish-speaking first-time home buyers.

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

Update Information



IT'S TIME TO MOVE!

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

Update Information

- A tax credit of up to \$8,000 is available for first-time home buyers purchasing on or after January 1, 2009 and on or before April 30, 2010. In cases where a binding sales contract is signed by April 30, 2010, a home purchase completed by June 30, 2010 will qualify.
- A tax credit of up to \$6,500 is available for repeat home buyers who have owned a home for five consecutive years out of the prior eight years. The repeat home buyer tax credit applies to houses sold after November 6, 2009 and on or before April 30, 2010. In cases where a binding sales contract is signed by April 30, 2010, a home purchase completed by June 30, 2010 will qualify.
- Income limits of \$125,000 for individuals and \$225,000 for married couples filing jointly apply to all sales occurring after Nov. 6, 2009.
- The income limits for sales occurring on or after January 1, 2009 and on or before November 6, 2009 are \$75,000 for individual taxpayers and \$150,000 for married couples filing jointly.
- Homes priced above \$800,000 are not eligible for either the first-time home buyer tax credit or the repeat home buyer tax credit.

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

Update Information

- Expanded tax credit benefits apply to members of the military, the foreign service and the intelligence community.
- Home purchases in 2010 may be claimed on an amended 2009 income tax return.
- Persons who are claimed as dependents by a taxpayer or who are under age 18 do not qualify for a tax credit.
- Home purchases from relatives of the taxpayer or the taxpayer's spouse do not qualify for the tax credit. The IRS defines relatives as ancestors (parent, grandparent, etc.), lineal descendants (child, grandchildren, etc.) and spouses.
- Married couples are not eligible to claim the first-time home buyer tax credit if **either** spouse has previously owned a home. They may, however, qualify for the repeat home buyer tax credit.
- **Neither** the first-time home buyer tax credit nor the repeat home buyer tax credit **have to be repaid unless** the home is sold or ceases to be used as the buyer's principal residence within three years after the initial purchase.
- Taxpayers must submit a copy of the HUD-1 settlement statement and IRS Form 5405 to claim either the first-time home buyer tax credit or the repeat home buyer tax credit.

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

Update Information

**FREE MONEY
FROM THE
GOVERNMENT!**

Hot!

**IT WILL BE
OVER BEFORE
YOU KNOW
IT!**



IT'S TIME TO MOVE!

**EXTENDED TO
APRIL 30, 2010**

TAX CREDIT 2009

And to compliment your
\$8,000 TAX CREDIT



SaveWithRealEstateAmerica.com

Will Give You a
“BUYERS REWARD”
BETWEEN

\$500 - \$5,000

Call us NOW: (301)840-2288

EXTENDED TO
APRIL 30, 2010