

## News Flash

### Homeowners win big with extension and expansion of federal tax credit

The U.S. House of Representatives today voted 403 to 12 to extend and expand the home buyer tax credit. The bill passed the U.S. Senate late yesterday and now will go to President Obama for his signature, where it is expected to be signed this week.

The tax credit will be extended through April 30, 2010, with a 60-day extension if a binding contract is in place prior to the deadline. First-time home buyers will continue to receive a tax credit of up to \$8,000, while existing homeowners will receive a credit of up to \$6,500. Existing homeowners will be eligible for the \$6,500 if they have lived in their current residences for at least five years. The bill also will increase the qualifying income limits from \$75,000 for single tax filers and \$150,000 for joint filers to \$125,000 and \$225,000, respectively. The purchase price of the home is capped at \$800,000.

Under additional provisions in the bill, taxpayers can claim the credit on purchases completed in 2010 on their 2009 income tax returns. The bill maintains the provision that home buyers do not have to repay the credit, provided the home remains their primary residence for 36 months after purchase, and waives this requirement for active duty military personnel who move due to a military order.

For weeks, the CALIFORNIA ASSOCIATION OF REALTORS (C.A.R) and its members have urged Congress and the U.S. Senate to extend and expand this crucial piece of legislation.

Nationwide, more than 1.4 million first-time home buyers were given the opportunity to become homeowners as a result of the Federal Tax Credit for First-time Home Buyers. According to C.A.R. research, nearly 40 percent of first-time home buyers surveyed said they would not have purchased a home without the federal tax credit, and approximately 70 percent said the tax credit was "the most important" or a "very important" factor in their decision to buy a home.

To read stories about the extension and expansion of this valuable home-buying incentive, please visit the following:

#### **Aid for jobless, homebuyers clears Congress**

To read the full story, please click here:

<http://www.reuters.com/article/newsOne/idUSTRE5A35YO20091105>

#### **Congress Extends Jobless Benefits, Home-Buyer Credit**

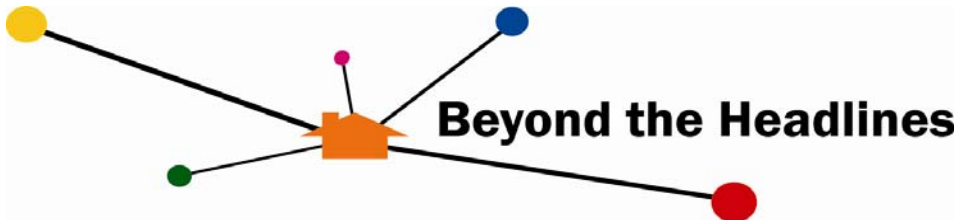
To read the full story, please click here:

[http://online.wsj.com/article/SB125745002293831629.html?mod=WSJ\\_hpp\\_MIDDLETopStories](http://online.wsj.com/article/SB125745002293831629.html?mod=WSJ_hpp_MIDDLETopStories)

#### **Congress passes bill extending unemployment insurance, home buyer tax credit**

To read the full story, please click here:

[http://voices.washingtonpost.com/capitol-briefing/2009/11/congress\\_passes\\_bill\\_extending.html?hpid=topnews](http://voices.washingtonpost.com/capitol-briefing/2009/11/congress_passes_bill_extending.html?hpid=topnews)



SmartMoney

### **Six signs your home will increase in value**

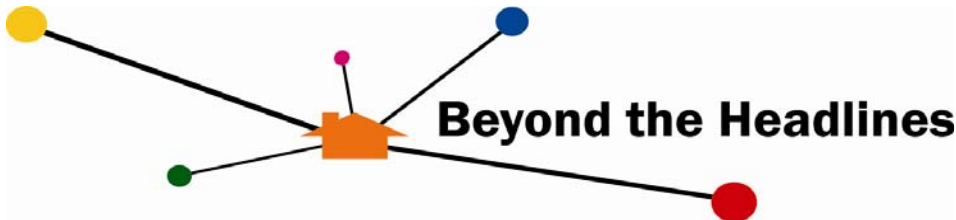
Recent reports on the health of the economy and the housing market have shown improved conditions. The federal tax credit for first-time buyers, affordable home prices, and low interest rates also are driving many buyers into the market. However, housing markets are local, and can vary greatly from one to the next. Still, there are indicators on which homeowners can rely to determine whether their home's value will rise.

#### MAKING SENSE OF THE STORY FOR CONSUMERS

- The unemployment rate in an area can help homeowners determine if their homes' values is likely to rise. As the unemployment rate rises, fewer individuals are capable of purchasing homes, decreasing the demand for homes, and driving down prices. To find a city's unemployment rate and whether it's rising or falling, consumers can visit the Bureau of Labor Statistics' Web site at <http://www.bls.gov/lau>.
- On average, foreclosed homes sell for 30 percent less than similar homes in the same area. However, that figure varies by housing market, according to an executive at RealtyTrac.com, which tracks foreclosures. As foreclosures increase, the average prices of homes in the neighborhood decrease. Visit <http://www.realtytrac.com> to view properties in various stages of foreclosure, including foreclosure filings, auctions, and bank repossessions.
- Tracking a neighborhood's inventory supply also is a good indicator. A supply of five to six months is considered "normal." For the most extensive inventory level comparisons, homeowners should contact a local REALTOR®. Homeowners without an existing relationship with a REALTOR® can use the "Find a REALTOR®" function on the CALIFORNIA ASSOCIATION OF REALTORS®' Web site to find the REALTOR® nearest them.
- Following the list-to-sale-price ratios of a neighborhood can help determine the direction of home prices in an area. If the price difference is shrinking for an area, that suggests the real estate market is improving. Some real estate Web sites offer this information, or homeowners can contact their REALTOR® who can provide the average list-to-sales price ratio and a historical comparison.

To read the full story, please click here:

<http://www.smartmoney.com/personal-finance/real-estate/6-signs-your-home-will-increase-in-value/>



## In Other News...



The Wall Street Journal

### **Why homeowners are raising the roof**

People who refrained from splurging on big home-improvement projects during the housing boom are reaping the rewards now.

To read the full story, please click here:

[http://online.wsj.com/article/SB10001424052748703790404574471683619819154.html?mod=WSJ\\_hpp\\_sections\\_personalfinance](http://online.wsj.com/article/SB10001424052748703790404574471683619819154.html?mod=WSJ_hpp_sections_personalfinance)



San Francisco Chronicle

### **Overpriced homes offer a bargaining chip**

In some areas there is a shortage of desirable, well-priced listings. Sellers who don't need to sell now are waiting for a better market. Many sellers who would like to sell now have unrealistic expectations about what a buyer would be willing to pay.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/11/01/REOL1ACOP8.DTL&type=realestate>



Los Angeles Times

### **Home valuation code could soon undergo major revamp**

Could the controversial appraisal system imposed nationwide by mortgage giants Fannie Mae and Freddie Mac in May—and now tied to lowball property valuations, busted home sale transactions, and higher fees to consumers—be on its way out?

To read the full story, please click here:

[http://www.latimes.com/classified/realestate/news/la-fi-harney1-2009nov01\\_0\\_3933509.story](http://www.latimes.com/classified/realestate/news/la-fi-harney1-2009nov01_0_3933509.story)



San Francisco Chronicle

### **September pending home sales rise 6.1 percent**

The volume of signed contracts to buy previously occupied homes rose for the eighth straight month in September as buyers scrambled to take advantage of a tax credit for first-time owners that expires at the end of this month.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/11/02/financial/f070014S22.DTL&type=realestate>