

# Cambridge Land Title Agency, Inc. News

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## Claiming the First-Time Homebuyer Tax Credit

To prevent fraud regarding the first-time homebuyer tax credit, the IRS has put in place new documentation requirements. In order to receive this credit, eligible taxpayers must complete Form 5405 with their 2009 tax returns and include one of the following:



- A copy of the settlement statement (normally the HUD-1) showing all parties' names and signatures, property address, sale price and date of purchase.
- For mobile home purchasers who are unable to get a settlement statement, a copy of the executed retail sales contract showing all parties' names and signatures, property address, purchase price and date of purchase.
- For a newly constructed home where a settlement statement is not available, a copy of the certificate of occupancy showing the owner's name, property address and date of the certificate

Remember, if you are taking this credit, you must file a paper tax return due to the added documentation requirements. To speed your refund, you are encouraged to use direct deposit. For more information on this credit and filing requirements, visit [www.irs.gov](http://www.irs.gov) and click on instructions for Form 5405.

[Source: [www.irs.gov](http://www.irs.gov).]

## What is Hazard Insurance?

Hazard insurance is another term for homeowner's insurance. If you are buying a home and borrowing money to purchase your residence, your mortgage lender will require that you have this insurance in effect as of the date of the closing. This insurance protects your investment against any physical damage and against any liability you incur as a result of someone having been injured on your property.

## Bi-Weekly Mortgage Loans

The traditional way of paying-off your mortgage is making monthly payments, but some individuals opt to make their loan payments every two weeks. For example, if your monthly mortgage payment was \$1,500, your biweekly mortgage payment would be one-half of that amount, \$750. By making 26 half-payments a year, you would have made 13 full payments, which means your loan would be paid faster with significantly less interest. Be sure to check with your lender if you decide to make payments this way, as some banks will charge a service fee for maintenance of such a payment plan.

## Getting Help with Your Mortgage

As thousands of people struggle to make their monthly mortgage payments due to job loss or other financial hardship, foreclosures continue to be on the rise. If you know that you cannot make a mortgage payment or haven't made one for a month or two, contact your lender immediately to explain your present financial circumstances. Most lenders will work with you to come up with a new payment plan or other resolution, if at all possible.

Lenders can help by offering grace periods, longer payment schedules, lower interest rates or balance reduction.

## Job Loss Mortgage Insurance

Do you know that you can buy an insurance policy that will pay all or part of your mortgage payment if you lose your job? Do you know that sometimes such coverage is available at no cost to the homebuyer? Job-loss mortgage insurance can be obtained from traditional insurers, new-home builders, banks, lenders, real estate agents, realty groups and state and local housing agencies.



When considering any type of insurance product, it is best to shop around, evaluate your debt and income, and evaluate your mortgage payment. You also want to read all the provisions of the policy so you know exactly what level of coverage you are getting.

Some policies will cover only a minimum payment to keep the mortgage from foreclosure. Most policies also have a grace period, generally 60 days, for job-loss mortgage insurance to kick-in. You should also check to see if you qualify for this type of insurance because if you are retired, self-employed, an independent contractor, retired military or active-duty military, you are not eligible.

[Source: [www.bankrate.com](http://www.bankrate.com).]

## Closing Services

If you are planning to purchase a new home or commercial property or are planning to refinance your existing loan, 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, The Home Ownership Center of Greater Cincinnati, Advantage Bank and Stock Yards Bank & Trust.

We wish to remind you that John T. Schwierling, Esq. ([jschwierling@ritter-randolph.com](mailto: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](mailto:csteffen@ritter-randolph.com).

We invite you to visit [www.ritterandrancholph.com](http://www.ritterandrancholph.com) for more information about RITTER & RANDOLPH, LLC and Cambridge Land Title Agency, Inc. and the services we offer.

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