

Homebuyer Assistance Tools

What every first-time homebuyer should know...

Are you thinking about buying a home in Illinois? In today's economic climate, it's more important than ever to help first-time homebuyers. Below is a summary of available federal and state resources to help you achieve the dream of homeownership affordably.

**\$1.3 Million
Available in
Downers Grove**

FEDERAL HOMEBUYER TAX CREDIT

The U.S. Congress has enacted legislation to help stimulate the economy and revive the housing market. The American Recovery and Reinvestment Act (ARRA) of 2009 provides tax incentives for first-time homebuyers to help:

- people achieve the dream of homeownership,
- make homeownership more affordable, and
- bring new buyers into the market.

Eligible first-time homebuyers can receive a one-time tax credit of up to \$8,000 that they can claim savings on their federal taxes. Buyers do not have to repay the tax credit. The tax credit may be used with any primary purchase mortgage loan including a loan that is financed through proceeds from the sale of tax-exempt mortgage revenue bonds which typically offer below-market interest rates, allowing the homebuyer to benefit from even more savings.

Qualifications:

- Home must be purchased between Jan. 1, 2009 and Nov. 30, 2009.
- Buyer must be a first-time homebuyer, or not have owned a home for the past three years.
- Home must be principal residence. If the homebuyer moves out of the home within three years, they will be required to pay back the credit.

Restrictions:

To benefit from the maximum federal tax credit, unmarried homebuyers must earn less than \$75,000, while couples must earn less than \$150,000. (Higher-income buyers may receive a partial credit.)

How to apply:

Homebuyers will need to claim the tax credit on their federal 2008 or 2009 tax return using Form 5405. No other forms or papers have to be filed. Taxpayers who have already completed their 2008 tax return can file an amended return to claim the credit before October 15, 2009 or wait until next April to claim the savings on their 2009 tax return.

Visit www.irs.gov for more details.



I-LOAN CERTIFICATE (MCC) PROGRAM

The I-Loan Certificate Program, also sometimes referred to as the Mortgage Credit Certificate (MCC) Program, allows first-time homebuyers to use up to 20 percent of their annual mortgage interest as direct federal tax credit, resulting in a dollar for dollar reduction of their annual federal income tax liability.

Qualifications:

- Buyer must be a first-time homebuyer, or not have owned a home for the past three years.
- Home must be principal residence. If the homebuyer moves out of the home before the loan is repaid, they will lose the tax credit benefit.

Restrictions:

- Income and purchase price limits apply. Limits are determined by county.**
- MCC can only be used with a new mortgage loan.
- MCC can not be used with any loan financed with proceeds from tax exempt financing.

How to apply:

Homebuyers will need to apply through an Illinois Housing Development Authority partner lender.**

** Visit www.ihda.org for income and purchase price limits, a list of partner lenders, and other details.

For more details, visit:
www.ihda.org
www.financialstability.gov

