

ERA Crown Jewel Properties in Lake Wales offers buying tips for the spring season

Expanded Homebuyer Tax Credit: 5 Essential Tips

Lake Wales, FL (Grassroots Newswire) February 25, 2010 - With the expanded homebuyer federal income tax credit currently in effect for first-time and qualified repeat buyers, now is the perfect time to consider making that big purchase, your first, or next, home.

"Buying a home is one of the biggest financial commitments a person can make, but first-time homebuyers and qualified return buyers are in an ideal position to take advantage of unique opportunities in the market, such as the federal tax credit, low interest rates and the choice wide selection of homes for sale," says **Regina Motis**, local ERA® representative.

But before you sign on the dotted line, ERA Crown Jewel Properties in Lake Wales (<http://www.floridarealestateonline.net>) offers some helpful tips for prospective buyers.

1. Learn more about the current homebuyers' federal income tax credit If you are considering purchasing your first home or your next home, learn about the parameters of the temporary homebuyer tax credit, which is one of the provisions of the Unemployment Compensation Extension Act signed into law on Nov. 6, 2009.

The Homebuyer Tax Credit of up to \$8,000 was extended for first time home buyers who sign a binding contract by April 30, 2010 and close on that purchase by June 30, 2010; and expanded to include a \$6,500 credit for current qualified homeowners who purchase a new primary residence. Under the terms of the legislation, "current" homeowners must have used the home they have sold, or that is being sold, as their primary residence consecutively for five of the past eight years. In addition, other eligibility requirements apply, including income limits.

"The tax credit can help make the American dream of homeownership a reality for potential buyers who previously could not afford the investment," says Regina Motis.

2. Calculate what you can afford

Before you start searching for your new home, know what you can afford. According to the U.S. Department of Housing and Urban Development, your total monthly mortgage payment -- which includes principal, interest, taxes and insurance -- should be less than 29 percent of your monthly gross income.

What you can afford is also based on, among other things, how large of a down payment you can make and how much money you can borrow. You can start estimating this figure by using an online affordability or loan calculator (<http://www.era.com/eraresources/tools/>). This calculator can help compute what may fit comfortably within your budget based on factors such as annual

income, debts, interest rates and credit score. Though Internet calculators and statistics are good references, it is recommended that you consult a financial advisor to determine exactly how much you can afford.

3. Choose a neighborhood

After you determine your home buying budget, think about where you want to live. Are you going to stay in your current neighborhood, or do you want to hit the open road and start fresh? No matter what, you should thoroughly research the demographics of the area. Some additional factors to consider are how far you will be from work, shopping, activities of interest to you - and if you have children, which school district you prefer.

4. Make a wish list of needs and wants

Early in the home-searching process, list your basic needs such as minimum square footage, number of bedrooms and bathrooms, location and of course, the price you can afford. Leading real estate Web sites such as ERA.com (<http://www.ERA.com>) have guided property searches that allow you to choose one or more of these criteria. If there are features that you would love to have in your home, but could live without, put them on your "want" list. This includes things like a pool, big yard, extra bedroom, etc.

5. Work with an experienced real estate professional Searching for and purchasing your first or next home is an exciting experience, but it can be overwhelming. To help each step in the home buying process run smoothly, consider working with a seasoned real estate professional (<http://www.floridarealestateonline.net>). Choose a knowledgeable professional who knows your local market, who has access to the newest listings, and can help you negotiate prices, thus increasing the chances of finding your dream home.

To locate a real estate professional in your area and to learn more about home buying and the first-time homebuyer tax credit, contact ERA Crown Jewel Properties (<http://www.floridarealestateonline.net>) in Lake Wales at REGINAMOTIS@AOL.COM or 863-676-9300.

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