

For more information contact:
Lana Simon
Coldwell Banker Gundaker
847-313-6770
lane.simon@cbexchange.com

ACT NOW! – FEDERAL TAX CREDIT FOR FIRST-TIME HOMEBUYERS

Coldwell Banker Gundaker Urges Potential First-Time Buyers to Allow Enough Time for Closing to Secure Tax Credit of up to \$8,000

ST. LOUIS, MO (September 8, 2009) – The \$8,000 federal tax credit for first-time homebuyers is scheduled to expire on December 1, 2009. However, in order to qualify, the transaction must be closed on or before November 30th, essentially leaving first-time buyers with less than three months to complete the process. This assumes approximately 45 days to search for a home and another 45 days to obtain mortgage financing and complete all the necessary steps to closing, including appraisals, inspections and title work. While the urgency of trying to find and close on a home before the deadline may seem stressful, it doesn't have to be.

“The tax credit is encouraging first-time homebuyers, but we’re concerned that people could miss out on this unique money-saving opportunity if they don’t anticipate the time necessary for closing,” said Jim Dohr, president of Coldwell Banker Gundaker. “While every home purchase is a unique experience, we are encouraging first-time homebuyers to be under contract by early to mid-October in order to safely meet the closing deadline and qualify for this tax credit.”

For those first-time buyers who are in the early phase of entering into the home buying process, Coldwell Banker Gundaker offers consumers the following six steps for speeding up the process:

1. **Find A Qualified Real Estate Agent.** A team of experienced professionals are key to making the home buying process simple and seamless. Start by interviewing and selecting a sales associate who understands what you’re looking for. A real estate agent will arrange showings, and keep track of the properties visited. He / she should also be able to help identify suitable lawyers, mortgage lenders, home inspectors and others who play a role in the process. Remember, an agent is an expert who will negotiate the best price and incentives on a home, and will oversee the sales process on a homebuyer’s behalf. It is critical that you get a timeline from your real estate agent so that you leave enough time for the sometimes lengthy closing process to occur.
2. **Know Before You Go.** The first step in the home buying process should always be to have an idea of the type of property one wants to buy. By separating the “must haves” from the “wants,” homebuyers can focus on what’s really important. Free online tools such as **Coldwell Banker On Location** (<http://www.youtube.com/coldwellbanker>) and the recently launched mobile application for iPhone and Android devices are available to help consumers quickly and conveniently learn about neighborhoods, view what’s on the market and compare home prices in over most U.S. markets and 28 countries worldwide. Homebuyers who arm themselves with as much knowledge as possible before hitting the ground with an agent are bound to save time in the long-run.
3. **Get Your Credit Report In Order.** A sound financial track record and solid credit score can help lock in a home loan and lower interest rates. Lenders today are looking at prospective borrower’s credit reports more closely than ever so it’s important to examine one’s credit report for mistakes and eradicate any “toxic” debt such as overdue credit-card payments before the home shopping begins. Rectifying mistakes is easy to do but it can be a time consuming process. Checking a

credit score and addressing any errors will help expedite the approval process when it comes time to make an offer.

4. **Compile Your Paperwork.** At the same time homebuyers are working to correct or improve their credit report, they should also pull together the documents they will need to provide the lender. These documents include:

- Verification of employment form
- Two most recent pay check stubs
- Two most recent bank statements
- Copies of the last two W2 forms received from employer
- Copies of any asset statements including those for retirement accounts, stocks, bonds or mutual funds
- Copy of social security card

* If there is a co-applicant on the loan, all of these forms will be required of that person as well.

5. **Get Your Pre-Approval.** Once the paperwork is in order, it's time to get pre-approved for a mortgage. "Pre-approval" means that a lender has verified the borrower's credit and other credentials and is committed to making a loan. This is different (and more valuable to sellers) than pre-qualification, which simply gives the borrower an idea of the size of the mortgage he / she might afford without actually committing to a loan.

The borrower is not obligated to get a loan from the lender that offers the pre-approval letter but keep in mind that a pre-approval *does* involve giving permission for a hard credit inquiry. This could potentially result in a small ding on the borrower's credit report. Getting this early green light, however, will put homebuyers in a stronger position with sellers, demonstrating how serious they are about home ownership – and that they are well-qualified.

6. **Shop for the Most Favorable Mortgage Option.** People can face misunderstandings and even lose their homes if they don't fully understand their mortgages. It's imperative for homebuyers to educate themselves on the risks of the different types of mortgages and select the right one for his / her family. Early on, shop around for the most favorable mortgage rate and terms. A difference of even half a percentage point can mean a considerable savings over the life of a loan.

For additional information and provisions on the first-time homebuyer federal tax credit, contact your local Coldwell Banker Gundaker Real Estate agent or visit www.cbGundaker.com.

Coldwell Banker Gundaker, the leading residential real estate brokerage company in St. Louis, operates 25 offices with over 2,000 sales associates serving metropolitan St. Louis and east-central Missouri. Coldwell Banker Gundaker is part of NRT LLC, the nation's largest residential real estate brokerage company. NRT, a subsidiary of Realogy Corporation, operates Realogy's company-owned real estate brokerage offices. For more information, please visit www.cb Gundaker.com

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