

Johnson City, NY - As part of his ongoing effort to strengthen the housing market and the overall economy in the Southern Tier, Congressman Maurice Hinchey (D-NY) today held a roundtable discussion with members of the Greater Binghamton Association of Realtors to discuss legislation he recently helped the House pass that extends the \$8,000 federal tax credit for first-time homebuyers through April 30, 2009 and creates a new \$6,500 federal tax credit for non-first-time homebuyers who have been in their current residence at least five years.

"Having a significant federal tax credit in place through April 2010 will provide a strong incentive for individuals and families throughout the Southern Tier to purchase a home," Hinchey said. "Collectively, improved rates of home sales will strengthen the housing market and help give the area's economy a shot in the arm. This bill helps Southern Tier residents fulfill a major component of the American Dream by becoming homeowners while strengthening the area overall. I was pleased to help pass this important piece of legislation and look forward to voting for additional measures that will strengthen the region's economy."

The bill Hinchey helped the House pass last week was subsequently signed into law by President Obama. Without the legislation, the \$8,000 homebuyer tax credit, which was created as part of the American Recovery and Reinvestment Act, would have expired on November 30, 2009. The bill extends the tax credit for first-time homebuyers with a binding contract before April 30, 2010, allowing 60 days to close. The same deadline applies for the \$6,500 federal tax credit that is now available to non-first-time homebuyers who have owned their current home for at least five consecutive years out of the last eight years.

In order to help service members take full advantage of homebuyer incentives in the Recovery Act, the bill: ensures that certain payments under the Defense Housing Assistance Program (HAP) to assist military personnel selling a home that has declined in value are exempt from tax; ensures service members will not have to repay the first-time home buyer credit if they are ordered to deploy to a different location and, as a result, forced to sell their home within three years; and extends for one year, to April 31, 2011, the deadline for taking advantage of the first-time homebuyer credit for qualifying service members, so that certain service members stationed overseas can take advantage of the credit when they return.

The tax credit phases out for individuals with an annual income above \$125,000 and for joint filers with annual income about \$225,000. The original law providing the credit phased out for individuals with income starting at \$75,000 and for joint filers with income starting at \$150,000. The credit is available for the purchase of principal residences with a purchase price of up to

\$800,000.

To combat abuse of the tax credit, the bill Hinchey helped pass improves administration of the homebuyers' tax credit by among other things requiring a minimum age of 18 to claim the credit and requiring taxpayers to include documentation to prove that they purchased a home.

In addition to the homebuyer tax credit, the bill that Hinchey helped pass last week contained provisions that will provide unemployed New Yorkers who have exhausted or will exhaust their benefits before the end of this year with an additional 20 weeks of emergency unemployment compensation. The extension is fully paid for and will provide an immediate, effective stimulus to the local economy. The Congressional Budget Office has cited unemployment benefits as one of the most cost-effective forms of economic stimulus, and every dollar spent on unemployment benefits generates \$1.63 in new demand, according to Moody's chief economist Mark Zandi.

"Extending unemployment benefits will help enable people in the Southern Tier and across the country to pay for their mortgage or rent, grocery bills, and other necessities," Hinchey said. "By lending an extra helping hand, we are enabling people to stay in their homes and avoid foreclosures, which have severely hurt the housing market over the past few years. This bill takes a multi-pronged approach to improving the housing market in the Southern Tier and throughout New York and the whole country."

As part of his effort to strengthen the area's economy, Hinchey also gave an update on his efforts to save the VH-71 presidential helicopter program that's being led by Lockheed Martin in Owego. Earlier this year, the congressman secured House approval of \$485.2 million for the continued development of the helicopter. Hinchey continues to urge the Senate to approve the same level of funding he worked to secure in the House. A final decision from the Senate could come as soon as next week. Were the Senate to join the House in funding the helicopter program, Hinchey said the program would start up again and workers would be brought back to Owego. The congressman noted that the reinstatement of those jobs would also help strengthen the area's housing market.