

JUDD GREGG  
NEW HAMPSHIRE

COMMITTEES:

BUDGET, *Ranking Member*

APPROPRIATIONS

BANKING, HOUSING AND  
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## United States Senate

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December 10, 2009

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Mr. Jon Clark  
30 William Gannon Road  
Manchester, NH 03104

Dear Mr. Clark:

Thank you for contacting me with your support for extending and expanding the First-Time Homebuyer Tax Credit. I appreciate hearing from you.


As you may know, the First-Time Homebuyer Tax Credit was created by the Housing and Economic Recovery Act (P.L. 110-289), which was passed by Congress in July 2008. Initially, qualified individuals who purchased a primary residence between April 1, 2008, and July 1, 2009, were eligible to receive a tax credit for 10 percent of their home's purchase price, up to \$7,500. This tax credit was also refundable, meaning that homeowners could receive money from the government if their tax credit exceeded their tax liability for 2008. However, this credit was effectively a no-interest loan which the homeowner had to repay to the government in equal installments over a 15-year period. In February 2009, the passage of the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) made several changes to the First-Time Homebuyer Tax Credit. These changes included increasing its limit to \$8,000 and allowing qualified homeowners who purchased a primary residence between January 1, 2009, and November 30, 2009, to waive the credit's repayment as long as the home they purchased remained their principle residence for at least three years.

On November 4, 2009, the Senate, with my support, passed the Worker, Homeownership, and Business Assistance Act of 2009 (H.R. 3548), which contained a provision affecting the First-Time Homebuyer Tax Credit. Specifically, this legislation extends the credit's expiration date for first-time homebuyers who enter into sales contracts by April 30, 2010, and close on those sales within sixty days. H.R. 3548 also enables current homeowners to claim a \$6,500 housing tax credit on the condition that they have lived in their home for at least five years. Additionally, H.R. 3548 expands the First-Time Homebuyer Tax Credit's income limits to \$125,000 for individuals and \$225,000 for married couples.

You will be pleased to know that on November 5, 2009, the House passed H.R. 3548, and President Obama signed the bill into law the next day. Please be assured that I appreciated knowing your support for H.R. 3548 during its debate in the Senate and I will be sure to keep your views in mind as I continue working with my Senate colleagues on policies to assist struggling homeowners.

Again, thank you for contacting my office; I appreciate the opportunity to respond to your concerns. If there are other issues of importance to you, please do not hesitate to get back in touch with me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Judd Gregg", with a large, sweeping flourish extending downwards and to the left.

Judd Gregg  
U. S. Senator

JG/pc