



Extend and Expand the Homebuyer Tax Credit

The \$8000 first time home buyer tax credit included in The American Recovery and Reinvestment Act of 2009 that passed in February has been a huge success, enabling first-time home buyers to realize the dream of home ownership. And, these benefits have spread beyond home buyers to everyone connected to the housing sector - movers, designers, manufacturers, realtors, etc.

In the following pages, strong evidence of the tax credit's success can be found.

The enclosed contains charts demonstrating the sharp increase in home sales – both new and existing homes – following the credit's enactment, as well as a sharp drop in the supply of available homes.

The Fix Housing First Coalition hears every day from over 25,000 members from every segment of the housing industry – builders, homebuyers, realtors, mortgage brokers, designers, retailers, etc – how the tax credit is bringing the housing market back from the brink, and starting to stabilize the nation's economy. Enclosed you will find a few sample of their stories – of how bad the market was, and how the tax credit has begun to turn things around.

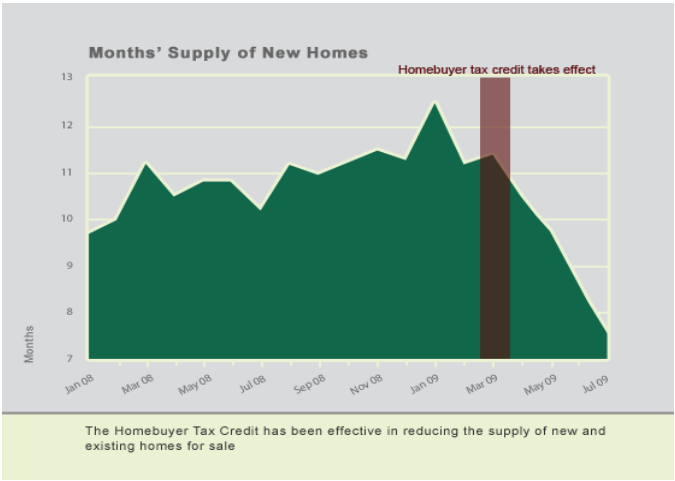
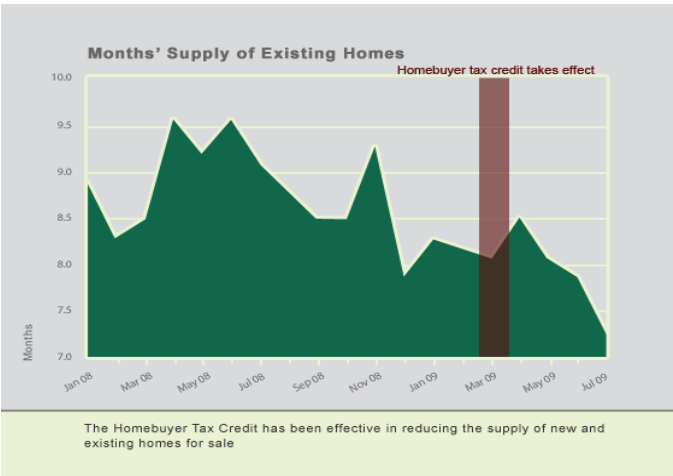
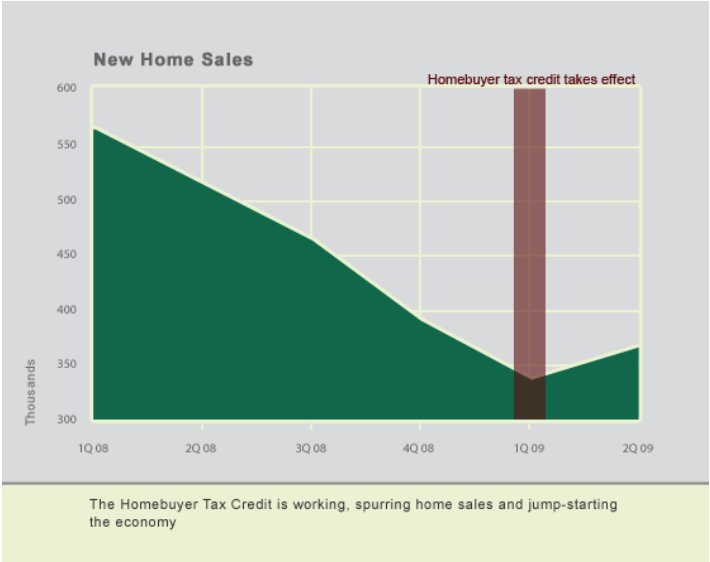
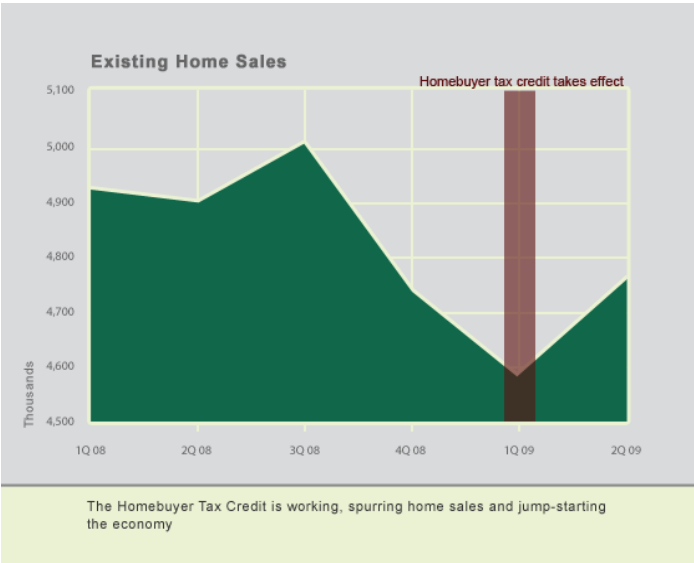
But unless Congress acts, the credit will expire on November 30. This will stop the housing recovery and slow the economy's momentum just as it is beginning. Congress needs to temporarily extend the tax credit to September 30 of 2010 and expand it to include all buyers.

