

First Time Homebuyer \$8,000 Tax Credit Expires December 1, 2009

Are you thinking about buying your first home? If so, you may be eligible for a tax credit equal to 10 percent of the home's purchase price up to a maximum of \$8,000. The American Recovery and Reinvestment Act of 2009 offers homebuyers a tax credit of up to \$8,000 for purchasing their first home.

To qualify for the tax credit, you must:

- Close on a home between January 1 and November 30, 2009.
- Be a first time homebuyer, meaning you and/or your spouse have not owned a principal residence during the three-year period prior to the purchase.
- Meet income guidelines - \$75,000 or less for singles and \$150,000 or less for married couples.

The tax credit does not need to be repaid as long as the homebuyer uses the home as his/her primary residence for at least three years.

To claim the credit, you need to file it on your tax return. If you owe less than \$8,000 in total taxes, you will receive a refund from the government of any extra credit. If you are expecting a refund anyway, you will get an additional \$8,000.

Is there any way to access the tax credit money sooner than waiting to file their 2009 tax return?

Yes. Some non-profit organizations and state housing finance agencies, such as MassHousing, have introduced programs that provide short-term loans that may be applied to a downpayment or closing costs.

Homebuyers who take advantage of the program will have the principal and interest payments on the tax credit loan deferred from the time of closing until the loan due date of June 1, 2010. If the loan is not repaid in full by June 1, 2010, the loan will be amortized for 10 years at the same interest rate as their first mortgage loan.

For more information about First-Time Homebuyer Tax Credit Loan Program, call (888) 843-6432 or go to the MassHousing website.