

# A rare second opportunity — The \$8,000 Homebuyer Tax Credit Returns!

## Federal Tax Benefits Extended and Expanded!

Great news: Congress has extended and expanded the homebuyer tax credit. If you are thinking of buying a home, find out now if you qualify and don't miss out on this second chance!

Here are some of the details of the new credit:

### Similarities with the original \$8,000 tax credit:

- First-time homebuyers can claim a credit of as much as 10% of the purchase price, up to \$8,000. (Homes above \$800,000 do not qualify for any credit.) First-time homebuyers are defined as not owning a principal residence for three years before the new home purchase.
- The purchased home must be used as your principal residence for the next three consecutive years.
- The tax credit is a dollar-for-dollar reduction in taxes owed to the I.R.S. For example, if your entire income tax liability for the year is \$5,000, and an \$8,000 credit can be claimed, you would receive a \$3,000 refund check from the I.R.S.
- You may claim the credit for a home purchased in 2009 on either your 2008 or 2009 tax returns. 2010 buyers may claim the credit on their 2009 or 2010 returns.



## New provisions of the tax credit law:

- Homebuyers now have through April 30, 2010 to have a purchase contract in place and settlement must close before July 1, 2010.
- The new law offers **a tax credit for repeat homebuyers**. Homeowners who have lived in one residence for five consecutive years during the previous eight can claim a tax credit of 10% of the purchase price, up to \$6,500. The new home need not cost more than the old one.
  - Income limits for both first-time and repeat buyers have been increased. The full amount of the credit may be claimed by single filers with income up to \$125,000 and for married couples filing jointly up to \$225,000. The tax credit is phased out over an additional \$20,000 of income in both cases.

Any type of residence qualifies: single family homes, condominiums, co-op apartments, attached or semi-attached townhomes, and more.

The new tax credit law took effect on November 6, 2009, so if you have a transaction pending you may be able to take advantage of the new expanded benefits. And if

you are considering a new home purchase — don't let this opportunity pass you by!

Talk to your Prudential Patt, White Sales Partner or Premier Mortgage Consultant for more details.



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# Great news for Homeowners — The New \$6,500 Homebuyer Tax Credit!

## New Tax Credit Benefits Both Repeat and First-time Buyers.

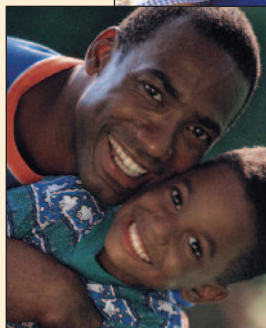
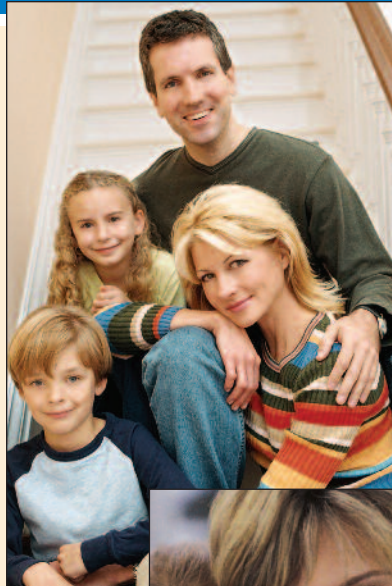
Congress has extended and expanded the homebuyer tax credit. While extending the \$8,000 credit for first-time buyers, the new law also gives qualified homeowners a tax credit up to \$6,500 when they purchase a new home.

## New \$6,500 tax credit for current homeowners:

- The new law offers a *tax credit for repeat homebuyers*. Homeowners who have lived in one residence for five consecutive years during the previous eight can claim a tax credit of 10% of the purchase price, up to \$6,500.
- Even if you are currently renting, you may claim the credit for a home purchase as long as you have lived in your own home for five consecutive years in the previous eight.
- The repeat buyer credit applies to new home purchase made after November 6, 2009, the date of the law.

## Extension of the \$8,000 tax credit for first-time buyers:

- First-time homebuyers can claim a credit of as much as 10% of the purchase price, up to \$8,000. (Homes above \$800,000 do not qualify for any credit.) First-time homebuyers are defined as not owning a principal residence for three years before the new home purchase.



## Provisions for both first-time and repeat homebuyers:

- The tax credit is a *dollar-for-dollar* reduction in taxes owed to the I.R.S. For example, if the buyer's entire income tax liability for the year is \$5,000, and an \$8,000 credit can be claimed, that buyer would receive a \$3,000 refund check from the I.R.S.
- Income limits for both first-time and repeat buyers have been increased. The full amount of the credit may be claimed by single filers with income up to \$125,000 and for married couples filing jointly up to \$225,000. The tax credit is phased out over an additional \$20,000 of income in both cases.
- Homebuyers may claim the credit for a purchase in 2009 on either their 2008 or 2009 tax returns. 2010 buyers may claim the credit on their 2009 or 2010 returns.
- The purchased home must be used as your principal residence for the next three consecutive years.
- Homebuyers now have through April 30, 2010 to have a purchase contract in place and settlement must close before July 1, 2010.
- Any type of residence qualifies: single family homes, condominiums, co-op apartments, attached or semi-attached townhomes, and more.

**The new tax credit law replaces the previous provision that expired on November 30, 2009. If you had a transaction pending but were unable to make settlement before that date, you may be able to take advantage of the new expanded benefits. And if you are considering a new home purchase – don't let this opportunity pass you by!**

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