

# Los Angeles Times

## Money & Company

### Congress extends deadline for home-buyer tax credit

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Congress late Wednesday night extended the deadline by three months of a popular home-buyer tax credit that has helped fuel the real estate market in recent months.

The extension is only for those buyers who signed a purchase contract by April 30 and need extra time to close their deals. The deadline to close was Wednesday and the extension will push that deadline to Sept. 30. The incentive offers up to \$8,000 for certain buyers.

Real estate brokerage offices and mortgage lenders have been backlogged with the number of people trying to close their deals by the Wednesday deadline, according to the **National Assn. of Realtors**, a group that lobbied heavily for the extension. The group estimated that the extra time would assist some 180,000 people nationally and 17,700 Californians who qualify for the credit but did not appear as if they would meet the Wednesday deadline to close their deals.

**Syd Leibovitch**, president of **Rodeo Realty** in Bel-Air, said the extension would help people in Southern California who qualify for the incentive but whose deals have been delayed from closing through no fault of their own.

“It’s fair, because you have people in short-sales transaction where the escrows take a lot longer than you would think,” he said. “Most of the delays are because of lenders taking a little longer to get loans, or getting approval from short sales.”

The federal tax credit was created in 2008 by the Bush administration as a \$7,500 incentive for first-time purchasers, who were required to repay the money in a series of installments. Congress increased the amount to \$8,000 in February 2009 when it passed the economic stimulus package and waived the repayment requirement. As an initial deadline for the credit loomed last November, Congress extended and expanded it to include as much as \$6,500 for some current homeowners.

The Realtors group in Washington estimates that a total of 4.4 million people have received the credit since it was made nonrefundable last year. That includes 2.9 million first-time buyers and 1.5 million repeat buyers, the group said.