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### Tax credit might be shot in the arm for first-time homebuyers

Jerry W. Jackson

Sentinel Staff Writer

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A coalition of powerful groups, including the Orlando-based Florida Association of Realtors, is lobbying the state to find a way to advance first-time homebuyers a new, \$8,000 federal tax credit designed to spur home sales.

Many first-time buyers have the income and credit to qualify for a home loan but need help with the down payment, said Cynthia Shelton, an Orlando Realtor and current president of the statewide trade group. Fronting the money for the new tax credit could draw more qualified buyers into the slumping home market sooner, she said.

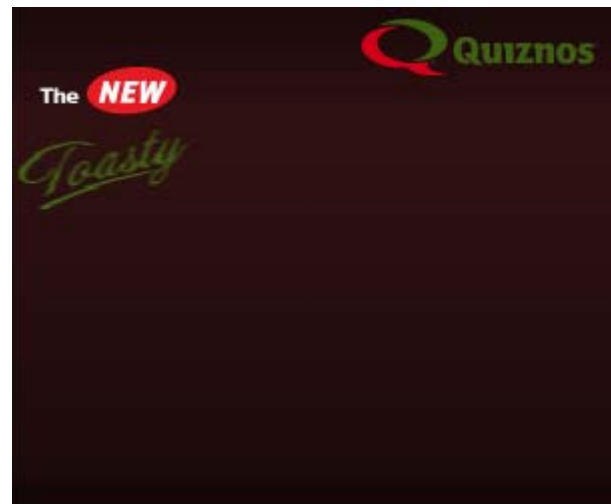
A study by Miami-based economist Antonio Villamil concluded last week that "front loading" the tax credit, part of the federal government's stimulus package, would give Florida's economy a significant boost — equivalent to creating 33,206 jobs and generating \$514 million in federal, state and local tax revenue.

"I was in Tallahassee last week and I met with some senators. We're pressing like mad to get this through," Shelton said.

But with state lawmakers rushing to complete their annual session by May 1, the chances of passing any such bill are remote, so other avenues are being explored, said Walt Dartland, executive director of the Consumer Federation of the Southeast.

"The Legislature may or may not play a part," Dartland said Monday from Tallahassee. "It's true, we are out of time" for passing a new law from scratch. Other options being researched that might not require legislation, he said, include leveraging some of the resources of the Florida Housing Finance Corp., which already has a down-payment assistance program. Qualifying homebuyers would sign over their tax credits to repay the fund.

In addition to the Realtors and the consumer federation, the alliance now urging the Legislature to consider the home-financing proposal includes the Florida Home Builders Association, Florida Bankers Association, Florida Credit Union League, Florida Manufactured Housing Association and Florida Association of Mortgage Brokers.



Supporters of what the consumer federation is calling the "Florida formula" said the state has a short time in which to act because the tax credit is for homes purchased by the end of November. A tax credit is a dollar-for-dollar reduction in federal taxes owed.

Steve Auger, executive director of the Florida Housing Finance Corp., said the agency has provided \$66 million in down-payment assistance since 2007, but its ability to continue doing that is jeopardized by the possibility that lawmakers may commit all of the housing agency's trust fund to the general fund this year because of a record budget shortfall.

"I would hope the legislators would think long and hard about that," Auger said.

Dartland said that another idea being discussed would involve the state issuing short-term notes that could be sold to participating banks. Those notes could then be repaid with the homebuyers' tax credits.

Jerry W. Jackson can be reached at [jwjackson@orlandosentinel.com](mailto:jwjackson@orlandosentinel.com) or 407-420-5721.

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