**VERMONT HOUSING FINANCE AGENCY**

**RECAPTURE TAX REIMBURSEMENT REQUEST**

**Instructions:** Complete the applicable areas, attach the required documentation and mail to:

VHFA

Homeownership Department

164 Saint Paul Street

Burlington, VT 05401

Borrower/Mortgagor Name (Printed):

Borrower/Mortgagor Name (Printed):

VHFA Loan Number:

Subject Property Address: VT Street City Zip Code

I/We sold or disposed of the subject property in less than 9 years from the original purchase date and paid recapture tax to the Internal Revenue Service. I/We request reimbursement for the recapture tax that I/we were liable for and paid for in the tax year that I/we sold our VHFA financed property. I/We state that the following statements and all documents that are attached are true and accurate:

* My/Our mortgage loan financed through VHFA was in effect as of the day we sold or disposed of the subject property, which was \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (insert date).
* The amount of federal recapture tax owed and paid $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(insert amount) was included in the federal tax return for the tax year that the subject property was sold or disposed.
* Copies of my/our as-filed federal tax return for the year the subject property was sold or disposed with all applicable schedules, forms and attachments (i.e. W-2 and/or 1099) including IRS Form #8828 Recapture of Federal Mortgage Subsidy are attached.

I am aware and accept the following:

* VHFA reserves the right to request additional information, including evidence of tax payment, to verify the recapture tax liability for VHFA purposes only.
* VHFA will not consider reimbursement if the request and/or supporting documentation were not received in satisfactory form on or before December 31 of the year immediately following the year that the property was sold or disposed.
* If the recapture tax was not included in the tax return for the tax year that the subject property was sold or disposed, reimbursement is not available.
* VHFA will only consider reimbursement to the borrower(s), not direct payment to the IRS.
* The amount VHFA reimburses for the federal recapture tax will constitute taxable income in the year it is received and must be claimed as such.
* VHFA’s reimbursement of the recapture tax does not constitute tax advice or take the place of a tax service and does not constitute any verification or evaluation of the applicability or calculation of the federal recapture tax.
* VHFA recommends that you discuss federal recapture tax and its calculation with your tax advisor or preparer. Requests for reimbursements will be validated for VHFA purposes only.

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Borrower/Mortgagor Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Borrower/Mortgagor Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_