

ADVERTISEMENT

Millions of tiny mirrors make the picture amazing.
 DLP® delivers, crystal clear, razor-sharp life like images for the ultimate in picture quality. Find out more at...




Freep.com • Weather • Jobs • Cars • Real Estate • Apartments • Shopping • Classifieds • Dating



Search Detroit:

Local news, jobs, cars, homes...



Emails | RSS | Text Me Freep | Mobile

Subscribe to the Free Press | Manage My Account | Place an Ad | Contact Us

- [LOCAL NEWS](#)
 - [NATION/WORLD](#)
 - [SPORTS](#)
 - [ENTERTAINMENT](#)
 - [BUSINESS](#)
 - [AUTOS](#)
 - [FEATURES](#)
 - [TRAVEL](#)
 - [OBITUARIES](#)
 - [OPINION](#)
- [TWIST](#)

Freep.com » Columnists » Susan Tompor

SUSAN TOMPOR

Deal has rebates coming your way

Michiganders expected to see big-time benefits

January 25, 2008

By **SUSAN TOMPOR**
 FREE PRESS COLUMNIST

If you're in the mood for a short-but-sweet summer vacation -- or want to go out and buy a luxury home -- you need to take a close look at the latest stimulus package that's on the fast track in Washington.

On Thursday, we learned that the Bush administration and Republican and Democratic House lawmakers reached an agreement on a stimulus package that is designed to fight off a recession. It's not a done deal yet, but this proposed rush effort has something for everyone -- or almost everyone:

ADVERTISEMENT

Find Foreclosures!
 Get great deals in your neighborhood!

[SEARCH NOW](#)



- We're looking at tax rebate checks of up to \$600 for individuals and up to \$1,200 for couples, plus an extra \$300 per child. But don't plan to splurge if you're living in a higher-income household.

The rebates would phase out gradually for individuals whose income exceeds \$75,000 and couples with incomes above \$150,000.

Individuals with incomes up to \$87,000 and couples up to \$174,000 would get partial rebates. The caps are higher for those with children.

Individuals must earn at least \$3,000 to get a \$300 rebate. It means that even some low-income workers who aren't required to pay federal income taxes would get rebate

checks if they earned at least \$3,000 in 2007.

Helping many in Michigan

In Michigan, nearly 94% of taxpayers would get some kind of rebate check. About 2.57 million people would qualify for a rebate of up to \$600 each, according to estimates by the Anderson Economic Group in East Lansing.

About 1.69 million couples in Michigan would qualify for a rebate of up to \$1,200 each, the Anderson Economic Group says. The estimate does not include children.

Nationwide, about 116 million households would get checks beginning as early as June.

- The package omits an earlier proposal to extend unemployment benefits. Already, some lawmakers in the Senate say another stimulus package could need to be crafted.

- Want a fancy house?

Sure, it seems weird to talk about big homes when we've got a housing slump and the threat of a recession.

But housing experts say this part of the Economic Growth Package could offer more relief to troubled and overpriced housing markets, such as California, Florida and maybe even some well-to-do neighborhoods in Michigan. It might even prevent some foreclosures in those neighborhoods.

Email This Story Forums [A+](#) [A-](#) [RESET](#)

Printable Format RSS Homepage

RELATED NEWS FROM THE WEB

- Livonia, MI
- Michigan
- Family
- Allen Park, MI
- Foreclosures
- Financial Services
- Kids
- Discuss Kids

Powered by Topix.net

SHOPPING



Find the best sales and deals at major retailers near you. [Start Shopping!](#)



Free Press Bookstore
 Click here for sports books and posters, sports wearables, cookbooks and more!

MORE ON FREEP.COM

Most Popular:

- **FREE PRESS SPECIAL INVESTIGATION:** Mayor Kilpatrick, chief of staff lied under oath, text messages show
- **TEXT MESSAGE SCANDAL:** Labor leader: Unions may ask for Mayor Kilpatrick's resignation
- **KIRK HERBSTREIT:** 'I think it's a six-win season for Michigan next year'
- Kilpatrick, family spend day in Florida as calls for ouster grow
- Ex-cops' lawyer tells of secret pact

Latest Updates:

- 'Survivor' auditions today in Southfield - 7:48 am
- I-94 lanes reopen following wreck that created huge backups - 7:04 am
- FBI: Teen arrested for hijack plot - 6:19 am
- **MORE TIGERS COVERAGE:** Including the latest on the Magglio Ordonez-Jose Canseco saga - 5:12 am
- **NBA ALL-STARS:** No Pistons starters as fans fail to support Detroit - 4:44 am

Jumbo perks

Under the proposal, borrowers who took out a \$500,000 or \$600,000 mortgage could be able to qualify for a far lower interest rate than today's jumbo mortgage rate.

