

FIRST-TIME HOMEBUYER TAX CREDIT TIMELINE

A first-time homebuyer may receive a refundable tax credit up to \$8,000 for purchasing a principal residence in the U.S. from January 1, 2009 to November 30, 2009, inclusive. No repayment is required if the buyer owns and occupies the property for 36 months.

Here is the timeline you need to work within.

« July 2009 »						
S	M	T	W	T	F	S
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

« August 2009 »						
S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

« September 2009 »						
S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	1	2	3
4	5	6	7	8	9	10

« October 2009 »						
S	M	T	W	T	F	S
27	28	29	30	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7

« November 2009 »						
S	M	T	W	T	F	S
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

GREEN (July and August) GO

The months in green (July and August) are the months that you should be trying to buy a home and get it under contract for this tax credit since loans usually take from 30 to 60 days. You can no longer look at Short Sale properties in July, the timelines for completion are just too long. You can look at regular property sales, corporate, and REO (bank owned/foreclosure) sales.

Keep in mind that in today's housing market, getting an accepted offer may take you several months and several offers. There is a lot of competition out there right now and there are up to 30 offers on every house. Will yours be the top offer?

Let's just assume you manage to get a house under contract on August 31st. If you are buying from a homeowner, then you have plenty of time. You have a completely signed contract and you are ready to work with your lender. However, if you are buying a bank owned property (REO), it may take you 21 days to get a signed contract that you can take to your lender. That is when your lender can start working on your loan, getting an appraisal, and you can start fulfilling any of their criteria. Suddenly, you are already into the first week of November if your lender takes 60 days to fund, and that's assuming that there are no delays.

YELLOW (September) CAUTION

If you are still looking at properties in September, you need to make sure that your lender can get you a loan in 45 days or less. Remember, there is a holiday in November, and lenders and escrow firms don't work during the holidays. Realtors do, but we can't move loans forward. Also, REO properties will be out of the question past the first week of September.

ORANGE (October) PANIC

Are you feeling lucky? If anything goes wrong you will lose the \$8,000 credit. Don't even try to buy something past October 9th and get the credit. Past the 9th you are not guaranteed that you will be able to close by November 30th.

RED (November) STOP

Oops it's too late. Have a great Thanksgiving and buy a house. Since everyone else is trying to close their first home before November 30th to get the \$8,000 credit, very few will be out looking at houses. You will be able to take your time since you will be closing in December/January.

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I am Here to Help