



Keller Williams Realty has ranked  
“Highest in Overall Satisfaction  
For Home Buyers Among National  
Full Service Real Estate Firms,  
Two Years  
in a Row!\*

**\$8,000  
CLOSER TO  
HOME**



Getting Your Fair Share of the  
Tax Credit with *Your First Home*

\*Keller Williams Realty received the highest numerical score among full service real estate firms for home buyers in the proprietary J.D. Power and Associates 2008-2009 Home Buyer/Seller Study<sup>SM</sup>. 2009 Study based on 3,138 total evaluations measuring 7 firms and measures opinions of individuals who bought a home between March 2008 and April 2009. Proprietary study results are based on experiences and perceptions of consumers surveyed April-June 2009. Your experiences may vary. Visit [jdpower.com](http://jdpower.com)



## Get your personal stimulus payment here

**It's not every day that someone dangles an \$8,000 carrot under our noses.**

Especially during challenging economic times. But today is one of those special days. So if you're interested, I have one heck of a deal for you to consider.

And here it is. How would you feel about buying your own home and, in the process, getting a check for up to 8,000 clams?

Of course, buying a home is a major life decision. It's one millions of Americans happily make every day. And one you can make too. But let me share a little secret: rarely do new homeowners get up from the closing table knowing they'll be sent \$8,000 in the mail. You can, and with a big smile on your face.

The pages that follow explain what the \$8,000 first-time buyer tax credit is and how to qualify for it.

Purchase a home on or before April 30, 2010, and get up to \$8,000 through the recently-extended 2009-2010 tax credit. But you must act quickly to find and buy your home *before* this legislation expires.

Contact your Keller Williams agent today to get started!

Department of the Treasury	April 30, 2010 <small>DATE</small>
<small>PAY TO THE ORDER OF</small> You	\$ 8,000
eight-thousand and zero-hundreds	<small>DOLLARS</small>
<small>First-time FOR</small> Home Buyer Credit	<i>Uncle Sam</i>



# The 2009 tax credit story

**2009 was a tough time economically. Tough times sometimes call for government intervention. (If you're smart, this can work to your benefit. And you are smart. So read on.)**

To help stabilize the U.S. housing market and provide a boost to our economy during the challenging downturn often referred to as "The Great Recession," the U.S. Congress enacted the **American Recovery and Reinvestment Act of 2009**. President Obama signed the bill into law in February 2009, and it provides for a one time tax credit of up to \$8,000 for first-time home buyers who stay in their new home for 36 consecutive months.

**It can put up to \$8,000 in your pocket for FREE. But you must act soon.**

In November, 2009, The Worker, Homeownership, and Business Assistance Act extended the previously passed tax credit of up to \$8,000 for qualified first-time home buyers who purchase a principal residence. First-time home buyers are defined as any individuals or married couples who have not bought a primary residence in the last three years. To get the tax credit, you must close on your home purchase by April 30, 2010, and you must live in the home for 36 consecutive months.

(A primary or principle residence is the property or dwelling where you, as the owner, live the majority of the time. It may include any type of residence, such as a house, apartment, condo, mobile home, houseboat, large shoe, or anything in between. We're kidding about the shoe.)

It has an income restriction. So read this part carefully.

If you file your taxes as an individual, you will qualify as long as your income does not exceed \$125,000 (up to \$145,000 adjusted gross income). If you file jointly, you and your spouse will qualify as long as your combined income does not exceed \$225,000 (up to \$245,000 adjusted gross income).

**Let's recap. You're a first-time buyer and your income qualifies you for the credit. You close on a great home by April 30, 2010. You fill out and mail required documentation to the IRS. You get a check for up to \$8,000.**

You'll work with your real estate professional to find and buy a home. Upon closing, keys and titles are transferred, and you'll need to fill out IRS tax form 5405 and send it along with a copy of your HUD-1 Settlement Statement to the IRS. Upon receipt, the fine folks at the IRS will review your documentation. If it's approved, they'll send you a check for up to \$8,000 in about 60-90 days. It's that easy. BUT, keep in mind that if you owe the IRS any money, they will take whatever you owe first and then cut you a check for the remainder. It's that easy.



