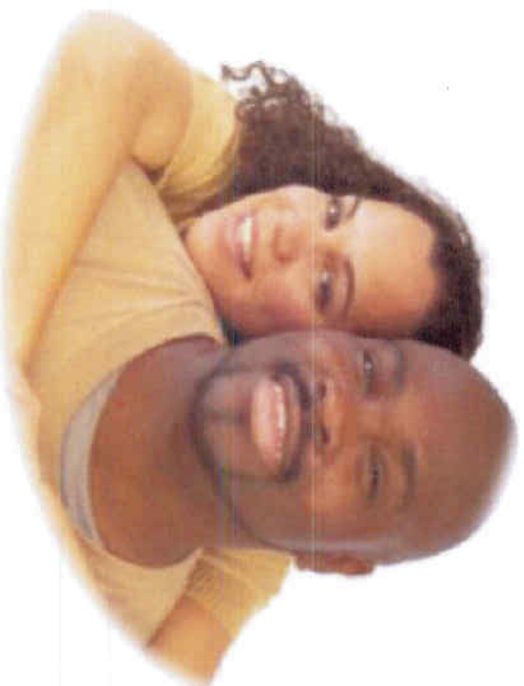


The Extended Homebuyer Tax Credit



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This presentation is based on information available as of November 7, 2009 and provided by the National Association of Realtors®.

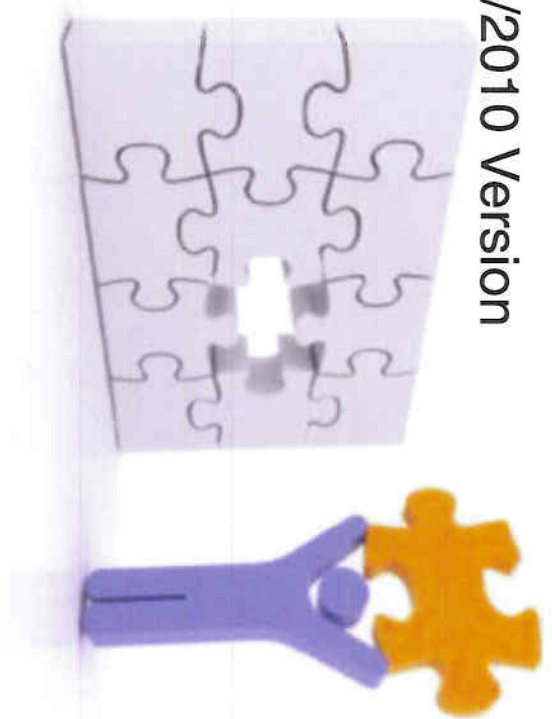
It is not meant to be tax or legal advice.

As with any tax law change, check with a tax advisor regarding availability, eligibility and possible timing of any tax credit.



Agenda

- Who qualifies?
- Who does not qualify?
- 2009 Homebuyer Tax Credit – February 2009 Version
- Key changes in the Extended 2009/2010 Version
 - Home Qualifications
 - Calculating the Tax Credit
 - Recapture - 3 Year Residency
 - Claiming the Credit?



Who qualifies?

- First time Home Buyer
 - Has not owned another primary residence during the three years prior to the date of purchase.
 - Must be the buyer's primary residence
- Current Homeowner
 - Primary residence for five consecutive years of the previous eight years



