



QUICK FACTS ON THE HOUSING RECOVERY ACT

This recently enacted legislation represents the most comprehensive response yet to the American mortgage crisis, and will help families facing foreclosure keep their homes, help first time homeowners to purchase a new home, and help the recovery of communities harmed by empty homes caught in the foreclosure process.

HOUSING ASSISTANCE TAX ACT OF 2008

- Includes a first-time home buyer refundable tax credit for purchases on or after April 9, 2008 and before April 1, 2009 equal to 10 percent of the purchase price of a principal residence, up to \$7,500.
- Phases out the credit for taxpayers with incomes over \$75,000 (\$150,000 for joint returns).
- Requires taxpayers receiving the credit to repay it over 15 years in equal installments by imposing a surcharge on the taxpayers' annual income tax.
- The Act provides emergency assistance for the redevelopment of abandoned and foreclosed homes.

HOPE FOR HOMEOWNERS ACT OF 2008

- Authorizes the FHA to insure up to \$300 billion of 30 year fixed rate refinance loans up to 90% of appraised value for distressed borrowers.
- Covers mortgage commitments made on or after October 1, 2008 through September 30, 2011.
- Requires existing mortgage holders to accept the proceeds of the insured loan as payment in full for all pre-existing indebtedness.

FHA MODERNIZATION ACT OF 2008


- Increases the FHA loan limit from 95 percent to 110 percent of area median home price up to 150 percent of the GSE conforming loan limit, or \$625,000, effective January 1, 2009.
- Requires a down payment of at least 3.5 percent for any FHA loan.
- Places a 12-month moratorium on HUD implementation of risk-based premiums.
- Prohibits seller-financed down payments.
- Allows down payment assistance from family members.
- Limit is \$411,700 in Deschutes County.

WHEN WILL THE PROGRAM BEGIN?

The program will begin on October 1, 2008 and sunset on September 30, 2011. Homeowners in danger of losing their homes before October 1, however, should not wait to contact their loan servicers and should begin applying for federally insured mortgages now.

For more information, go to www.realtor.org

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