## The 2009 tax credit story continued ...

There are many scenarios, but let's take a look at two of the more common ones.

### Example A

Samuel owes the IRS \$2,000 in taxes for 2009. He has never owned a home. He works with his real estate agent, finds a great home across from a park, and buys it for \$180,000. 60–90 days later the government sends him a check for about \$6,000 (\$8,000 minus \$2,000 less any late fees or penalties).

### Example B

Tanya overpaid her taxes by \$1,200 in 2009. She is due a refund. She and her spouse work with their agent to buy a home for \$200,000. Neither has owned a home in the past three years. They qualify for the credit, and in 60–90 days after filing their paperwork, the government sends them a check for \$9,200 (\$8,000 + 1,200).

## Historical Advantages

For the \$8,000 tax credit passed in 2009 and extended into 2010, buyers DO NOT have to pay the money back as long as they own and live in the home for three years. So plan on staying put for three years at least. You'll keep the money and set yourself up for potential value appreciation, in addition to other benefits, such as equity buildup and tax advantages. And if you have to move, then you'll repay the money. But you can always keep your home as a rental property or sell it.

**For more scenarios or information, talk to your real estate professional and visit:**

<http://www.kw.com/kw/2009TaxCredit.html>



# Even more reasons to buy in 2009

## Want three solid reasons to buy your home sooner rather than later?

1. Mortgage rates sit near their lowest levels in history (and they won't stay low forever).
2. Home prices are approaching decade lows in many markets.
3. There is a great selection of homes still available, including many distressed properties such as foreclosures and bank owned properties (often referred to as REOs).

And here's a fourth reason, as shown in the graphic below. If you look at the tail end of the graph and the diagonal black trend line, you'll notice that home prices have corrected to more normalized levels or even overcorrected. With housing affordability at its best level ever, those who missed out during the pricey run-up now have an opportunity to buy. That means the long-term picture for value appreciation is solid. And over the next 5–10 years, inflation alone should have a positive effect on home prices.

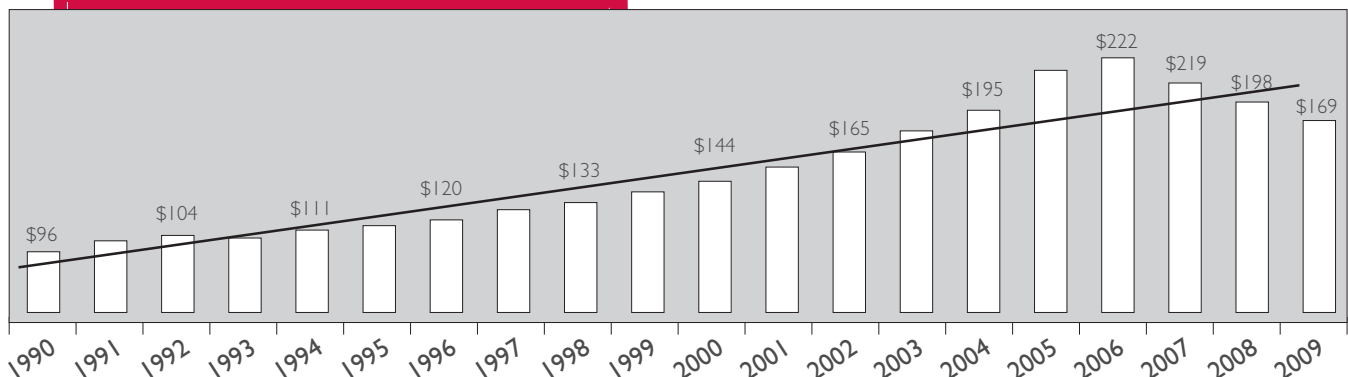
And here is yet another reason. We've said it before, but we think it's worth repeating: You can receive up to \$8,000 if you qualify as a first-time buyer. It's that simple.

