



For Immediate Release
Contact: Susan Sullam, 410-960-2440 (cell)
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***SENATOR CARDIN HOLDS PRESS CONFERENCE TO
TALK ABOUT AVAILABILITY OF NEW \$8,000 FIRST-TIME
HOMEBUYERS TAX CREDIT AND NEED FOR PRE-
PURCHASE COUNSELING***

OWINGS MILLS, MD -- **U.S. Senator Benjamin L. Cardin** (D-MD) today held a press conference to discuss the new \$8,000 refundable tax credit for first-time homebuyers and the importance of pre-purchase counseling for potential purchasers. Senator Cardin authored the provision in the *American Recovery & Reinvestment Act* (ARRA) to provide a refundable tax credit to new homebuyers.

The refundable tax credit is for \$8,000, or 10 percent of the home's value, for individuals making up to \$75,000 a year and couples making up to \$150,000. It applies to first-time homebuyers who purchase a home from Jan. 1, 2009 through Nov. 30, 2009. To qualify as "first-time" buyers, purchasers may not have owned a home for the past three years. They must also live in the house for at least three years, or they will be obligated to pay back the tax credit. The National Association of Realtors estimates that in the Maryland region first-time homebuyers account for approximately 39% of the market for 2008.

"I want Marylanders to know about the first-time homebuyers tax credit, but I also want them to know that pre-purchase counseling is available and they should take advantage of it," said Senator Cardin. "The collapse of the housing market has been a factor in pulling down our entire financial system. I want to ensure that potential homebuyers get the pre-purchase counseling they need in order to make sound financial decisions when purchasing a home,"

Pre-purchase counseling works. A 2007 study by the Center for Housing Policy analyzed three housing counseling programs in different parts of the country and found that pre-purchase counseling programs cost between \$907 and \$1,375 per client, but those who received counseling saved between \$4,800 and \$8,800. Most pre-purchase counseling is administered by the Department of Housing & Urban Development's (HUD) Housing Counseling Program, which provides competitive grants to housing counseling agencies approved by HUD for a wide range of counseling services, including pre-purchase counseling. Congress approved \$65 million for this program for FY 2009.

For more information about pre-purchase counseling, contact HUD's Counseling and Referral line at 1-800-569-4287.

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