



News Release



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HOMEBUYERS MAY QUALIFY FOR NEWLY EXTENDED FEDERAL TAX CREDIT ON A NEW KB HOME

New provision also expands program to include many current homeowners

LOS ANGELES (November 6, 2009) – Many KB Home (NYSE: KBH) homebuyers now have a second chance to qualify for a federal tax credit on the purchase of their new home. The stimulus bill signed into law today extends the federal tax credit for first-time homebuyers to homes purchased before May 1, 2010 and closed before July 1, 2010. In addition to this extension, the program has been modified to include current homeowners and military personnel, as well as an increase in the maximum income allowed to qualify.

First-time homebuyers are eligible for an \$8,000 fully refundable tax credit, which means it will be paid out even if a taxpayer owes no tax or if the credit is more than the tax they owe. Move-up buyers who have owned and lived in their home for at least five consecutive years out of the last eight are eligible for a credit of up to \$6,500 on the purchase of a new residence. For members of the military, the deadline to qualify for either tax credit is extended through May 1, 2011 for those serving on qualified official extended duty service outside the U.S. for at least 90 days before May 1, 2010. No credit is allowed if the purchase price of the home exceeds \$800,000.

“The extension and expansion of the federal tax credit program provides a compelling reason for home shoppers to purchase a new KB home,” said Jim Widner, regional president of KB Home. “Our Built to Order experience, which gives homebuyers the power to personalize their beautiful, energy-efficient new home, is now even more affordable. KB Home’s sales counselors are ready to help home shoppers get started today.”

For more information about KB Home and locations of its new home communities, visit www.kbhome.com or call 888-KB-HOMES. Buyers can learn more about the new housing tax credit at www.jct.gov and should speak with a financial or tax advisor.

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About KB Home

KB Home, one of the nation's premier homebuilders, has delivered hundreds of thousands of quality homes for families since its founding in 1957. The Company is distinguished by its Built to Order™ homebuilding approach that puts a custom home experience within reach of its customers at an affordable price. KB Home's award-winning homes and communities meet the needs of first-time homebuyers with flexible designs that also appeal to move-up buyers and active adults. Los Angeles-based KB Home was named the #1 homebuilder on FORTUNE® magazine's 2009 "World's Most Admired Companies" list. This marks the second year in a row and the third time in the past four years that KB Home has achieved the top ranking. The Company trades under the ticker symbol "KBH" and was the first homebuilder listed on the New York Stock Exchange. For more information about any of KB Home's new home communities, call 888-KB-HOMES or visit www.kbhome.com.

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