The economy is not yet out of the woods. Unless the home buyer tax credit is temporarily extended, we risk undoing all the progress that has been achieved.

Additional data and testimonials can be found at www.fixhousingfirst.com



**“EXAMINING THE FIRST-TIME HOMEBUYER TAX CREDIT”
KEY CHARTS**



The \$8,000 tax credit was instrumental in bringing back the housing industry from the brink in our market. We saw a dramatic increase in our business after the credit was passed and will likely see a dramatic drop once the credit expires. Please do all you can to keep this government stimulus going!

Michael, North Carolina

This story is to reinforce how this tax credit has helped change people's lives and fulfill the dream of home ownership that would have not have been a reality without the tax credit. [A] couple [I know] grew up in the tough streets of New York City. They were immigrants from Germany. They lived with multiple family members into their late adult lives just to survive. In their late 40's they were able to rent their own place and became renters for the next 30 years. Moving to Arizona was a retirement dream. I can't tell you how many tears were shed when they got the keys to their very first home after 70 years. The tax credit was the only way this couple could afford to make this move. Life changing! We would see more stories like this if the tax credit was for everyone! Young and old would be able to improve their lives and give back to the economy.

Lorie, Arizona

The housing stimulus has been a huge driver of traffic in my community and has provided record sales in some of the typically slowest months for real estate along with being the "worst real estate market in history." My customers are thrilled to be able to purchase a

home with historically low interest rates and with this incredible government incentive. It has been the stimulus that pushed them over the fence. My buyers are planning on using the stimulus to pay off credit cards, buy furniture, install fences, and hire other contractors.

Ben, Virginia

[We have] sold three new contract homes in the past two months directly due to the \$8,000 tax credit program. [We have] sold building material supplies to several small single family home building contractors in the area for their customers, who will also be benefitting from the \$8,000 credit. These are some of the only homes built in 2009. I highly recommend that the program is extended. It is having an immediate positive impact on the local economy.

Ted, Minnesota

All of my buyers this year have been first time homebuyers and qualified for the tax credit. All of my clients have been young, smart, and very prudent with their money. If they weren't going to receive a tax credit, I would estimate about 85 to 90 percent of them would not have purchased a home at this time. The tax credit allows neighborhoods to stabilize by committing to residing in the home for three years.

Kelly, Arizona

The \$8,000 [tax credit] generated 10 sales for us in one community by encouraging the lender for the community to lend to us. We contracted and started construction on 12 townhomes last month, and will be completing the homes with over 20 contractors and suppliers. The activity has allowed us to keep several of our employees and there is a real feeling of hope that was generated from these sales. Obviously, we will be building 12 homes and have 10 first time home buyers who are excited to move to their new home. The existing residents in the community are equally happy with the activity. Ending the credit December 1, 2009 may cause sales to languish by year end and the community may falter as a result. The credit is 100% necessary and needs to be increased for first time buyers.

John, Pennsylvania

This [tax credit] has probably had more effect on the unemployment rate than any other single factor.

Roland, North Carolina

I have several families who have been able to get a home of their own due to the tax credit. I have seen firsthand how this government money helps. I have a single lady who was tired of paying high rent and she wanted her own home. Because of the tax credit, she was able to afford her first home. I also had a family of three who learned they were increasing by one and needed a house. They were living in a camp trailer. With the prayers of friends and family and the utilization of the government tax credit,

they were in their new home within two weeks of the arrival of their new baby girl.

