

Mark Krebs

Subject: FW: TAX CREDIT EXTENDED AND NEW TAX CREDIT FOR EXISTING HOME OWNERS

Homebuyer Tax Credit Extended... Plus, New Tax Credit for Existing Home Owners!

It's official! President Obama has signed a bill that extends the tax credit for first-time homebuyers (FTHBs) into the first half of 2010. In addition, the extension also opens up opportunities for others who are not buying a home for the first time.

To help you understand what the new tax credit details mean to you and your clients, I've put together a concise overview of the new tax credit deadline, income caps, and more.

Tax Credit for Homebuyers

First-Time Homebuyers (FTHBs): First-time homebuyers (that is, people who have not owned a home within the last three years) may be eligible for the tax credit. The credit for FTHBs is 10% of the purchase price of the home, with a maximum available credit of \$8,000.

Single taxpayers and married couples filing a joint return may qualify for the full tax credit amount.

Current Owners: The tax credit program now gives those who already own a residence some additional reasons to move to a new home. This incentive comes in the form of a tax credit of up to \$6,500 for qualified purchasers who have owned and occupied a primary residence for a period of five consecutive years during the last eight years.

Single taxpayers and married couples filing a joint return may qualify for the full tax credit amount.

What are the New Deadlines?

In order to qualify for the credit, all contracts need to be in effect no later than April 30, 2010 and close no later than June 30, 2010.

Tax Credit Versus Tax Deduction

It's important to remember that the tax credit is just that... a tax *credit*. The benefit of a tax credit is that it's a dollar-for-dollar tax reduction, rather than a reduction in a tax liability that would only save you \$1,000 to \$1,500 when all was said and done. So, if a first-time homebuyer were to owe \$8,000 in income taxes and would qualify for a tax credit of \$8,000, she would owe nothing.

Better still, the tax credit is refundable, which means the homebuyer can receive a check for the credit if he or she has little income tax liability. For example, if a first-time homebuyer is eligible for a tax credit of \$8,000 but is liable for \$4,000 in income tax, she can still receive a check for the remaining \$4,000!

Higher Income Caps

The amount of income someone can earn and qualify for the full amount of the credit has been increased. Single tax filers who earn up to \$125,000 are eligible for the total credit amount. Those who earn more than this cap can receive a partial credit. However, single filers who earn \$145,000 and above are ineligible. Joint filers who earn up to \$225,000 are eligible for the total credit amount. Those who earn more than this cap can receive a partial credit. However, joint filers who earn \$245,000 and above are ineligible.

Maximum Purchase Price

Qualifying buyers may purchase a property with a maximum sale price of \$800,000.

Remember, the new tax credit program includes a number of details and qualifications. For more information or answers to specific questions, please call or email me today.

In addition, you may be able to benefit from additional housing related provisions, including the following:

Tax Incentives to Spur Energy Savings and Green Jobs

This provision is designed to help promote energy-efficient investments in homes by extending and expanding tax credits through 2010 for purchases such as new furnaces, energy-efficient windows and doors, or insulation.

Landmark Energy Savings

This provision provides \$5 Billion for energy efficient improvements for more than one million modest-income homes through weatherization. According to some estimates, this can help modest-income families save an average of \$350 a year on heating and air conditioning bills.

Repairing Public Housing and Making Key Energy Efficiency Retrofits To HUD-Assisted Housing

This provision provides a total of \$6.3 Billion for increasing energy efficiency in federally supported housing programs. Specifically, it establishes a new program to upgrade HUD-sponsored low-income housing (for elderly, disabled, and Section 8) to increase energy efficiency, including new insulation, windows, and frames.

Expanding Housing Assistance

This provision increases support for several critical housing programs. It includes \$2 Billion for the Neighborhood Stabilization Program to help communities purchase and rehabilitate foreclosed, vacant properties.

As always, if you have any questions about your specific situation or would like to discuss how you may benefit from this program, please call or email me. I'll be happy to sit down with you.



Karen Fondow
Mortgage Professional
1201 S Alma School Road #8950
Mesa, AZ 85210

Direct 480-346-8354
Cell 602-741-7355
E-Fax 866-908-6141
Cisco 38354

PlainsCapital Corporation made the following annotations

The information contained in this e-mail is strictly confidential and for the intended use of the addressee only. Any disclosure, use or copying of the information by anyone other than the intended recipient is prohibited. If you have received this message in error, please notify the sender immediately by return e-mail. PlainsCapital Corporation has taken every reasonable precaution to ensure that any attachment to this e-mail has been checked for viruses. We accept no liability for any damage sustained as a result of software viruses and advise you carry out your own virus checks before opening any attachment. This email contains the views of the author and should not be interpreted as the views of PlainsCapital Corporation. -----