

4% Mortgage Rates In Us Stimulus

Republicans want a stimulus bill that now reaches close to \$900 billion to include provision that would drive down mortgage rates to nearly 4%. With this provision Republicans want to jump start the housing market, bring more buyers and allow current homeowners to refinance to lower rates. This new provision can save up to \$200 a month on monthly mortgage payments, thus savings of over \$2400 per year are possible. Fannie Mae and Freddie Mac, would provide these new loans which has a vast variety of mortgage network from lenders, brokers, loan officers to provide these loans. The program would be capped at \$300 billion. This new program would lure many new buyers into buying homes as save money on cost as well. The National Association of Realtors estimates that this program would sparks about half a million home sales. With more buyers coming into market, it will reduce inventory and it would allow stability in real estate market. More foreclosures are coming and with lower mortgage rates, foreclosures will be vastly reduced, thus allowing home prices to rise again. The Senate began debate on stimulus package on Monday with hopes of reaching a vote by Friday. Republicans want to have mortgage interest rates lowers to 4 percent or 4.5 percent on 30 year fixed rate loans. Rates can eve drop further if Fannie and Freddie will buy these loans and service them. Senate voted to give a tax break of up to \$15,000 to homebuyers to help housing market. The new tax break would give home buyers a tax credit of 10 percent of the price of a primary residence purchased within a year, up to \$15,000 to stabilize housing market and prevent foreclosures. A first time home buyer is defined as any individual who had no ownership interest in a principal residence during the three years prior to the house purchase. Rental property, vacation home or undeveloped land does not qualify you from claiming this credit. The credit must be repaid in installments over a 15 year period. Repayment would begin two years after the year in which the credit is claimed. If house is no longer used as primary residence, or sold, the repayment is accelerated. The credit is for taxpayers who's gross income is between \$75,000 and \$95,000 (\$150,000 to \$170,000 for joint fillers) The credit will be claimed on your 2008 tax return with Form 5405. If you purchase home in 2009, you can opt out to file an amended 2008 return to claim the credit.

About the Author

John Weise represents RateTake [Refinance Rates](#) marketplace. We are offering much needed help to millions of homeowners struggling to meet their monthly mortgage payments through our [Debt Relief](#) program. [financing](#)

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