

FAQ — continued...

9. **Does the tax credit have to be paid back to the government?** There will be no repayment for purchases on or after January 1, 2009 and before December 1, 2009, if the home is not sold for three years.

10. **I heard there is a “recapture” feature in the provision. What does that mean?** If the home is sold within three years of purchase, the entire amount of the credit will be recaptured upon sale for homes purchased during 2009.

11. **Is the credit available for homebuyers who receive government sponsored down-payment assistance?** Yes!



Welcome Home!

Disclaimer...

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CALIFORNIA  
MANUFACTURED  
HOUSING INSTITUTE

10630 Town Center Dr., Suite 120  
Rancho Cucamonga, CA 91730

Phone: (909) 987-2599  
Fax: (909) 989-0434



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(909) 987-2599  
info@cmhi.org  
www.cmhi.org



Temporary Tax Credit—  
Quick Reference

# H.R. 1 American Recovery and Reinvestment Act of 2009

for homes purchased after January 1, 2009 and before December 1, 2009

On February 17, President Obama signed into law The American Recovery and Reinvestment Act of 2009 which includes legislation that provides an enhanced temporary tax credit. First-time home buyers who purchase a home on or after January 1 and before December 1, 2009, may qualify for up to an \$8,000 tax credit that does not have to be paid back as long as you own the home for three years.

This brochure is intended to highlight some key provisions of the credit. **The California Manufactured Housing Institute (CMHI) recognizes that each homebuyer has specific tax concerns and suggests that you refer to the CMHI website at [www.cmhi.org](http://www.cmhi.org) for more discussion on The Act** and additional frequently ask questions about the tax credit.

CMHI is the non-profit professional and trade association representing the factory constructed housing industry in California.



All homes are eligible! HUD Code or Factory-built!

## Frequently Asked Questions

1. **What is the First Time Home Buyer Credit?** A federal income tax credit of 10% of the purchase price up to \$8,000.
2. **What is the definition of a first time home buyer?** Generally, a buyer who has not owned a residence during the three-year period prior to purchase.
3. **Who is eligible to claim the tax credit?** Qualified first time home buyers purchasing any kind of home—new or resale.
4. **What types of homes will qualify for the tax credit?** Any home purchased by an eligible first time home buyer, used as a principal residence. *The home may be a manufactured home, a modular home and be real or personal property.*
5. **Are there income limits to determine who is eligible to take the tax credit?** Yes. Modified adjusted gross income (MAGI) of up to \$75,000 for single or head-of-household buyers and \$150,000 for joint tax payers.
6. **If my MAGI is above the limit, do I**

**still qualify for a credit?** Possibly. A partial credit of less than \$8,000 are available for some taxpayers subject to phase-out limits.

7. **Are there any circumstances for which qualified home buyers may not receive the maximum \$8,000 credit?**

In General, the credit is equal to 10% of the purchase price and is capped at \$8,000 for homes purchased in 2009.

8. **I heard the tax credit is refundable. What does that mean?** Refundable means that it can be claimed even if the taxpayer has little or no federal income to offset. Should that be the case, the IRS will issue a check to the homebuyer for the difference between the tax due and the amount of the tax credit.



Manufactured homes in Leased communities are eligible, too!

