

We have summarized the details of the 1st Time Home Buyers Tax Credit that was signed by President Obama in February. Please pass this information along to your graduating class.

- ◆ The credit is \$8000 for individuals, \$8000 for joint filers, or \$4000 for married persons who each file separately. It is a credit, and you don't have to pay it back, but there are a few limitations.
- ◆ You must be a 1st time buyer... if you owned a "main" home within the 3 year period preceding your purchase, you do not qualify. You must purchase between January 1, 2009 and December 1, 2009. It is not applicable to refinances, only purchase.
- ◆ You must stay in the home for three years. This is important. It has to be your main home for three years, or you may have to pay the rebate back later.
- ◆ The credit is for 10% of the purchase price, up to \$8000. In other words, you would receive a \$7000 rebate on a \$70,000 home.
- ◆ If you make more than \$75000 (\$150,000 jointly) the rebate phases down (we haven't seen a chart yet,) but most new residents will be eligible for the full \$8000.

The Key word is: **REBATE**.

- ◆ Let's say you buy a \$150,000 home before December 1, 2009.
- ◆ You make \$50000.
- ◆ You file in 2009 and you would normally owe:
 - \$1000 in taxes: you get back a check for \$7000.
 - 0 in taxes: you get back a check for \$8000
 - are owed \$1000 by the IRS: you get back a check for \$9000.

The details can be found in the attached link below. Note that there is an opportunity to claim the credit on either your 2008 or 2009 filing. I have also attached a link to the IRS form. It's remarkably easy.

Considering a home purchase this year? Please call PhysicianLoans at 877 913 6286 to speak to one of our skilled loan originators or complete our [Contact Form](#) and we will contact you.

[IRS news item from Feb 25,2009](#)

[The IRS Form 5405](#)