



FEDERAL TAX CREDIT ADVANCE LOAN INFORMATION STATEMENT

To assist you in purchasing your home the Missouri Housing Development Commission ("MHDC") provided you a second mortgage loan to fund your down payment and closing costs in an amount up to 6% of the price of the house, but not more than \$6,750.. MHDC provided the second mortgage loan with the requirement that you repay the loan with the federal refundable tax credit for first-time homebuyers. This information statement provides you with information about the loan, the tax credit and filing for the credit.

**THIS
PROGRAM IS
A LOAN TO
YOU FROM
MHDC**

**LOAN DUE:
JUNE 1, 2010**

**YOU REPAY
THE LOAN
WITH A
SPECIAL TAX
CREDIT FROM
THE I.R.S.**

**THE TAX
CREDIT MUST
BE REPAID TO
THE I.R.S IF
YOU SELL OR
MOVE FROM
THE HOUSE
WITHIN 3
YEARS**

**USE I.R.S. FORM
5405 TO FILE
FOR THE
CREDIT**

Loan Terms

- The loan is secured by a second mortgage with deed of trust, which means you cannot sell or refinance your house until the loan is paid.
- **Due Date: June 1, 2010, at the latest.**
- If the loan is not paid by the due date, then you will owe monthly payments on the loan for 10 years, with interest, beginning July 1, 2010, and if you miss any of those payments the loan can be declared in default.

Federal Tax Credit

- Refundable credit for 10% of the purchase price of a house up to \$8,000 for homes purchased before December 1, 2009.
- **The Tax Credit is available only to first time homebuyers.** If your modified adjusted gross income is above \$75,000 for a single person (\$150,000 for joint filers) then the credit is reduced and if that income exceeds \$95,000 (single person) then the credit is not available.
- **If you sell or move from your house within three years from purchase, unless you meet certain very limited exceptions the credit you received is due as taxes for the year of the sale.**

I.R.S. Forms.

- **Claim Credit on IRS Form 5405.** Information to assist you in completing IRS Form 5405 in connection with the tax credit is included below.
- When you receive your tax refund, you are required to repay the Tax Credit Advance Loan, **even if your refund is less than the loan amount.** This can be paid with a personal check, cashiers check or by electronic transfer.
- Information needed to repay the second mortgage loan is provided described below.
- Even if you buy your house in 2009, you can receive the tax credit with your 2008 tax return. If you already filed your 2008 taxes before you bought your house you can amend your 2008 tax return to receive the credit. This allows you to get the credit refund in 2009 instead of waiting until 2010.

USE THIS INFORMATION TO FILE FOR YOUR FEDERAL TAX CREDIT

The tax credit filing information should be used to help you complete IRS form 5405. This is the form that must be included with your tax return in order to claim the federal tax credit.

TAX CREDIT FILING INFORMATION	
Date of Purchase of Home:	
Purchase Price of Home:	

USE THIS INFORMATION TO REPAY MHDC FOR THE TAX CREDIT LOAN WHEN YOU GET YOUR TAX REFUND

Your loan from MHDC must be repaid with your tax refund that you should receive due to the federal tax credit, and other funds if the refund is insufficient. Payment information is listed below:

MHDC SECOND MORTGAGE LOAN REPAYMENT INFORMATION	
Amount Due:	
Payment by Check:	
Mail to:	
Street Address	
City, State Zip Code	
For any questions or to make alternate payment arrangements contact Greg Spurgeon at (816) 759-7228 or gspurgeon@mhdc.com	

In consideration for the Tax Credit Advance Loan provided by MHDC, the undersigned hereby agree(s):

- _____ 1) To file the forms to receive the first-time homebuyer tax credit with my tax return.
- _____ 2) To repay the Tax Credit Advance Loan, using the Loan Repayment Information above, with the tax refund I should receive as a result of the first-time homebuyer tax credit, and other funds if needed.
- _____ 3) That failure to repay the Tax Credit Advance Loan by July 1, 2010, will result in monthly payments of principal and interest for 10 years.
- _____ 4) The first-time homebuyer tax credit must be repaid if I sell or move from my home within three years from the purchase, unless I meet certain very limited exceptions.
- _____ 5) The proceeds of this Tax Credit Advance Loan are being used to help me buy my first home by paying closing costs and down payment.

Dated: _____
