



**American Recovery and Reinvestment Act of 2009 and as amended by the
Worker, Homeownership and Business Assistance Act of 2009
The First-Time Home Buyer Credit Summary**
(Please consult with your tax advisor to confirm that you qualify for this credit.)

Item	Explanation	Comments
How much is the credit?	The credit is equal to 10% of the purchase price up to a maximum of \$8,000. Purchase price may not exceed \$800,000	No Repayment to the IRS after 36 months in the house
Income Limits	If you earn over \$125,000(single) or \$225,000 (joint return) the credit starts to phase out.	Complete phase out when income exceeds \$145,000 (single) and \$225,000 (joint return)
Do I qualify as a first time homebuyer?	You must not have owned a principal residence in the last three years, must be at least 18 years old	No related party transactions. You can't be a dependent of someone else and you must be a US Citizen
Do I have to pay it back?	No, as long as you live in the house as your primary residence for 36 months	
What happens when I sell the property or stop using it as my principal residence before the end of the recapture period?	Before 36 months, recapture is accelerated and the balance of the credit must be repaid, but only to the extent of your actual gain.	Report this recapture in the year of the sale. Provision goes away after 36 months living in the house.
Is this a refundable tax credit?	Yes, if your tax liability is less than \$8,000, in the year you bought your home, the IRS will send you a check for the difference.	Refundable credits allow taxpayers with little or no tax liability to receive the benefit of the tax credit.
When is this effective?	Applies to homes <u>under contract</u> after December 31, 2008 and through April 30, 2010	Must settle/close by June 30, 2010.
What if I already filed my 2009 tax return?	You should consider amending your return.	Allows you to get the credit this year as opposed to waiting until next year when you file your 2010 taxes.