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Home Buyer Tax Credit Has Been Extended and Expanded

Glen Carbon, IL – The Greater Gateway Association of REALTORS® has been informed that President Obama has approved the extension and expansion of the federal homebuyer tax credit. The measure is part of H.R. 3548, the Unemployment Compensation Extension Act.

Under the bill, the deadline for the first-time homebuyer tax credit of up to \$8,000 has been extended through April 30, 2010. Buyers must have a contract to purchase in place by April 30 and will have until July 1 to close.

The credit has also been expanded to provide up to a \$6,500 tax credit for qualifying prospective buyers who already own their home and who have lived in it as their principal residence for five consecutive years in the past eight years.

Income limits for eligible home buyers are expanded to \$125,000 for single buyers and \$225,000 for couples. The purchase price of the home may not exceed \$800,000. To guard against fraud, buyers are required to attach documentation of purchase to their tax return.

Under the terms of the tax credit, the buyer is not obligated to repay the credit if he/she occupies the home for three years or more. However, if the property is sold during this three-year period, the full amount of the credit will be recouped on the sale.

National Association of REALTORS® economists estimate that the current tax credit has contributed approximately \$22 billion to the general economy and approximately 2 million people will take advantage of the tax credit this year. For more information, please visit www.realtor.org.

The Greater Gateway Association of REALTORS® serves over 1,200 REALTOR® and affiliate members in the southwestern Illinois region including the counties of Bond, Calhoun, Fayette, Jersey, Macoupin, Madison, Monroe, and Montgomery. The Association strives to promote education, professionalism, and ethical conduct in the real estate industry, to continue to be an advocate for the protection of property rights, to assist in providing Americans with safe and affordable housing, and to further the interest of residential and other real estate property ownership.