

**FIRST-TIME HOMEBUYER
TAX CREDIT**

As Modified in the American Recovery and Reinvestment Act
Effective as of January 1, 2009 through December 31, 2009

Amount of Credit

Maximum credit amount for homes purchased in 2009 is \$8,000.

Eligible Buyers

Credit is available for first-time buyers only. You are considered a first-time buyer if you purchased your home located in the United States after January 1, 2009 and before December 1, 2009. And, you (and your spouse if married) did not own any other main home during the 3-year period ending on the date of purchase.

There are some situations in which you cannot claim the credit such as homes acquired by gift or inheritance or those acquired from an immediate family member including parents, grandparents, spouses, children and grandchildren. See IRS details in form 5405 for a list of those ineligible for the credit.

Eligible Property

All principal residences are eligible - any single family residence (including condos, co-ops, and town houses) that will be used as a principal residence. Your principal residence is the one you live in most of the time.

Income Limit

The full amount of the credit is available for individuals with adjusted gross income of no more than \$75,000 and \$150,000 on a joint return. The credit phases out above those caps and is eliminated completely when your adjusted gross income reaches \$95,000 for individuals and \$170,000 if married filing jointly.

Repayment of Credit

You must repay the credit only if the home ceases to be your principal residence within the 36-month period beginning on the purchase date. This includes situations where you sell your home, convert it to business or rental property, or the home is destroyed, condemned, or disposed of under threat of condemnation. If the home continues to be your primary residence for at least 36-months beginning on the purchase date, you do not have to repay any of the credit.

Refundable

Purchasers will receive a refund for unused amount when tax return is filed.

Revenue Bond Financing

Purchasers who utilize revenue bond financing can also use the credit.

If you have other specific questions about how this credit applies to your individual circumstances, we encourage you to speak to your tax advisor or consult with the IRS.