

Facts on the **First-Time Homebuyer Credit***

The time is right to close on your dream home. And now with the help of a major housing stimulus bill, it's an even better time to buy. On February 17th, 2009, the American Recovery & Reinvestment Act 2009 was passed, which includes a new, temporary tax credit as an incentive for first-time homebuyers. With this bill, first-time homebuyers may qualify for up to \$8,000 in a tax credit for the purchase of a principal residence.

What is the First-Time Homebuyer Tax Credit?

A tax credit is a dollar-for-dollar reduction in what the taxpayer owes in income taxes. To qualify for the tax credit, a home purchase must occur on or after Jan 1, 2009 (the purchase date is the date when closing occurs) and before December 1, 2009. The taxpayer must meet the annual income requirements.

How much is the new homebuyer tax credit?

The tax credit is equal to 10% of the qualified home purchase price, but the credit amount is capped at \$8,000.

Who is eligible for the tax credit?

A "first-time homebuyer" is defined as a buyer who has not owned a principal residence during the three-year period prior to the purchase. First-time homebuyers purchasing any kind of home—new or resale—may be eligible for the tax credit.

There are income limits to consider. For single taxpayers, the limit is \$75,000; and for married taxpayers filing a joint return, the limit is \$150,000. The tax credit amount is reduced for buyers with a modified adjusted gross income (MAGI) of more than \$75,000 for single taxpayers and \$150,000 for married taxpayers filing a joint return.

Does the tax credit need to be repaid?

No. Homebuyers will not be required to repay the credit, as long as the purchase is made between January 1, 2009 and December 1, 2009.

This tax credit is designed to help make home buying possible for first-time buyers. CENTURY 21® Sales Professionals can help you understand how to take advantage of this temporary incentive. To navigate the details, consult a tax professional, a mortgage specialist or ask a CENTURY 21 Agent about your individual situation.

Are there 'other' allowances available?

Yes. For some FHA-insured mortgages, the tax credit may be used as a down payment or to offset closing costs. To learn more about this incentive as well as others that may be available in your state, talk to a CENTURY 21 Agent.

December 1, 2009 is right around the corner...
don't miss out on this opportunity!

Visit century21.com » Buying Advice or call **800.C21.GOLD** to find a CENTURY 21 Sales Professional near you.



Before you decide to use the first-time homebuyer tax credit, please consult with a tax professional.



*Source: H.R. (1) American Recovery & Reinvestment Act 2009. Remember to consult a tax professional for details. Credit expires December 1, 2009.