



Recapture Tax Reimbursement

Homebuyers who finance their mortgage loans through programs such as NIFA's Single Family Program are subject to a federal recapture tax when they sell or otherwise dispose of their home

Recapture tax becomes due if:

- Homebuyer sells the home within the first 9 years of closing date and
- Homebuyer makes a profit on the sale of the home and
- Homebuyer's income at the time of sale exceeds the limits set by the IRS



NIFA reimbursement:

- Your NIFA loan must have closed on or after June 1, 2004
- Your NIFA loan must be outstanding and current at the time of sale
- NIFA will reimburse the homebuyer for the actual amount of the recapture tax paid by the homebuyer
- NIFA will not reimburse for any accounting fees, interest, expenses or penalties incurred by the homebuyer
- NIFA will not calculate the recapture tax owed by the homebuyer

How will I get reimbursed?

- Apply to NIFA for reimbursement by July 15th of the following year you incurred the tax (the year in which you sold the residence)
- Application forms are available at www.nifa.org

For assistance in calculating the recapture tax, homebuyers are advised to consult their tax advisor or the IRS.



We work for you!