



November 30th Deadline Approaching Quickly for \$8,000 Homebuyer Tax Credit

The deadline for the \$8,000 tax credit is coming quicker than you think! Yes, the credit ends on November 30th (sale must be closed). But did you know to meet that deadline you should have your purchase and sale agreed to and in escrow no later than October 1st?

There are many prospective homeowners who will see this deadline and want to qualify and claim the \$8,000. We used to consider a normal closing approximately 30 days. Now, normal closing times are closer to 45 days due to system delays and lender issues. With the predicted onslaught of buyers, you will want to figure a 60 day closing to be safe in meeting the deadline.

Extra potential delays will be caused by:

- Delays in appraisals caused by new HVCC rules.
- Lender procedural issues.
- Lender system overload caused by too many transactions.
- Escrow system overload caused by too many transactions.
- County system overload caused by too many transactions (recording issues in last week)
- Remember, you should budget 3-4 weeks for your search, so you'll want to be firmly in the process in September.

REMEMBER! Thanksgiving holiday takes out most of the last week of November. Plan ahead to receive this tax credit on your new home. [Contact EBGI](#) for further information.

Client Testimonial

"I got off the phone with our agent assigned through the program and all of a sudden I felt very excited, instead of anxious and scared. I know she's going to take good care of us." - Anonymous Buyer, Eugene, OR



Questions or Comments?

EMAIL US!



Tax Benefits of Home Ownership

The tax deductions you're eligible to take for mortgage interest and property taxes greatly increase the financial benefits of home ownership. Here's how it works.

EXAMPLE:

\$9,877 Mortgage interest paid (a loan of \$150,000 for 30 years, at 7 percent, using year-five interest)

+ \$2,700 Property taxes (at 1.5 percent on \$180,000 assessed value)

\$12,577 = Total deduction

Then, multiply your total deduction by your tax rate.

For example, at a 28 percent tax rate:

\$12,577 x 0.28 = \$3,521.56

\$3,521.56 is the amount you have lowered your federal income tax just by owning a home! (at 28 percent)

Note: Mortgage interest may not be deductible on loans over \$1.1 million. In addition, deductions are decreased when total income reaches a certain level.



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