

## **First Time Homebuyers Can Pocket \$8,000**

Here's some great news for first time homebuyers: As part of the Recovery and Reinvestment Act, first time buyers can claim a tax credit worth up to \$8,000 or 10% of a home's value (whichever is less) when they close on a new home purchase before December 1, 2009. When combined with some of the lowest home prices and mortgage interest rates in years, the windfall makes this a fantastic time to take your first steps toward home ownership.

How does it work? Here's an example: Say your tax liability for the year is \$6000 and you've paid Uncle Sam all he is owed. If you qualify for the entire \$8000 credit, you will get \$8000 as a refund check. Or, say you are expecting a \$1,000 refund from your taxes. You would get \$9,000 back from the government (the \$8,000 credit plus the \$1,000 you overpaid). That makes a nice nest egg to buy new furniture, a lawnmower, or other items you might need as a new homeowner.

However, there are some restrictions. To qualify your home purchase must be made between January 1, 2009 and November 30, 2009. Buyers must not have owned a home for the past three years to qualify as a "first time buyer". And they must also live in the house for at least three years or they will have to pay the credit back.

There are also some income restrictions. Buyers must make less than \$75,000 for singles or \$150,000 for couples. Applying for the credit is easy. Just claim it on your tax return. Taxpayers who have already filed taxes for 2008 can file an amendment to claim the credit.

Want to learn more? We have a brochure with all the facts, and we can run the numbers to pre-qualify you for a loan and determine what your tax credit might be. Call 800-543-2283, or visit [www.stdregfcu.org](http://www.stdregfcu.org).

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