

## EXCITING NEWS...

# FIRST-TIME HOME BUYER TAX CREDIT

As Modified in the American Recovery and Reinvestment Act

February 2009 - *Major Modifications Italicized*

FEATURE	CREDIT AS CREATED JULY 2008 APPLIES TO ALL QUALIFIED PURCHASES ON OR AFTER APRIL 9, 2008	REVISED CREDIT - EFFECTIVE FOR PURCHASES ON OR AFTER JANUARY 1, 2009 AND BEFORE DECEMBER 1, 2009
Amount of Credit	Lesser of 10 percent of cost of home or \$7500	<i>Maximum credit amount increased to \$8000</i>
Eligible Property	Any single family residence (including condos, co-ops, townhouses) that will be used as a principal residence.	No change All principal residences eligible.
Refundable	Yes. Reduces (or can eliminate) income tax liability for the year of purchase. Any unused amount of tax credit refunded to purchaser.	No change Purchasers will continue to receive refund for unused amount when tax return is filed.
Income Limit	Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on joint return). Phases out above those caps (\$95,000 and \$170,000).	No change Same income limits continue to apply
First-Time Homebuyer Only	Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.	No change Still available for first-time purchasers only. Three year rule continues to apply.
Revenue Bond Financing	No credit allowed if home financed with state/local bond funding.	<i>Purchasers who utilize revenue bond financing can use credit.</i>
Repayment	Yes. Portion (6.67% of credit or \$500) to be repaid each year for 15 years starting with 2010 tax filing.	<i>No repayment for purchases on or after January 1, 2009 and before December 1, 2009</i>
Recapture	If home sold before 15-year repayment period ends, then outstanding balance of repayment amount recaptured on sale.	<i>If home sold within three years of purchase, entire amount of credit is recaptured on sale. Applies only to homes purchased in 2009.</i>
Termination	July 1, 2009 (But note program changes for 2009)	<i>December 1, 2009</i>
Effective Date	Purchases on or after April 9, 2008 and before January 1, 2009. Repayment to begin for 2010 tax year.	<i>All revisions are effective as of January 1, 2009.</i>

*Learn more about the First Time Home Buyer Tax Credit online at*

[www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com)



## MORTGAGE NETWORK

Residential ■ Portfolio Programs ■ Reverse Mortgage ■ Commercial Lending

©2009 Mortgage Network, Inc. All rights reserved. Trade/servicemarks are the property of Mortgage Network, Inc. 300 Rosewood Drive, Danvers, MA 01923. Also doing business MNET Mortgage Corp. Connecticut 3785, 3790; Licensed by the Department of Corporations under the California Residential Mortgage Act Finance Lender License 6038322; Florida ML0700961; Georgia Residential Mortgage Licensee 15441; Massachusetts Mortgage Lender and Broker MC4315; Maine SLM2499; Licensed by the New Hampshire Banking Department 5573-MB; New Jersey Department of banking and insurance L057549; North Carolina L113607; Licensed by the Pennsylvania Department of Banking 17717, 18304. Rhode Island Licensed Lender 95000456LL; South Carolina S5,864, MB05117060511710; Tennessee 2400; Texas Reg. 43205; Texas Regulated Loan License 10569-46959; Licensed by the Virginia State Commission Corporation MLS70. Some products may not be available in all states. This is not a commitment to lend. Rates, terms, fees, and equity requirements are subject to change without notice. Restrictions apply. Equal Housing Lender.