

## **First-Time Homebuyer Credit Closing Deadline Extended to September 30, 2010**

The deadline for the completion of qualifying First-Time Homebuyer Credit purchases has been extended. Taxpayers who entered into a binding contract before the end of April now have until September 30, 2010 to close on the home.

The Homebuyer Assistance and Improvement Act of 2010, enacted on July 2, 2010, extended the closing deadline from June 30 to Sept. 30 for eligible homebuyers who entered into a binding purchase contract on or before April 30 to close on the purchase of the home on or before June 30, 2010.

Here are five facts from the IRS about the First-Time Homebuyer Credit and how to claim it.

1. If you entered into a binding contract on or before April 30, 2010 to buy a principal residence located in the United States you must close on the home on or before September 30, 2010.
2. To be considered a first-time homebuyer, you and your spouse – if you are married – must not have jointly or separately owned another principal residence during the three years prior to the date of purchase.
3. To be considered a long-time resident homebuyer, your settlement date must be after November 6, 2009 and you and your spouse – if you are married – must have lived in the same principal residence for any consecutive five-year period during the eight-year period that ended on the date the new home is purchased.
4. The maximum credit for a first-time homebuyer is \$8,000. The maximum credit for a long-time resident homebuyer is \$6,500.
5. To claim the credit you must file a paper return and attach Form 5405, First Time Homebuyer Credit, along with all required documentation, including a copy of the binding contract. New homebuyers must attach a copy of the properly executed settlement statement used to complete the purchase. Long-time residents are encouraged to attach documentation covering the five-consecutive-year period such as Form 1098, Mortgage Interest Statements, property tax records or homeowner's insurance records.