Aretta, Texas

I am a sales counselor for a large builder. The tax credit has been a major factor in our/my success over the last year. The stimulus for housing has worked, and should be continued.

Daniel, Florida

We are a family-owned and operated company and have been in business since 1970. The catastrophic fourth quarter of 2008 nearly brought our company to a halt. When the stimulus bill with the \$8,000 tax credit was finally signed in February, sales instantly spiked. It was what many of our customers said was the factor that took the edge off of an otherwise extremely cautious and anxiety-ridden decision to buy. Sales were relatively strong for the spring market and have spurred enough activity for us to increase our lean production staff by more than 50 percent in Maryland and 25 percent in North Carolina. The tax credit does work and has created the opportunity for many first-time homebuyers to achieve the American Dream of homeownership. It has also stimulated the economy by creating jobs and spurred much in the way of positive residual economic activity. The program needs to be extended and opened up to all homebuyers. This will assure that the current fragile economy of this great country does not falter once again before it has had time to adequately recover from what can be described as no less than a crisis situation.

Jim, Maryland

As new home sales professional I have been fully involved with this business for the last six years and this is the best thing for new home buyers. It has allowed people who have been thinking about buying a home, the courage to do so because of the \$8,000 tax credit. I urge you extend the tax credit for a period of time to keep the economy on a roll. On a personal note, the tax credit helped me and my wife achieve home ownership and without that I would have not have bought a home.

Barrett, Texas

I have been a very successful Realtor in the upstate of South Carolina for almost 32 years and I have never had a serious problem finding buyers. That stopped near the end of 2008 when people were afraid to go "out on a limb," even with the \$7,500 Tax credit that would have to be paid back. I did close five homes in December '08 because of that, however near the end of January; the bottom fell from the very slow second half of '08 until the \$8,000 tax credit was announced. Many of the folks who had been "sitting on the fence" decided to start looking. A former purchaser of mine (a single father with three small children) who had purchased two homes from me in the 90's contacted me and I found a home for his 19 year old daughter who has a job and goes to college full time, and stated if his son's were old enough and had a job, he would encourage them to buy. Please continue this and keep all sectors of jobs, banks and the economy going in a forward manner. Thank you.

Joyce, South Carolina

My daughter was finally able to purchase her first home thanks to the first-time home buyers tax credit. All of a sudden it was not so overwhelming for her to save for down payment and settlement costs knowing she would have money for future planned improvements and furniture. Please keep this in place or even better expand the credit to all homebuyers. It has given the realtor, mortgage, and title businesses a great shot in the arm.

Donna, New Jersey

I work in an active adult community and since the \$8,000 homebuyers tax credit hit the market we have seen a huge increase in sales. We went from maybe two or three a month to 11 and 12 sales a month. Most of these were from people that sold their home and needed to move. I hope that the president knows that this is a credit that would really kick the market back if it were extended to everyone and not just first time homeowners.

Mary, Colorado

We are an upper end builder and the \$8,000 tax credit has trickled up to help us too. It helps our buyer sell their existing home to the first time homebuyer so they can then afford ours. We have had several closings due to this tax credit.

Andy, Texas

The \$8,000 tax credit has significantly helped sales at Heritage Square Hometown. The tax credit to the first time homebuyers has alleviated many of the issues that would cause them anxiety and keep them in their comfort zone. This tax credit entices the “would be first-time homebuyer” to, at the minimum, research what it would take financially to become a first time homebuyer. In several cases the customers are paying slightly more or about the same after they take into account the tax credit’s benefits as they were renting. Many of my customers have been renting for years with an annual increase in rent and in most cases an annual deterioration in the unity they are renting. Ultimately, the tax credit has created a buzz that has brought customers into the models where I can educate them on their upfront costs (down payment) and what their monthly payment obligation will be.

Kevin, Minnesota

"We would like to share our story with you regarding this incredible opportunity and how it affected our lives not just professionally, but personally." We have attached a photo of our daughter and grandson who moved into their first home on August 10, 2009. Our daughter is a single fulltime working mother with no support from her son's father. The opportunity to purchase a home would not have been possible without the tax credit, as the home she purchased needed improvements and updating. This program has assisted so many of our clients this past year that were not in a position to purchase a home without it. As parents and real estate professionals, we urge you to extend this program to all buyers who have the ability to purchase a home now. Help us correct our

housing market and replenish our economic status."

Robin & Wayne, Nevada

I have made so many more sales this year because of the \$8000 tax credit. People who would have not bought homes actually made a decision to buy this year strictly on the premise that if they didn't buy a home, they would lose the \$8000 tax credit. I would say that at least 2/3 of the 22 sales that I have written this year are strictly due to the tax credit. I am truly afraid of the thought of next year without it. It has made all the difference in the world to me and our company. It would be even better to offer it to all homebuyers, not just first time homebuyers. That would really stimulate the economy.

