



American Recovery and Reinvestment Act of 2009 Key Highlights

The President signed into law the “American Recovery and Reinvestment Act of 2009” on February 17, 2009.

The American Recovery and Reinvestment Act of 2009 (ARRA) had several targeted areas of focus and investment:

- Clean, Efficient, American Energy
- Transforming our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protect Vital Services

Changes from this new legislation that impact the housing industry most directly, include:

- Increased **tax credit** benefit for first-time homebuyers in 2009
The tax credit available to first-time homebuyers in 2009 is increased to a \$8,000 maximum and does not need to be repaid as long as the property is not sold within three years. This credit is retroactive to apply to any home purchased since Jan. 1, 2009 and is effective through the end of the year. The \$7,500 first-time homebuyer credit resulting from HERA 2008 is still applicable for purchases made between Apr. 9, 2008 and Dec. 31, 2008.
Ask me for more details!
I have a brief presentation that can be used to introduce the tax credit to you, your colleagues, and your potential buyers.
- Home Energy Credit
Homeowners can recoup up to 30 percent of the cost of numerous projects, such as installing energy-efficient windows, doors, furnaces and air conditioners.
- Funding of USDA Rural Housing Programs
The Rural Housing Service (RHS) direct housing loan program will receive \$270 Million and the unsubsidized guaranteed loan program will receive \$230 Million.
- Reinstatement of higher **Mortgage Loan Limits** through the end of 2009.
The new limits will be effective through Dec. 31, 2009. The limits will maintain the current floor limit of \$271,050 for FHA and \$417,000 for conventional. The ceiling loan limit is increased to \$729,750. The factor for high cost areas is increased back to 125% of the 2008 area median home price for markets between the floor and ceiling limits. For the few markets where 2009 limits were higher than 2008 limits, those markets will maintain the higher limit.
Loan limit increases are expected to be implemented quickly, contact me if you have questions about the current limit in our market.

Contact me for additional information on any of these changes.

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