

## **Go get your \$7,500 15-year interest free loan from the government**

Tax credit offered to new homebuyers

*Expires June 30, 2009!*

1. Who is eligible?
  - First-time homebuyers or any homebuyers who have not owned a principal residence in the last three years
2. How does it work?
  - Eligible purchasers can claim the \$7,500 credit on their annual tax return form.
    - Amount of credit: 10% of cost of home or a maximum of \$7,500
3. Repayment:
  - Two years after the credit is claimed, the homebuyer will have to start paying it back.
  - 15 equal annual installments will have to be paid back to the IRS every year.
    - 6.67% of the borrowed amount or a maximum of \$502
  - If home is sold before 15 years, the remainder of the loan will have to be repaid to the IRS upon the sale.
    - Part of the liability can be forgiven if the gain on the sale is less than the amount of the loan.
4. Restrictions:
  - Home purchase time limit:
    - Homes purchased on or after April 9, 2008 and before July 1, 2009
  - Home must be a single family residence (including condos, coops) that will be used as a principal residence.
  - Home must be located in the United States.
  - Home cannot be financed through mortgage revenue bonds.
  - Income restriction:
    - To qualify for full \$7,500 credit, the taxpayer must make no more than
      - a. \$75,000 for single returns
      - b. \$150,000 for joint returns
    - To still qualify for credit but at a lesser amount, the following income caps apply
      - a. \$95,000 for single returns
      - b. \$170,000 for joint returns

*For more information on the tax credit:*

[http://www.realtor.org/gapublic.nsf/files/hbtaxcreditqa2008.pdf/\\$FILE/hbtaxcreditqa2008.pdf](http://www.realtor.org/gapublic.nsf/files/hbtaxcreditqa2008.pdf/$FILE/hbtaxcreditqa2008.pdf)

<http://www.federalhousingtaxcredit.com/faq.php>