Some Great Websites

www.WAhomeowners.com
A great site for homeowners.

www.homeloans.va.gov
VA Home Loans.

Washington State Housing Finance Commission: www.wshfc.org
Low interest loans, down payment assistance, and first-time home-buyer classes

HomeOwnership-WA: www.homeownership-wa.org
Another great non-profit resource web site

HomeSightWA: www.homesightwa.org
Help for low to moderate income families looking to buy a home

FannieMae: www.fanniemae.com
Competitive loans and a great buyers reource

HUD Help for Homeowners: www.hud.gov
Free foreclosure avoidance counseling

MakingHomesAffordable: www.makinghomesaffordable.gov
Government sponsored programs to refinance your home or loan modification

WA Association of Mortgage Professionals: www.wamb.org
Trade association for mortgage professionals as well as excellent information for consumers

REALTOR®.com: www.realtor.com
The world's largest database of homes for sale

Washington REALTORS®

REALTOR® Housing Stimulus

REALTOR®

Homebuyer Tax Credits*

Effective November 7, 2009 through April 30, 2010

**The extension and expansion of the $8,000 first time homebuyer tax credit and the addition of $6,500 tax credit for current homeowners.*

Based on the Worker, Homeownership, & Business Act of 2009.

REALTOR® Housing Stimulus

1st Time Homebuyers Tax Credit Limit = $8,000

Who Qualifies

- Have not owned a home for the past three years.
- Your income does not exceed $125,000 filing individually or $225,000 married, filing jointly (If your income is more, you may still qualify, but at a sliding scale).
- All parties have signed a contract (purchase/sales agreement) by April 30, 2010.
- You get an additional 60 day grace period to close financing.
- The home you buy must be your primary residence.

What You Get

- A tax credit that equals 10% of the value of the home—up to $8,000.
- If you do not owe $8,000 in taxes, you receive the balance in a stimulus check to you.
- If you sell your house within 3 years, there are penalties.

$6,500 Homebuyer Tax Credit for Homeowners

You May Qualify for the $6,500 if...

- You have owned a home for five consecutive years (out of the past eight years). This home must have been your primary residence.
- You purchase a different home as your primary residence. This home's purchase price cannot exceed $800,000. If it does, you are not eligible for any portion of the credit.
- You do not need to sell your former primary residence. You may lease it, sell it or give it away.
- Your income does not exceed $125,000 filing individually or $225,000, married filing jointly. Even if you do make more, you may be eligible for a smaller credit.
- You must purchase the home sometime from November 7, 2009 to April 30, 2010. You must have a signed purchase/sales agreement during that time period and have proof of purchase for your tax return.
- You get an additional 60 days to close financing – or until July 1, 2010.
- You must be 18 years of age or older.

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Please consult with a tax advisor for details and your particular tax return.

NAR Frequently Asked Questions
Homebuyer Tax Credit Changes

National Association of REALTORS® Government Affairs Division
500 New Jersey Avenue, NW, Washington DC, 20001

Here are some of the most frequently asked questions on the changes to the Homebuyer Tax Credit

Question: **Existing homeowner credit: Must the new house cost more than the old house?**

Answer: *No. Thus, for example, individuals who move from a high cost area to a lower cost area who meet all eligibility requirements will qualify for the $6500 credit.*

Question: **I am an existing homeowner. On October 25, 2009, I signed a contract to purchase a new home. I have lived in my current home for more than 5 consecutive years and am within the new income limits. I will go to settlement on November 20. If President Obama has signed the bill by the time I go to settlement, will I qualify for the new $6500 tax credit?**

Answer: *Yes. The existing homeowner credit goes into effect for purchases after the date of enactment (when the bill is signed). There is no reference to the date of contract for the new credit. The provision looks solely to the date of purchase, which is generally the date of settlement.*

Question: **I am a first-time homebuyer but was not within the prior income limits at the time I entered into my contract to purchase on October 30, 2009. I will be covered, however, by the new income limits. If the new rules have been signed into law by the time I go to settlement, will I be eligible for a credit?**

Answer: *Yes. The new income limitations go into effect as soon as the President has signed the bill. The income limit and other eligibility rules will look to your status as of the date of purchase, which is the settlement date. So if the new rules have been signed when you go to settlement, you should be eligible for the credit (or a portion of the credit if you're within the phase-out range).*

Question: **I am an eligible existing homeowner. I have a fair amount of equity in my home. I have found a home with a non-negotiable price of $825,000. Will I be able to use any of the $6500 tax credit?**

Answer: *No. The $800,000 cap on the cost of the purchased home is firm at $800,000. Any amount above $800,000 makes the home ineligible for any portion of the credit. The $800,000 is an absolute ceiling.*

Question: **I owned my home for 10 years, but sold it two years ago year and have been renting since. If I purchase a home, will I be eligible for the $6500 tax credit if I meet all the other eligibility tests?**

Answer: *Yes. Because you lived in the home for more than 5 consecutive years of the previous 8, you will qualify for the $6500 credit. For example, Say John and his wife bought a home in 2000 and lived there until 2008 when he got a divorce. Whether John has been renting or bought in the interim, he WOULD INDEED be eligible for the credit because he owned a home and occupied it as his principal residence for 5 consecutive years out of the last 8 years. The keyword here is "consecutive." As long as he lived in that house for 5 years straight what he did since 3 years doesn't impact eligibility.*

Question: **I am an eligible first-time homebuyer. I entered into a contract to purchase on November 1, 2009. Do I have to go to closing before December 1? How does the extension date affect me?**

Answer: *You do not have to close before December 1. Once the legislation has been signed, it will be as if the Nov 30 date had never existed. Therefore, so long as the contract settles before April 30 (or July 1, worst case), the purchaser will be eligible for the credit.*