

The Mortgage Messenger

Governments at all levels are creating incentives for first-time home buyers. Lenders are also modifying their guidelines to help facilitate purchase of foreclosed homes and refinancing of existing mortgages (even if property values have declined). Although the rules for lending have tightened up recently, there is still money available. Contact us to learn more about special programs and to find out if you qualify.

Sincerely,
Heidi Snow, President
hsnow@perennial-mortgage.com

Client Comment Corner

"Heidi Snow combines courtesy and competence which delivered a successful outcome in record time." Pat Harrington, Albuquerque, NM

"Matt went over and above to help us in our transaction."

Keith & Josie J., Albuquerque, NM

See more at: www.perennial-mortgage.com/testimonial.htm

What You Need to Know About the \$8000 First-Time Home Buyer Tax Credit

Who Qualifies for the Tax Credit?

- A First-Time Home Buyer (FTHB) is someone who has not owned a home within the last 3 years—determined by when previous home was sold
- Purchase of a primary residence between January 1 and December 1, 2009
- Owned a rental or vacation home not used as a primary residence over the last 3 years
- If married and 1 spouse owned a home within the last 3 years and the other did not, they don't qualify
- If unmarried and one person owned a home within last 3 years and other did not, they can "designate" the tax credit to the one who is considered the FTHB.
- If parents who own a home cosign on a mortgage and the child is a FTHB, the child is eligible
- Non-US Citizens may qualify if they meet resident-alien status (IRS Pub 519)
- Revenue or Housing Bond (e.g., NM MFA) financing is eligible for tax credits

Types of Properties

- Primary Residence – Single family, 2-4 units (must occupy one unit), town homes, condos, manufactured homes, mobile homes and houseboats
- New Construction – "Purchase Date" is the date the owner occupies the home (between Jan 1 and Dec 1, 2009)

Income Limits

- \$75,000 Single Person (Partial Credit up to \$95,000)
- \$150,000 Married Couple (Partial Credit up to \$170,000)
- Based on Adjusted Gross Income (AGI) line on IRS Form 1040, 1040A or 1040EZ

Amount of Credit

- 10% of Sales price
- Up to Maximum of \$8000
- Partial Tax Credit if income exceeds \$75,000 (single) or \$150,000 (married)

Repayment Tax Credit

Unlike previous tax "credits" this one doesn't need to be paid back unless the home is sold within 3 years. After 3 years, no repayment is due!

Buyers should check with a tax advisor on how it will affect their individual tax returns.



New Mexico Mortgage Finance Authority Provides Tax Credit Loan

The new \$8000 Federal Tax Credit is a significant benefit to first-time buyers and should help stimulate the housing market. However, the credit isn't received until after the home is purchased. Therefore, buyers still need to come up with their own funds for down payment and closing costs.

In April 2009 the New Mexico Mortgage Finance Authority (MFA) announced that they will provide a Tax Credit Loan to first-time homebuyers. The maximum Tax Credit Loan is the lesser of 8% of the purchase price or \$6500. The buyer does not have to pay interest on the loan as long as it is paid back prior to June 1, 2010. This allows that borrower enough time to obtain the Federal tax credit to pay off the loan.

The Tax Credit Loan must be paired with one of the MFA first mortgage loan programs. There are limitations to qualify for the MFA programs which are targeted to assist low-to-middle income home buyers. Borrowers must meet income requirements to qualify.

Area	Income Limits By Family Size	
	1 or 2	3 +
Albuquerque MSA	\$55,900	\$64,285
Santa Fe County	\$57,000	\$65,550
All Other Areas	\$46,600	\$53,590

The maximum home price allowed under the MFA Tax Credit Loan for most areas of the state is \$237,031. Homes in Santa Fe County can be up to \$343,799 and up to \$286,875 in Los Alamos County.

Also, the definition of FTHB under MFA may be more narrow than the definition under the federal tax credit program.

Contact the loan officers at Perennial Mortgage to find out more about how these programs work and whether or not you qualify. If you don't qualify for this Tax Credit Loan—don't give up your dream to buy a home. There are loan programs that allow gifts from family members to help you — and you can give it back when you get your tax credit!



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Alert - Don't Become a Victim of Mortgage Scams

Foreclosure scams are destructive, deceptive, and devastating to families who are fighting to survive. We have families on the edge of foreclosure that are being offered relief too good to be true. Housing and Urban Development (HUD) is taking measures to educate and protect consumers and homeowners, bring these scams to light, and prevent con artists from exploiting the housing crisis. There are legitimate people, places, and agencies that American families can turn to when they are facing foreclosure.

The Obama Administration recently announced the Making Home Affordable Program, designed to assist up to nine million American families refinance or modify their loans to a monthly mortgage payment that is more affordable. Due to the over-whelming interest in the plan, homeowners are increasingly becoming the target of scammers trying to take advantage of families with false promises and steep fees. Aside from nominal cost for items like a credit report (about \$20) or for legitimate products like an appraisal, no one should pay an upfront fee for refinance or loan modification services under these programs.

The U.S. Federal Trade Commission works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. If you feel you have been a victim of a foreclosure scam, to file a complaint or to get free information on consumer issues, contact: www.ftc.gov or 877-FTC-HELP (1-877-382- 4357); TTY: 1-866-653-4261.

You Think You're So Smart!

The engineering department arranged for a catered lunch to bid farewell to their retiring colleague. They calculated that it would cost each person \$30. One good mathematician remarked, "It's lucky that there aren't five fewer of us to split the bill, or it would be \$10 more from each." How many engineers split the bill, and how much did it cost? [Oh, those zany engineers.-RK]

If you want to see if your answer is correct, or you can't figure it out and want to know the answer, email or call Roger Kennett (our resident "Mensa Dude") at rkennett@perennial-mortgage.com or 888-9500.

We Are a Referral-Based Business!

We generate referral business by being extremely knowledgeable about mortgages and providing exceptional personalized service to our clients. Whom do you know who needs our services?

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