

WHEIDA

Recapture Tax

Presented by Marty Maloney



WHEDA



Basics of Recapture

- Borrower's may have to pay if they sell their home within 9 years of purchase.
- Not a WHEDA imposed tax
- Majority of WHEDA borrowers will not have to pay the tax
- Don't let the tax prevent you from using WHEDA

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Not subject to Federal Recapture Tax

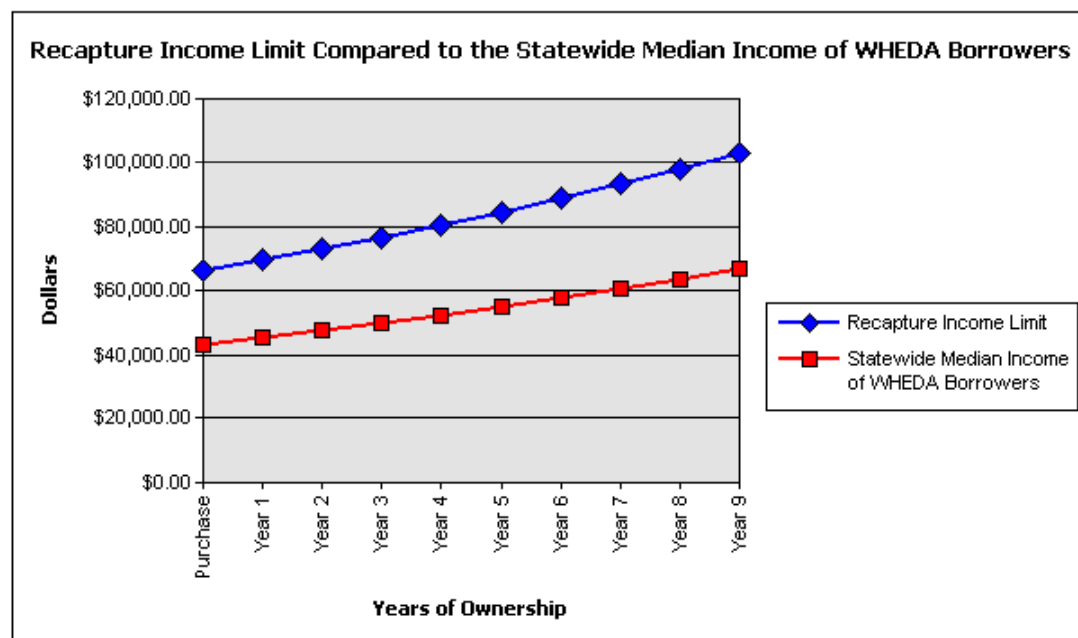
- Borrower sells their home after 9 years
- Borrower's income is below the federal limit in the year they sell the home

Don't let recapture prevent your
borrower from using WHEDA



To understand how unlikely that you will be subject to Recapture Tax, use our interactive Recapture Tax calculator. Simply enter your annual income and the calculator will graph the likelihood of whether you may be subject to this tax.

The red line represents your annual income and the blue line represents the Federal Recapture income limit. The IRS assumes a 5% increase in salary each year, that's why your income line automatically rises over time. The IRS also builds in a 5% increase in the federal limit. In order for the recapture tax to apply, the red and blue lines must cross.



Use our calculator to view an illustration of how the recapture income calculations may affect you.

Select the county where the property is located:

Select a county

How many people live in your home?

Enter annual income of all adults who occupy the property:

\$

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Disclosure Requirements

- Acknowledgement of Recapture Tax – Form 4
- WHEDA will send out a Recapture Tax Booklet
- Borrower should contact a tax expert with questions

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Thank You

If you have any questions

Call 1-800-334-6873

Click on the “Ask” button above to send
an e-mail to info@wheda.com



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we do so you can.