## But there are some key points about timing that you should keep in mind.

1. It can take time to secure financing, from a few hours up to several weeks, largely dependent on your credit score and proof of income.
2. Finding a home you love might take several weeks or longer.
3. Making an offer, negotiating your deal and closing on your home all take time.

If you are thinking about buying, we hope you're noticing a pattern here. NOW is the time to get off the fence — not tomorrow or next Thursday at 2:00 p.m. after a strong latte. Begin your search for a home today. Otherwise, you might miss out on the historic \$8,000 tax credit, the low mortgage rates, the great selection, and the many other benefits of home ownership, such as, well, paying yourself rent.

Median Home Price in Thousands





# Go for the gold: How to put the \$8,000 in your pocket

## Need more inspiration? Here's a real life success story.

To illustrate the beauty of the tax credit, take the example of Laura K. and her husband of Austin, Texas.

Laura, an exotic animal veterinarian, and her husband, a book editor, had spent much of 2008 in search of the elusive perfect home. They worked with their real estate agent over several months and found two homes they really loved. But unfortunately, two consecutive deals fell through and their dreams of home ownership were put on hold. "It was exhausting and unfortunate," says Laura. "I really had had enough."

Reassured by her husband, who hated paying rent toward someone else's mortgage, and inspired by her mother, who had found great success investing in real estate over the years, Laura let patience guide her toward a better opportunity. By March of 2009 she and her husband had saved up more money and were ready to pounce. Their patience proved fruitful as their real estate



agent found them a bank-owned condo within their preapproved price range in a fabulous neighborhood just a five-minute walk from downtown. (Five minutes from downtown! Woo-hoo!)

They secured financing and entered into a scary multiple-offer situation. As fate would have it, they beat out two other buyers when their offer was accepted. Armed with 30-year conventional financing at a rate of 5 percent, they were now sitting pretty with very manageable monthly

mortgage payments. And here's the kicker: They earned themselves a big, fat check for eight grand from Uncle Sam. With the money they received, they could now fully furnish their new condo, make a donation to their favorite charity, and Laura could treat herself to monthly pedicures. All this and her husband embarked on a variety of challenging landscaping projects. Laura is now thrilled to be a homeowner. "The tax credit was a

gift. Even though our previous offers fell through, I could not be happier."

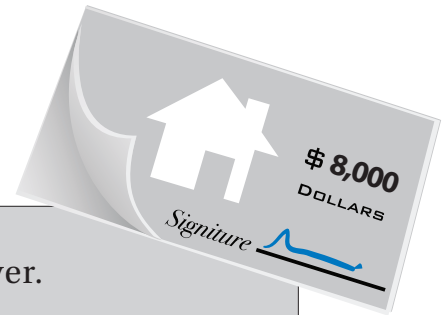
So there's some real-life inspiration for you. Now go get that home of your own and the \$8,000. And maybe you too can enjoy pedicures as often as you like.



# Go for the gold: How to put the \$8,000 in your pocket

continued ...

## Want the \$8,000 tax credit? Just follow five easy steps.



**Step 1:** Make sure you qualify as a first-time buyer.

**Step 2:** Hire a great real estate agent to help you.

**Step 3:** Work with a lender to secure financing.

**Step 4:** Find and close on your home.

**Step 5:** Once the closing contract is signed, fill out IRS Form 5405 and mail it, along with a copy of your Settlement Statement (HUD-1), to the Internal Revenue Service.

## The end result?

Some weeks later, the postal carrier arrives in a horse-drawn chariot (or maybe on foot) with a check in hand from your favorite Uncle Sam. The beauty of the tax credit, beyond the fact it's totally legal, is that your government is actually paying you to become a homeowner. Does that not strike you as special? So call it your personal stimulus check or whatever you like. Take it to the bank. And enjoy your own home.

Close on a home before November 30, 2009, and get up to \$8,000 through the 2009 tax credit. But you must act quickly to find and buy your home *before* this legislation expires.

**Contact your Keller Williams agent today to get started!**