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Date: November 12, 2009

To: All Clients and Friends

From: Cliff Bernstein

Re: Homebuyer Tax Credit Changes

**NEW YORK & NEW JERSEY
TITLE BULLETIN**

Homebuyer Tax Credit Changes

Attached is a helpful chart prepared by the National Association of Realtors, which reflects the differences between homebuyer tax credits available for purchases closing by November 30, 2009, and the new extended rules.

This bulletin is sent courtesy of CB Title Agency of NY, LLC and NAR. This article is for informational purposes only and is not intended to provide legal advice, but rather to provide insight into legal developments and issues that may be useful to our clients and friends. In no circumstance is this article intended to be a full treatment of the above subject matter. Reader is advised to obtain additional information as noted.

NAR Issue Brief

Homebuyer Tax Credit Changes



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

Congress has extended and expanded the homebuyer tax credit. The modifications in the column labeled "December 1 – April 30, 2010" become effective when President Obama signs the bill. All changes made to the current credit become effective on that date, as well.

FEATURE	Jan 1 – November 30, 2009 Rules as enacted February 2009	December 1 – April 30, 2010 Rules as enacted November 2009
First-time Buyer – Amount of Credit	\$8000 (\$4000 married filing separate)	\$8000 (\$4000 married filing separate)
First-time Buyer – Definition for Eligibility	May not have had an interest in a principal residence for 3 years prior to purchase	Same
Current Homeowner – Amount of Credit	No Provision	\$6500 (\$3250 married filing separate)
Effective Date – Current Owner	No Provision	Date of Enactment
Current Homeowner – Definition for Eligibility	No Provision	Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years
Termination of Credit	Purchases after November 30, 2009. (Becomes April 30, 2010 on Date of Enactment.)	Purchases after April 30, 2010
Binding Contract Rule	None	So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until July 1, 2010 to close.
Income Limits (Note: Increased income limits are effective as of date of enactment of bill)	\$75,000 – single \$150,000 – married Additional \$20,000 phase out	\$125,000 – single \$225,000 – married Additional \$20,000 phase out
Limitation on Cost of Purchased Home	None	\$800,000 Effective Date of Enactment
Purchase by a Dependent	No Provision	Ineligible Effective Date of Enactment
Anti-fraud Rule	None	Purchaser must attach documentation of purchase to tax return