

12 Family Basic Asset Protection

Issue/Problem

This oddly titled National proposal raises an important issue that American society needs to publicly debate, prudently consider, and reach Common Agreement upon. It seeks to help us resolve the definition of the *American Dream* and how it will be cared and accounted for within the National System.

Specifically, the issue is whether or not every American family has the right to have a long-term home or residence in which to live their life and to call their own.

This is a tough one because it involves the personal ownership of property – you know, what most wars are fought over!

We're not talking multiple homes, but a family residence that will be theirs over the years. We know this one will cause some banging and crashing! Dealing practically with the home ownership issue will challenge our national commitment to American families and their Right to the *American Dream*.

The People's Sense

The American Family's Baseline

As far as America is to be defined on this issue — every hard working American will be entitled (a sometimes ugly word) to a residence of their own. To possess a real piece of America and a fixed address — whether it is a single family home, a mansion, a townhouse, a mobile home, a condo, a houseboat, a duplex or whatever — is to most people the base upon which the American dream is built.

I believe most Americans will agree with that and the reality that due to various internal and external factors that Dream in recent years is becoming an American Fantasy for many of our citizens. It is particularly true for the youngest Americans trying to enter an over-priced housing market, but it is a reality for many of the Generational Groups within our society. Not only obtaining a home, keeping it as well.

Let's Take a Look

For starters, we are not talking about a residence that is given to someone by the government. Not going to happen. One way or another people will *work and earn* their piece of America even if they have to work and pay on it over their entire lifetime.

We are talking about family (one or more persons) housing that under special long-term financing programs will allow even the poorest American citizens a place to call their own.

Those long-term financing programs set-up and managed by the American Banking System. We will not be asking the Banking Industry to set them up — We will tell them the interest rates and the terms to be provided and they will put in place. This is a glimpse at a key part of the Re-Structuring of the Banking Industry to be presented later. Remember what I said about wars being fought over such things – it will get hot!

A few thoughts on how this complicated but very “family-value” issue will play-out:

- As life in our National System and the overall economy may uncontrollably erode a family’s finances, they should not have to live in fear of losing their home. Or never even being able to afford one in the first place.
- The housing market went through a tremendous home valuation growth and general greed phase roughly from 2003 into 2006.

That bubble was driven by a period of Bank supplied, very low interest rates, too many investors (many that are not American citizens) buying and selling homes, the banks continually lowering their qualifying standards in order to keep making loans, and the overall un-controlled status of the Banking and Investment Industry. The well-lobbied Congress letting the Banks do what they please.

- The Banks have contributed greatly to the housing bubble and will now be directed to help families, far more than investors, live through the hard downward adjustment in home prices that has already started (2nd quarter 2007).
- Banks will be **required** to refinance person’s primary residence (only) and at a “decent” interest rate, say a fixed rate of no more than 3 to 4%. And that regardless of the property’s appraisal having fallen below the amount that needs to be refinanced.
- Further, loan terms of 35, 40, and more years will be provided to assist homeowners in balancing their mortgage payment to their income.
- A one-time national adjustment will be “negotiated” with the Banking Industry and the public will come out on top! The Banks just like many other businesses and whole industries will not even try to do something positive for society unless it is mandated. They do not consider it their responsibility!

This is another case where We must be assertive and act as the true owners of our country. We make the rules for those that want to continue to play in our sandbox.

And remember, We are taking care of American families.

From another angle, the Public Housing projects in existence all over the country will be deliberately converted over to “owned” condos for which the current or future residents will assume the personal responsibility of a mortgage loan in order to possess or they will need another option.

For Those Not Interested

At the same time, it must be acknowledged that there are some numbers of people that do not want to own or be responsible for residence of their own – and that would be their choice. People will not be helped to own a home that they are not going to live in and properly maintain.

However, they could practically utilize the option of a guaranteed, long-term residence to benefit of their overall stability.

The option could practically be arranged through a formal, national Family Housing program where owners of properties register rental(s) for long-term, if not lifetime lease, by individuals seeking such a life arrangement.

However, this option does involve the traditionally unreliable and too often irresponsible maintenance of a given property by an owner — the dreaded Slum Lord scenario.

Going forward Slum Lords of any kind will not be tolerated if they desire to enjoy the tax benefits from such properties and/or being allowed to retain ownership thereof. Violators will lose their properties – in short order!

On the Other Hand

There is a bit of the flip side to the Slum Lord problems, and the Banks will be required to help resolve it. Banks in a practical effort to guard against risky loans generally do not like to make too many loans to investors. At the same time investors in rental properties often complain that they have limited resources to put into upkeep of said properties. Maybe they should not be permitted to have them in the first place then?

In every town and city in the country there are rental properties in which families are living in conditions that most of us would not care to even walk through, or to

be offered a drink of water there. I know – I have seen a few of them and would not take a drink of water. That’s the facts!

Banks will be mandated to make “Rental Home Improvement Loans” on a per property basis. All of the funds loaned will be designated for the sole purpose of bringing a specific property up to a publicly acceptable living standard — and keeping them there!

This single program will generate an “enormous” amount of home improvement work in every part of the country. And that means jobs!

The re-financing will be at reasonable rates and year-terms so that the resulting new mortgage will not (be allowed to) cause the rent for that property to be raised to a level that the existing tenant could not afford. The accountability of bank and borrower will be strictly monitored and penalties will be significant and swift, including the loss of property’s ownership! And, owners will not use these loans to fix up and then flip the property.

Tenants will have long-term (decades) leases on properties set-up under this national program.

Various details will need to be worked out on this legislation, but the intent and family-oriented spirit of it is quite clear. Give it some thought.

“A home for every American family and a family in every home”