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The Conspiracy of Home Loanership

WHAT IS THE CONSPIRACY?

It is funny how through propaganda we can be manipulated into doing and thinking things that we know don't make any sense. Here is a major example of what I am talking about. We ALL know that debt is bad and that it impedes our retirement. We all know that debt causes financial instability. Most marriages end in divorce and finance (which really is debt) is the main reason for this. So why do we all stand in line to buy houses so that we can build borrowing power and security?

Let's go back to Finance 101. What is an asset? What is a liability?

An asset is something that puts money in your pocket. A liability is something that takes money out of your pocket.

Now, let's look at your house. The only thing that your house is putting into your pocket is the ability to borrow more money! Yet, it is taking plenty money OUT of your pocket! So unless your master plan is to buy a big house, live in it, sell the house at retirement and move in with your kids (while you live off the money you sold the house for), I think it is fairly safe to say that your house is not an asset, it is a liability!

Turn the Mind Control Matrix off. Your house is not a good investment!!

Real estate (buying a house, fixing it up and flipping it for a profit or buying rental property) can be a good investment. Buying a house and living in it is not a good investment!! It is a material item, just like anything else. The equity in your house is nothing more than a fixed, low interest rate credit card!

WHAT IS NET WORTH?

Here is an example of "net worth". John has a paid off \$200,000 house. Sally has a paid off \$150,000 house. Assuming that neither one of them has any money nor any other debt, John's net worth is \$50,000 more than Sally's. That means that he is \$50,000 wealthier, right? Why is that? It's because John can BORROW \$50,000 more than Sally. Now ask yourself, does that really make sense? When our whole idea of wealth is based on how much one can borrow, it is NO WONDER America is in debt!

If you go to Geechie Dan's Place, and order a 3 Piece Chicken Meal that cost \$4.99. The cashier say's "That's \$5.24." and you say, "I don't have any MONEY but my net worth is \$200,000." What are the chances that you will get the meal? Now, let's say that I walk into Geechie Dan's Place and order a 3 Piece Organic Chicken Meal that cost \$8.99. The cashier say's "That's \$9.69." I have \$10 in my pocket, but my net worth is -\$16,780,098,001.73. Guess what. I AM ABOUT TO EAT SOME CHICKEN!

NET WORTH DOES NOT EXIST!

It is a figment of your imagination. You can't buy food with it. You can't put it in the mission plate at church. You can't pay your medical bills with it. Net worth for most people is a number that is out there somewhere in space, based on the perceived value of material items. It exists only in your mind! You can't spend it. The only thing you can do is BORROW off of it.

REAL WEALTH is exchangeable. You can see it. You can touch it. You can LIVE off of it. It buys food, clothes, goods and services. You see, the reason that 97% of Americans get to retirement age and can't really retire, is not because their net worth is low. The reason most people can't retire is because they don't have any MONEY!

The sad thing about this is, the real estate industry is telling people, "Buy a house and build wealth." The Financial Services industry is telling people, "Increase your net worth. That is the number that you can retire on." These are bold face lies!! So we Americans put all of our money into what we have been told is an investment, and when we retire, we are left with ONE BIG CREDIT CARD!

But now after saying all of this, don't take my word for it. Find someone who has a paid off house and ask them how rich their 30 year investment has made them!

Read this very carefully. If you plan on retiring and being financially independent, it will probably be in your best interest to establish a game plan that will get you enough money to retire on at your retirement age. That is your first priority. Once you get that in place, THEN worry about buying a house! Don't let the propaganda machine "punk" you into buying a house with an ad like this from the BS Bank Of Real Estate:

Stop making your landlord rich! Discover how to stop pouring money down the drain in rent and build a solid financial future by purchasing your own home!

Translation

Stop making your landlord rich! Borrow hundreds of thousands of dollars from US and make US rich instead of your landlord. Build wealth (by that we mean, the ability to come back and borrow more money from us). Then when you retire and you don't have any money, you can do a reverse mortgage. If you die before the mortgage is up, we will take your house back (which was the plan from the beginning) or make your kids pay the rest of the interest.

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BORROWING POWER?

When you take out a home equity loan, all you are doing is borrowing your own money. This is money that you paid in. So, if you didn't have the money to do what you wanted to, then what were you doing buying a house in the first place? You see, one of the ways that banks get rich, is by getting people to pay them, and then turn around and borrow their own money back and pay more interest! Whole life insurance is another example of this, but that is a whole different sermon.

AM I SAYING THAT YOU SHOULD NOT BUY A HOUSE?

Of course, I'm not. I'm all for ownership. But remember this. A house is a material item, just like a car or a big screen TV. Don't let it impede your retirement.

There are a select few who can buy a nice house with a payment as low as their rent payment. But nine times out of ten, to buy the house that you WANT to live in, the payment will be about \$400 to \$600 more per month (especially after you factor in maintenance that you wouldn't have to pay if you were renting).

So let's say the difference is \$500. \$500 per month is about \$6000 per year. Let's say that you decided to WAIT three years before you bought your house. At \$6000 per year you could save \$18,000. If you were to put that \$18,000 into an investment vehicle that made 12% interest, after 30 years (the time it would take you to pay off your house) you would have \$576,000. Wait six more years and you would have over \$1.1 million dollars! All of this while living in the same house and not investing a penny on top of your initial \$18,000 investment. All you did was to wait three years and save your money.

You see ladies and gentlemen, building wealth is not as difficult a task as we make it out to be. It's very simple! Stay out of debt, and invest your money! But then again, we ALL know this. There is not a person who will read this that will disagree with what I have just written, but somehow, through propaganda and psychological warfare, the diabolical ones have convinced us that what we KNOW to be true, is really false. We in America believe that borrowing (mortgage) is building wealth and security, and investing is dangerous. They play in on our fears to get us to make bad decisions. As long as you think what is bad is good, and what is good is bad, you will always be broke.

CONCLUSION

The American Dream, in the case of Home Loanership, is a tool specifically designed by the rich bankers to keep us "Just Over Broke" and "In Our Class". The banks are draining us of our wealth and using us as collateral to pay the Federal Reserve. I'll write about this next time. Be a good steward of your money. Don't fall into the trap of Home Loanership.

[Proverbs 22:7] The rich rule over the poor, and the borrower is the slave of the lender.

Until next time,

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Cordially,

Matt Mason

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