

WELLS
FARGO

HOME
MORTGAGE

In 2009, Most First Time Home Buyers Receive \$8,000!

Reasons to use a Realtor

- Your Realtor will show you properties based on your criteria
- Your Realtor can explain various aspects of a home and its neighborhood
- Has access to Multiple Listing Service and knowledgeable about the inventory
- Making an offer on a home can demand a Realtor's knowledge and negotiation skills
- Typically, the seller pays all Realtor fees

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No Pay Back Strengthens Incentive

Almost all first time home buyers get a huge cash rebate in 2009 or 2010 if they buy their home before December 1, 2009.

The \$8,000 is an enticement for renters to buy a home for themselves now. (The maximum tax credit is 10% of sale price claimed when filing your tax return.) If you buy in the next eight months, you may be able to benefit from this offer. In some cases—if your taxes are less than \$8,000—you may even get paid by the government AND not pay any taxes at all! If you

paid in \$3,000 in taxes, you will get all of that back plus \$5,000.



Common questions:

- Can I get the \$8,000 now? No, but you can reduce your withholding now. Or, consider it a free decorating allowance.
- Who qualifies? A buyer with less than \$75,000 annual income or a couple with less than \$150,000

annual income who have neither owned a home in the last 3 years. (Single borrowers under \$95,000 & couples under \$170,000 will still get a partial credit too.)

- Is this a gift? YES. If you own the house for the next 3 years, you don't have to pay it back. If you sell in the first 3 years, the net gain you receive up to \$8,000 will be paid to the government.
- Other conditions may apply. See your tax advisor for more details.

Low Down Payment Home Loans Still Available

The recent mortgage loan crisis has not affected a number of the best low down payment loans available in Minnesota. FHA—through banks such as Wells Fargo—continue to offer loans that require only 3.5% down and allow the seller to pay the closing costs. Zero down loans still exist for veterans and in some rural areas.

Wells Fargo also offers the incomparable "CHAMP" loan with only a 2% down payment required and zero mortgage insurance for low to moderate income buyers.

What to do? Work with a lender who is experienced in preparing buyers with small down payment loans. Since you will still normally need a small down payment, it is a

good idea to talk to a family member about a possible gift for your down payment.

"If you're looking for a home now, don't *prepare* to talk to a lender; instead, use a good lender to *prepare* to buy a home. Wells Fargo Home Mortgage.

FIRST-TIME HOMEBUYER TAX CREDIT
As Modified in the American Recovery and Reinvestment Act
Major Modifications Italicized
February 2009

FEATURE	CREDIT AS CREATED JULY 2008 APPLIES TO ALL QUALIFIED PURCHASES ON OR AFTER APRIL 9, 2008	REVISED CREDIT – EFFECTIVE FOR PURCHASES ON OR AFTER JANUARY 1, 2009 AND BEFORE DECEMBER 1, 2009
Amount of Credit	Lesser of 10 percent of cost of home or \$7500	<i>Maximum credit amount increased to \$8000</i>
Eligible Property	Any single family residence (including condos, co-ops, townhouses) that will be used as a principal residence.	No change All principal residences eligible.
Refundable	Yes. Reduces (or can eliminate) income tax liability for the year of purchase. Any unused amount of tax credit refunded to purchaser.	No change Purchasers will continue to receive refund for unused amount when tax return is filed.
Income Limit	Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). Phases out above those caps (\$95,000 and \$170,000).	No change Same income limits continue to apply.
First-time Homebuyer Only	Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.	No change Still available for first-time purchasers only. Three-year rule continues to apply.
Revenue Bond Financing	No credit allowed if home financed with state/local bond funding.	<i>Purchasers who utilize revenue bond financing can use credit.</i>
Repayment	Yes. Portion (6.67% of credit or \$500) to be repaid each year for 15 years, starting with 2010 tax filing.	<i>No repayment for purchases on or after January 1, 2009 and before December 1, 2009</i>
Recapture	If home sold before 15-year repayment period ends, then outstanding balance of repayment amount recaptured on sale.	<i>If home is sold within three years of purchase, entire amount of credit is recaptured on sale. Applies only to homes purchased in 2009.</i>
Termination	July 1, 2009 (But note program changes for 2009)	<i>December 1, 2009</i>
Effective Date	Purchases on or after April 9, 2008 and before January 1, 2009. Repayment to begin for 2010 tax year.	<i>All revisions are effective as of January 1, 2009</i>