

\$8,000 FREE Tax Credit

The buyers' market is here! Buyers' can receive **\$8,000 free tax credit** with their 2008 tax return.

As of February 17th, 2009 all first time home buyers (or buyers that have not owned any property in the past 3 years) qualify for 10% of the purchase price of the home, up to \$8,000 FREE MONEY! This is tax credit equivalent to money in your hand!

Since buyers have most likely already filed their taxes, an amendment can be filed and the stimulus will be mailed by the IRS and arrive within 4 - 6 weeks. The borrower will probably not receive the money before closing, but they can pay out of pocket at closing and then wait for the check to come in the mail. Many sellers are willing to help pay for buyers closing costs so that can cut down the amount you have to bring to closing. Also there are other grants like S.E.T.H. that are available in some areas. Also with certain products such as FHA buyers can receive gifted funds from family members to cover costs and reimburse them when their check comes in the mail.

If buyers have not yet filed their taxes then the stimulus can be applied and received via direct deposit within 7 – 10 business days! They will receive the money BEFORE closing!

Of course there are stipulations:

1. Executed sales contract must be in place with the loan in process.
2. Estimated closing date must be disclosed.
3. THAT'S IT!!!

Here are some other general details:

- October 1st 2009 is the deadline to file for either initial tax filings or amendments to be credited towards 2008 tax return.
- If the buyer owes the IRS the government will pay themselves out of the \$8,000 first and the stimulus to the buyer will reflect the difference.
- If the buyer receives a credit for the tax return the stimulus will be on top of that dollar amount.
- Whatever stimulus money is left *after the purchase* can be used however the buyer wants (with no restrictions).
- Eligible buyers are first time home buyers or no ownership within 3 years.
- Sales contract and the estimated closing date is required to initially file taxes or to file an amendment. If the contract is broken, the IRS will know and the money will have to be paid back. (That is: if you end up not purchasing the home at all).
- The tax credit starts phasing out for couples with incomes above \$150,000 and single filers with incomes above \$75,000.
- Buyers will have to repay the credit if they sell their home within three years.