

## How Would You Like \$8000 Free?

You may be sitting on the fence, waiting for this whole credit crisis to pass. You want to buy a new home but you keep hearing about how prices keep dropping. So you wait. And you hear it again - prices are dropping, again.

But here's the thing. This downturn isn't going to last forever. And when it flips to the upside, it could hit you so fast that you won't know what's hit you. Another important point to consider is that with all the spending going on in Washington, they will need to sell a whole bunch of Treasuries in order to fund it. Selling any instrument causes its price to drop. Bonds (which Treasuries are) have yields (rates) inverse to their price. So if Treasury prices are going down, guess what's happening to interest rates.

Now some may argue that Treasuries that I am talking about, i.e., the one that the Federal Reserve has control of, is short term by nature. And they are correct. So on the surface, they don't seem like they would affect mortgages which are typically at the 30-year tenor. But the problem is, all this spending that the government does is inflationary. Inflation kills any lender of fixed term instruments. That means that the 30-year Treasuries, the very ones that affect the typical mortgages are going to get sold off, which increases their rates as well.

So any loss you may be sitting on by waiting for the bottom to come is going to be offset by the rising of interest rates. Bottom line: it may be a good time to get into the market.

But it gets even better. This year, to spur people to buy houses, the government is giving a tax credit of \$8000. Now if you are unfamiliar with a tax credit, it's very different from a tax deduction. A tax deduction allows you to lower the amount of income that is taxable. It's not always dollar-for-dollar either. It could only lower your income by a little bit. A tax credit on the other hand, shaves that amount off your final tax bill. So if you owed the government \$2000, your \$8000 tax credit would have the government owing you \$6000. That's nothing to shake a stick at!

But it gets even better than that. Instead of buying up a regular house at the market, why not consider a foreclosure property? Foreclosures are actually the double-edged sword that are bringing other houses down in price. But imagine if you went to a bank and said to them, "Hey, I'll give you X Amount for that house." Bankers are desperate to get these

## About the Author

[For Your Free 7-day Trial to a Resource That Can Show You Listings of Foreclosed Properties in Your Area, -- CLICK HERE--](#)

Source: <http://www.secdarticle.com>