

Cambridge Land Title Agency, Inc. News

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Cambridge Land Title Agency, Inc. News
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Closing Deadline Extension

The Homebuyer Assistance and Improvement Act of 2010, signed by the President on July 2, 2010, extended the closing deadline from June 30 to September 30, 2010 for any eligible homebuyer who entered into a binding purchase contract on or before April 30, 2010. The new law was enacted to address concerns that many homebuyers might be unable to meet the original June 30th deadline.

The IRS reminds taxpayers that special filing and documentation requirements apply to anyone claiming the homebuyer credit. To avoid refund delays, those who entered into a purchase contract on or before April 30th, but closed after that date, should attach to their return a copy of the pages from the signed contract showing all parties' names and signatures if required by local law, the property address, the purchase price, and the date of the contract.

More details on claiming the credit can be found at www.irs.gov.

[Source: www.irs.gov]

Sabotaging Your Closing

Holden Lewis of bankrate.com wrote a great article entitled "Three Ways to Sabotage Your Closing". His article explains that due to the mortgage crisis, lenders have stricter requirements to enforce before a loan can close. As of June 1st, Fannie Mae requires lenders to track "changes in borrower circumstances" between the date of application and the date of closing. Following are excerpts from the article about what can cause a borrower's closing to be delayed or messed up:

1. If you want to implode your impending mortgage, get a new credit card or auto loan. Lenders have long admonished mortgage applicants to avoid getting new credit cards and/or auto loans while home loans are in underwriting.



2. Charging credit cards with thousands' of dollars worth of appliances, tools and yard equipment is another sure-fire way to muck-up a closing. It's best to leave those cards alone. Mortgage approval is based partly on the debt-to-income ratio. The lender looks at the borrower's minimum monthly debt payments and compares them to income. If the ratio of debt payments to income is too high, the borrower could be turned down for a mortgage. Fannie encourages mortgage lenders to recalculate debt-to-income ratios just before closing. If a spending spree sends your debt-to-income ratio too high, the mortgage could be doomed. For this

reason, borrowers should wait until after closing before buying furniture, a refrigerator, a lawnmower, etc. on credit.

3. Changing jobs is another good way to derail a mortgage before closing. Other potential deal-breakers include, for example, staying with your current employer but changing from a salaried position to one where primary income comes from commissions or bonuses.

[Source: Bankrate.com - Holden Lewis article]

Homeowner's Insurance Details

If you have thought about your homeowner's insurance in the past few months, it is probably because you are refinancing your mortgage, buying a new home, or filing a claim. But unless you are in the last category, you probably didn't pay too much attention to the details - and that could be a mistake.



Homeowner's insurance policies are complex documents that contain a lot of legal language and exclusions, which can conceal gaps in coverage. Often, homeowners shop for the best price and don't pay enough attention to the coverage details.

Figuring the amount of insurance you need is typically done by using insurance company estimates based on square footage, building material and other criteria. The value of your land is not included. It may be wise to also talk with a local contractor who can probably give you a better idea of what it would cost to rebuild.

Many people buy a guaranteed replacement cost insurance policy. With this type of policy, the insurer agrees to pay the entire cost of replacing a home even if that exceeds the insured amount of the policy. However, be sure to read the fine print for any exclusion. You may also want to consider earthquake and/or flood insurance if you live in areas prone to these disasters. Remember, the purpose of insurance is to cover any disaster and give you peace of mind.

Closing Services

With mortgage rates remaining at record lows, it's a great time to purchase a home or to refinance your existing mortgage. Please ask your lender to permit Cambridge Land Title Agency, Inc. to serve as closing agent. We are an approved title company for a variety of lenders including (but not limited to) Guardian Savings Bank, FSB, The North Side Bank & Trust Company, Greater Cincinnati Credit Union, Warsaw Federal Savings & Loan Association, Cintel Federal Credit Union, and Stock Yards Bank & Trust.

We wish to remind you that John T. Schwierling, Esq. (jschwierling@ritter-randolph.com), a Hamilton County Registered Land Examiner, is available to handle any registered land issues.

For information regarding our title services, please contact Carey K. Steffen, Esq. at 513-381-7149 or csteffen@ritter-randolph.com.

We also invite you to visit www.ritterandrandonph.com for more information about services offered through RITTER & RANDOLPH, LLC and Cambridge Land Title Agency, Inc.

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