



FAQs: First-Time Homebuyer's Tax Credit

IF you've been waiting for the right time to buy your first home, wait no longer.

THIS may be the best time in history for first-time homebuyers to take the plunge.

What's working for you:

- *Affordability is better than ever*
- *Plenty of homes on the market*
- *Sellers are more willing to bargain*
- *Historically low interest rates*
- *\$8,000 first-time homebuyers tax credit*



What is the tax credit?

It's a credit for up to 10% of the cost of your new home or a maximum of \$8,000. Any home purchased for \$80,000 or more qualifies for the credit.

Who qualifies?

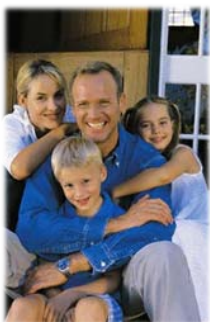
Only first-time homebuyers. You're considered a first-time homebuyer if you have not owned a home for three of the last five years.

Are there income restrictions?

Yes. Individuals are eligible for the credit if their income is no more than \$75,000. For married couples, the limit is \$150,000.

What if I make more?

You could still get a portion. Individuals who earn up to \$95,000, and couples that earn up to \$170,000 can still get a tax credit, based on a sliding scale.



Are there financing restrictions?

Most financing arrangements are acceptable.

Do I have to repay the credit?

No. Unlike the 2008 credit, *there is no repayment requirement.*

How do I apply?

There is no pre-purchase authorization. You simply claim the credit on your 2008 or 2009 tax return, on the new IRS form 5405.

2008 or 2009? How does that work?

If you buy a house before April 15, 2009, you can claim the tax credit on your 2008 taxes. If you buy after that, claim it on your 2009 taxes.

Is there a deadline?

Yes. You have to buy *and* close on your home before December 1, 2009 to be eligible.

