

**VERMONT HOUSING FINANCE AGENCY
RECAPTURE TAX REIMBURSEMENT REQUEST**

Eligibility: To determine if the first mortgage loan you received is eligible for reimbursement of recapture, review your mortgage documents or email homeownershipdept@vhfa.org. Not all mortgage loans are eligible for reimbursement of recapture tax paid. Only loans funded from a tax-exempt bond will be considered. Review the Compliance Affidavit signed at application.

NOTE: Any mortgage loan combined with a Mortgage Credit Certificate is not eligible.

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

VHFA Homeownership Department, 164 Saint Paul Street, Burlington, VT 05401

Borrower (Printed): _____ Borrower (Printed): _____

Email: _____ Phone #: _____

Current Mailing Address: _____

Subject Property Address: _____ VHFA Loan # _____

Statements made throughout this document in the singular include the plural and apply to all Borrowers. Each of the undersigned certifies that:

I 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. If I am eligible for reimbursement as determined by VHFA, I request reimbursement for the recapture tax that I was liable for and paid in the tax year that I sold our VHFA financed property. I declare that the following statements and all documents that are attached are true and accurate:

- ☐ My recently paid first mortgage loan was financed with VHFA provided benefits as evidenced by the Compliance Affidavit signed at application. I understand not all mortgage loans, and no Mortgage Credit Certificates, are eligible for reimbursement of recapture tax paid.
- ☐ I sold or disposed of the subject property on _____ (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.

Required Documents: The request will **not** be processed without the documents VHFA requires for verification.

- As-filed federal tax return for the year the subject property was sold or disposed of with all applicable schedules, forms, and attachments (W-2 and/or 1099) including IRS Form #8828 Recapture of Federal Mortgage Subsidy.
- Evidence payment for the amount above was made and received by the IRS.

I am aware and accept the following:

- The first mortgage is eligible for recapture reimbursement from VHFA as evidenced by the documents signed at application and closing.
- 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 Signature: _____

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