Greg McBride, senior financial analyst for Bankrate.com, said the change makes some sense given the recent credit crunch.

The current limit for a conventional loan is \$417,000. The new limit would be \$625,000.

Raising the limit would allow such borrowers to find lower rates when buying a new home or refinancing an existing mortgage.

McBride said that the change could free up more spending money for homeowners who could refinance under the changes.

He pointed out that currently the interest rate for a jumbo mortgage is about 7%, compared with about 5.75% for a 30-year fixed conventional loan.

Before the credit crunch, a jumbo mortgage traditionally was priced higher than a conventional loan, but the difference was less than half of a percentage point.

Bob Walters, chief economist for Quicken Loans and Rock Financial in Livonia, said the proposed changes would help greatly in markets such as California, where starter homes in some communities are \$400,000 and higher.

He said the change could help prevent foreclosures in some areas because people could more easily sell their higher-priced homes if they need to move or cannot afford to keep the house.

For better or worse?

Patrick Anderson, an economic consultant in East Lansing, said it's clear the proposed changes would make jumbo mortgages easier to acquire. Anderson, though, questioned the change to some degree.

"It does nothing to discourage borrowers from getting in over their heads -- in fact it encourages borrowers to get in over their heads," he said.

But spending is the name of the game when it comes to a stimulus package.

"Get the cash in your hands, and let it burn a hole in your pocket," said Diane Swonk, chief economist for Mesirow Financial in Chicago.

She noted that getting the rebates to families of modest means is a surefire way to get extra spending going in the economy.

"The idea is buying time until you're on a stronger footing," she said.

Contact **SUSAN TOMPOR** at 313-222-8876 or stomp@freepress.com.

COMMENTS

[Post a Comment](#) [View Comment\(s\)](#)



Time's almost up

You've got till noon today to enter our Sesame Street Live Contest. Shown here is cuddly (not cowardly) lion, Bobby Leis of Allen Park. The prize: Tickets to see the show at 7 p.m. Jan. 30.

• **Sensitive subject:** Have your kids heard about the Kwame Kilpatrick text messaging scandal? How will you talk to them about it?

[More on MotorCityMoms.com](#)

MORE FROM FREEP.COM:



Pay no attention to the truth behind the curtain: Susan Ager wanted to believe a Novi man had really been a Munchkin in "The Wizard of Oz."



The new Ford F-150: In this exclusive report, the Detroit Free Press goes behind the scenes as Ford develops the all-new 2009 F-150 -- Ford's latest all-out effort to remain No. 1.

SITE INDEX

NEWS

- Front
- Community
- Metro
- Detroit
- Wayne
- Oakland
- Macomb
- Michigan
- Nation/World
- Roadwork & Traffic
- Weather
- Obituaries

SPORTS

- Front
- Scores
- Lions/NFL
- Red Wings/NHL
- Tigers/MLB
- Pistons/NBA
- Shock/WNBA
- U-M
- MSU
- Other Colleges
- Preps
- Outdoors

ENTERTAINMENT

- Front
- Arts
- Movies
- DVD
- Music
- Names & Faces
- Dining Out
- Nightlife
- Casinos
- TV & Radio
- Video Games

BUSINESS

- Front
- Michigan
- Nation/World
- My Market Watch
- Air Travel
- Technology
- Real Estate

AUTOS

- Front
- Auto Reviews
- Auto Shows

FEATURES

- Front
- Lifestyles
- Travel
- Books
- Fashion
- Food
- Gardening
- Health
- Comics
- Yak's Corner
- Pets
- Twist

MORE

- Print Edition
- Subscribe
- Contact Us
- Send a News Tip
- Freep Bookstore
- Order a Photo
- Jobs In Journalism
- Text Me Freep
- Mobile
- Submit a Photo
- Photo Galleries
- Videos

OPINION

- Front
- Editorials
- Letters
- Editorial Cartoons
- Bloggers
- Columnists
- Forums

CLASSIFIEDS

- Front
- Find a Job
- Find a Car
- Find a Home
- Find an Apartment
- Contests
- Shopping
- Dating
- Pets
- Place an Ad
- How to Advertise

[Death Notices](#)

[Olympics](#)
[Auto Racing](#)
[Golf](#)

Partners: Jobs: [CareerBuilder.com](#) • Cars: [Cars.com](#) • Apartments: [Apartments.com](#) • Shopping: [ShopLocal.com](#)

[Customer Service](#) [Terms of Service](#) [Send feedback](#) [Subscribe Now](#) [Jobs In Journalism](#)

Copyright ©2008 the Detroit Free Press. All rights reserved. Users of this site agree to the [Terms of Service](#) and [Privacy Policy/Your California Privacy Rights](#) (Terms updated March 2007)

[USA Today](#) [USA Weekend](#) [Gannett Co. Inc.](#) [Gannett Foundation](#)