

From: Raymond, Anna
To: Jon Chandler
Subject: Stimulus Update

Hi Jon –

The Senate is working its way through its stimulus bill as I type. In fact, Sen. Lamar Alexander (R-TN) just got up and talked about how the housing industry needs help and the Senate is going to spend the next 30 mins talking about the problem.

http://www.c-span.org/Watch/C-SPAN2_wm.aspx

Sen. Isakson (R-GA) is offering an amendment around 11am EST and that amendment seems to have garnered a lot of support. There isn't an official cost yet, but our experts think it is around \$20 billion. The amendment includes the following provisions:

Senator Isakson's Home Purchase Tax Credit:

- A tax credit in the amount of \$15,000 or 10 percent of the purchase price (whichever is less), with the option to utilize all in one year or spread out over two years
- The tax credit is available to all purchases of any home from date of enactment for one full year (no income limit; good until 2010).
- Able to claim the credit against the 2008 tax return (so buyers can amend their 2008 returns)
- Buyers must occupy the homes for two years as their principle residences
- Includes a two year recapture provision (basically, two years with no taxes (potentially) but no cash back)
- Purchases of homes by investors are ineligible (must be primary homes)
- Sunsets the previous \$7,500 Housing Tax credit on the date of enactment

NAHB will be key-voting the vote on the Isakson amendment. Almost certainly other amendments will be offered, and NAHB may key vote others, but this is the tax credit one that seems to have the most traction right now.

Fun times...let me know if you have any questions.

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