



Patrick Lopez

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Mortgage Bankers

\$8,000 First Time Homebuyer Tax Credit

In our quest to continue to provide excellence to you, please find below the key points of the First Time Homebuyer Tax Credit that became law through the H.R. 3221 Housing and Economic Recovery Act of 2009. Please feel free to contact me should you have further questions. If this information is not applicable to you, feel free to pass it on to your friends and family. We appreciate your trust.

Feature	Housing and Economic Recovery Act of 2009
Amount of Credit	Ten Percent of the cost of home, not to exceed \$8,000 Examples: <ul style="list-style-type: none">➤ If a home costs \$65,000, the allowable credit would be \$6,500➤ If a home costs \$120,000, then the allowable credit would be \$8,000
Eligible Property	Any single family residence (including condos) that will be used as a primary residence.
Refundable	Reduces income tax liability for the year of purchase. Claimed on tax return for that tax year. Individuals should consult a professional tax advisor for exact tax calculations. Examples: <ul style="list-style-type: none">➤ If an individual's actual tax liability was \$5,000, then after the tax credit is applied, the purchaser would receive a total refund of \$2,500. The refundable amount is the difference between the \$8,000 tax credit and the amount of one's tax liability.➤ If an individual's actual tax refund was \$2,000, then after the tax credit is applied the purchaser would receive a total refund of \$10,000.
Income Limit	Individuals whose Form 1040 filing status is single (or head of household) are eligible for the tax credit if their income is no more than \$75,000. Individuals who file a joint return may have no more than \$150,000 in income. Individuals with incomes between \$75,001 and \$94,999 (single) or \$150,001 and \$169,999 (joint returns) are eligible for a partial tax credit. Individuals with incomes greater than \$95,000 (single) or \$170,000 (joint return) are not eligible for this tax credit.
First Time Homebuyer Only	Purchaser (and purchaser's spouse) may not have owned a principal residence in three years previous to purchase. Not valid with PHFA & NJHMFA funded loans.
Recapture	Repayment is due if home is sold within the first 3 years
Effective Date	Purchases on or after Jan 1, 2009 until Nov 30, 2009

Again, when we can be of further assistance or answer any questions, please do not hesitate to contact us