Mark, Georgia

Because of the tax credit our son was able to buy his first home in the San Francisco bay area, when we thought that he would not be able to stay close to the family. This means that we are likely to be able to watch our grandchildren grow up!

Carolyn, California

In 2008, I was thinking about buying a home, but was afraid because the economy was so unstable, and the stock market and jobs were starting to free fall. When the program was expanded in 2009, it tipped the scales in favor of a purchase for me. I bought a ranch style home near my 79 year old Mother so I can be closer to her and prepare to provide for her potential increased needs in the coming years. I bought my home in February, but the economic ripples were felt far beyond the people immediately benefiting from the transaction. Every home needs something, and mine needed plenty of "somethings"! The benefactors went from local lawn and garden supply stores, to fabric and house wares retailers, and local contractors. My family joked that I had turned into a one woman stimulus package! I hope they will continue the program and expand it in ways that will also benefit other buyers and local retailers like the ones in my community.

Michelle, Pennsylvania

During the past year the \$8,000 housing tax credit has had a positive effect on our ability to survive the economic decline. As a developer of a 600 acre project, we provide hundreds of jobs. We feel that the housing tax credit is one of the most important tools to employing many people quickly. Big projects like highways and public infrastructure often take too long to have a meaningful impact on employment. We urge you to continue the tax credit and to make it available for any buyer rather than first time buyers.

David, Kentucky

I provide permit services for several national and local builders in the Maryland area. I believe I survived this hard economic time due to the tax credit the government has in place for first time homebuyers. I think it should be extended and should be offered to everyone that buys a home. This will help everyone in our industry get back to working hard then hardly working at all. It's building that stimulates the economy.

Victoria, Maryland

I am a divorced mother of three young children, who works 40 hard hours a week and struggles most times to provide the best for my children. I have very little money saved and an active 401K. Without the first time homebuyers tax credit, I would not have been able to purchase a home. At 33 years old, this is a very big accomplishment for me. This tax credit benefits many areas of the economy and the housing market. I feel very strongly about the continuation of this type of credit. I know many people who have benefited from this and many more who will. I encourage Washington to continue the tax credit that has assisted a large number of us wishful homebuyers, home builders and everyone else who benefits from it.

Cheryl, North Carolina

Because of the tax credit, builders who have had to lay off people over the last two years and are currently operating with minimal staff, have been able to keep their doors open for business and bring people back to work. The same goes for our trade contractors. So by having this tax credit, not only are people able to fulfill the American dream to own a home, but people are putting money back into the economy by putting people back to work.

Patti, Arizona

I personally sold six new homes to first time home buyers this year. They all wanted to take advantage of the first time home buyer tax credit. I could have sold more homes if this would extend to all buyers of homes.

Alana, Ohio

We built 17 homes in all of 2008, but with help from the tax credit we have already sold 30 homes this year thru September. It has not only helped in a direct fashion, but has also helped some of existing home owners sell their homes. We are putting people back to work! Jobs are being created by these home sales. If the first time home buyer credit is not renewed, the real estate industry will start slumping December 1,2009.

Mark, Michigan

I own a residential house painting company. We have noticed a bump in contract activity since enactment of the tax credit. There are more jobs up to bid than there were previously. It is our hope that the tax credit remains intact to increase consumer confidence in order to get this economy back on track.

Craig, California

I am begging you to please extend the housing tax credit! I am in new homes sales and about 97 percent of my company's sales over the past year have been because of the tax credit. Why would you not extend it? When people purchase a home, they are not only providing a permanent and more stable environment for themselves and their family, they are also providing job security for the following people: the builder and their families, waitresses at restaurants (I tip more when I am making more money), real estate agents and brokerages of the buyer's and all of their families, builder's and all of their employees in the office (we have about 3,500 employees nationwide) and their families, trade partners (everything from the field employees to the ones in the office filing paperwork) and their families, employees of the manufacturers who make home products (paint, drywall, nails, screws, plumbing fixtures, windows, insulation, concrete, etc) and all of their families, people who work for the lender and/or bank and their families, people who work at the title company and their families, home Inspectors and their families, city Inspectors and their families, county Inspectors and their families, home Insurance Companies and their families, utility company employees (electric company, gas company,

water company, sewer plant employees, refuse employees) and their families, employees of furniture stores, furniture manufactures, logging companies that supply the wood and all of their families, employees of Home Depot, Lowe's, Menards and all of their families. I am tired of listing all of the people who will suffer if you do not extend the tax credit- just wise up and extend it!

Angela, Arizona