



Recapture Tax Reality

Most borrowers will not pay any Recapture Tax.

Homebuyers interested in North Dakota Housing Finance Agency's (NDHFA) FirstHome or HomeAccess mortgage loan programs may have heard about the Federal Recapture Tax.

What is Federal Recapture Tax?

Federal Recapture Tax is a tax that a borrower may be required to pay from the net profit they receive from the sale of their home.

What else should I know?

To owe any recapture tax at all, the following conditions must be met:

- Sell the home within nine years of purchase.
- Earn significantly more income than when the home was purchased.
- Make a profit from the sale of the home.

If you purchased a home after October 1, 2006, NDHFA will reimburse the borrower.

The bottom line.

The financial benefits of having an NDHFA loan greatly outweigh the risk of recapture.