

Sample article for organizations to use to reach customers (506 word count)

Customize and post the following article on your websites and/or use in other communication vehicles, to assist your customers who may be eligible for a First-Time Homebuyer Credit.

New from IRS: A First-Time Homebuyer Credit Lookup Online Tool

If you bought a home and claimed the First-Time Homebuyer Credit, you may have the requirement to make an annual repayment installment on your 2011 return. If you do, be aware that the IRS will no longer mail letters reminding people to repay the credit. Instead, you can use a convenient [online lookup tool](#) on the IRS.gov website to check your repayment obligation.

This handy tool provides critical account information that helps you accurately report your FTHBC repayment obligations on your tax return. All you'll need is your Social Security number, date of birth and complete address. If you file your tax return as married filing jointly, you'll only be able to access your portion of the FTHBC account information.

The account information screen displays the last four digits of your SSN, original amount of the credit, annual repayment amount, total amount paid (with the most recent account update) and the total balance left to be paid. You'll be able to print your account page to share with your tax preparer and to keep for your records.

Although, the tool provides information for all FTHBC recipients, it primarily impacts people that purchased a home in 2008 and have a 15-year FTHBC repayment requirement or an accelerated repayment based on a change to the main home.

If you purchased your home in 2008:

The credit is similar to a no-interest loan and must be repaid in 15 equal, annual installments that began in the 2010 income tax year. For example, if you bought a home in 2008 and claimed the maximum credit of \$7,500, the repayment amount is \$500 per year.

You are to add the amount you have to repay to any other tax you owe on your federal tax return. This could result in an additional tax owed or a reduced refund. To repay the credit, you report the repayment on new line 59b on Form 1040, U.S. Individual Income Tax Return. If you make an installment payment, you do not need to attach Form 5405, First-Time Homebuyer Credit and Repayment of the Credit, to your federal tax return.

If you stop using the home as your main home, you must generally repay the entire remaining amount of the credit for the year the home is no longer your main home. There are some exceptions to this rule.

If you purchased your home in 2009 or 2010:

You may need to repay the entire credit for the year you sell the home or it is no longer your main home. There are some exceptions to this rule, however, and you do not need to repay the FTHBC for a home you purchased during this period if it remains your main home for the three years after the purchase. To repay the credit, you must attach a completed Form 5405 to your federal tax return for the year the home stops being your main home.

Learn more by visiting the [First-Time Homebuyer Credit](#) page on [IRS.gov](#) and take advantage of using this new online lookup tool.

NOTE TO EDITOR: Below are links to more information on IRS.gov on First-Time Homebuyer Credit

[Online look up tool](#) for first-time homebuyers
[Form 5405, First-Time Homebuyer Credit and Repayment of the Credit](#)
[First-Time Homebuyer Credit](#) – questions and answers