

HOW CAN YOU MONETIZE THE FEDERAL FIRST-TIME HOME BUYER TAX CREDIT WITH HOME ADVANTAGE?

First-Time Home Buyer Tax Credit Loan Programs

The American Recovery and Reinvestment Act of 2009 provided a federal income tax credit for first-time home buyers of ten percent of the sales price, up to a maximum of \$8,000, for the purchase of a new or existing home. The tax credit is available to qualified home buyers who purchase a home before December 1, 2009.



The federal tax credit is received by qualified buyers when they file their tax return. Several housing finance authorities have created special programs to “monetize” the federal tax credit to provide down payment and closing cost assistance funds at the time of purchase. These short-term loans only provide a portion of the federal tax credit and are expected to be paid in full when the borrower receives their tax credit check. If the loan is not paid in full, it automatically converts to a second mortgage with monthly principal and interest payments. If the first mortgage is insured by FHA, then these special programs are further complicated by having to follow FHA guidelines.

New Hampshire Housing’s Simple Solution!

Our easy alternative to these complicated short-term loans is the Home Advantage Program. This program gives home buyers the opportunity to “monetize” their federal tax credit with an interest free second mortgage of up to \$10,000. There are no monthly payments, no interest, and it can be paid off when the buyer receives their federal tax credit check **if they choose to**. It **never** turns into a second mortgage with monthly principal and interest payments. Even if the first mortgage is insured by FHA, no special FHA guidelines apply.

The Home Advantage Program is also available for buyers who do not qualify for the federal tax credit!



To see if you qualify for the Home Advantage Program, visit our Web site at www.nhhfa.org, ask your lender about it, or call us at 800-649-0470.

The new tax credit rules apply to homes purchased after December 31, 2008, and before December 1, 2009. As with any tax law change, check with your tax advisor if you have questions.