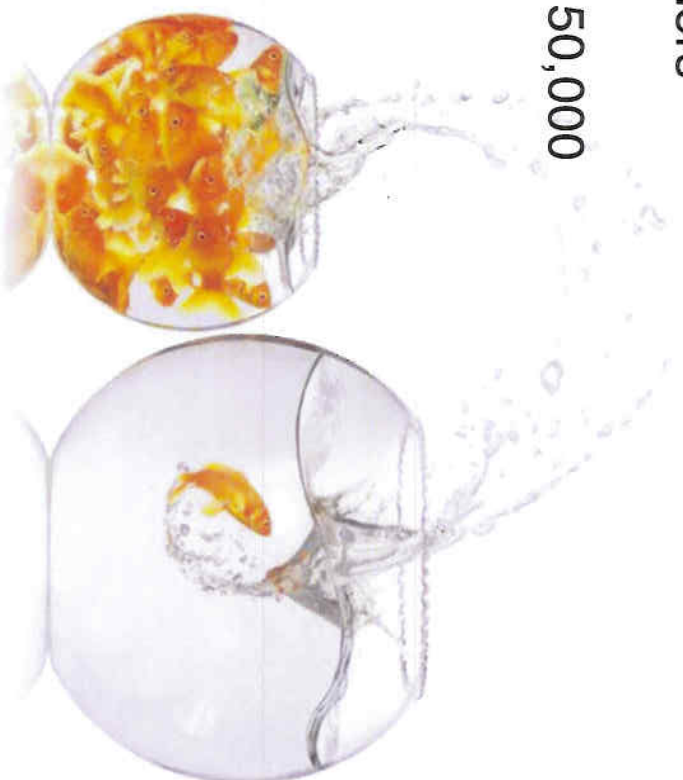
Who does not qualify?

- A homebuyer whose income exceeds
 - Single Filers = \$ 145,000
 - Married Filers = \$245,000
- A homebuyer who does not meet the residency requirement



2009 Homebuyer Tax Credit – February Version

- Maximum \$8,000 First-Time Homebuyer Income Tax Credit
- January 1 – November 30, 2009
- Not available to current homeowners
- Income Limits from \$75,000 to \$150,000



Key changes in the Extended 2009/2010 Version

- November 7, 2009 through April 30, 2010
- Current Homeowners can now take advantage
- Increased Income Limits
- Maximum cost of purchased home



Home Qualifications

- Homeowner spends 50% or more of his/her time in residence
- Condo, single family detached, co-op, townhouse or other



Calculating the Tax Credit

Home Price Limitations

| | | | | | |
|-----------------------|-----------|---------------|-----------------------|-----------|----------------|
| Purchase Price | \$ | 70,000 | Purchase Price | \$ | 200,000 |
| 10% | \$ | 7,000 | 10% | \$ | 20,000 |
| Tax Credit | \$ | 7,000 | Tax Credit | \$ | 8,000 |



Calculating the Tax Credit

Income Limitations

| TYPE | INCOME LIMIT | PHASE OUT START | RANGE |
|----------------|--------------|-----------------|----------|
| Single Filers | \$145,000 | \$125,000 | \$20,000 |
| Married Filers | \$245,000 | \$225,000 | \$20,000 |

| TYPE | ACTUAL INCOME | PHASE OUT START | RANGE PENETRATION |
|----------------|---------------|-----------------|-------------------|
| Married Filers | \$240,000 | \$225,000 | \$15,000 75% |

The tax credit will be reduced by 75% or \$6,000.
Actual tax credit = \$2,000.



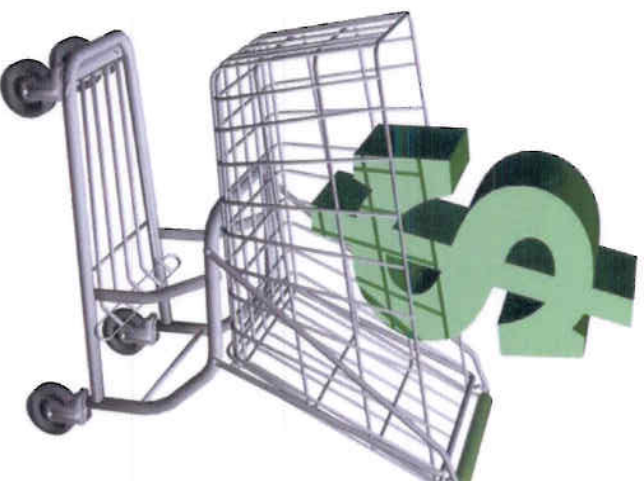
Recapture - 3 Year Residency

- Tax credit must be repaid if the home is resold within three years
- This provision is designed to prevent flipping homes in order to get the tax credit



Claiming the Credit?

- 2009 Tax Return
- Amended 2009 Tax Return
- 2010 Tax Return



The Extended Homebuyer Tax Credit



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