

Jump Start America

“JSA”

On January 1, 2009 all financial institutions currently holding first trust deed mortgages would send their borrowers a letter offering to change the terms of their loan, at no cost, to a 3%, 30 year, non transferable fixed loan. Unless the borrower chooses by return letter not to accept the offer, on February 1, 2009 each loan would be re-amortized with a new payment schedule based on the 3% fixed rate. The institution, (using a pre-established formula that takes into consideration the type of loan being replaced), would evaluate the loss in revenue caused by the restructure and would then apply for a lump sum reimbursement from the 700+ billion dollar bailout fund. The offer would be available to every person or corporation with a 1st trust deed on a residential property, anywhere in the USA, regardless of their current property value, financial responsibility, or payment status.

1. For Americans. The “JSA” plan would provide immediate relief to all Americans that have a 1st Trust deed loan. For millions of hard working people “JSA” would replace high interest rate fixed loans, as well as low interest rate ARMs and interest only loans that are impending financial disaster for this country. The plan is not selective and would not only help those who are on the brink of losing their homes, but would also help those Americans who have faithfully worked hard and made their payments, but are struggling in these tough economic times. The lowering of payments to a large majority of Americans would “Jump Start” the economy immediately, with the lower payments not only saving many homes from foreclosure, but also putting discretionary income back into the pockets of people who would be purchasing goods and services in communities all across our country.

2. For Financial Institutions. The “JSA” would immediately convert many “High Risk” and problem loans into solid, profitable, low risk loans. All past due principle and interest would be re-amortized into the new 3% fixed rate loans and all 1st trust deed loans would be current as of February 1st. Because of this, foreclosures on 1st trust deeds would cease immediately. The funds passed on to the banks for the interest shortfall would recapitalize these financial institutions who would in turn, “Jump Start” the economy by having funds available to borrowers for new home purchases, construction and consumer goods, as well as to businesses for much needed operating & capital funds.

3. For The Government. The “JSA” would increase tax revenue without increasing taxes. With less interest being paid across America, the schedule A interest deduction would be reduced dramatically, therefore increasing income tax revenue for the 2009 tax year. This increase in tax revenue for the Federal and State government, without increasing current tax rate schedules is fair and equitable for all Americans. With the “JSA”, only those who benefit from the plan pay more income taxes, with those taxes being far less than the interest break benefit that they received from their new “JSA” fixed rate mortgage. The “JSA” would “Jump Start” the new administration with an immediate increase in income tax revenue for the programs promoted during the recent election.

“Ken the Accountant”

Thoughts from Working Americans

1. Felipe P., Santa Maria, California. 37, married with 3 children. Felipe is a shipping supervisor with his wife working in banking. Current mortgage is at \$400,000 on home purchased for \$450,000. Home is currently valued at \$290,000 with 3 year interest only loan, now due to be converted to fully amortized loan. If converted before “JSA”, mortgage payment will be at least \$2,600 per month. Under the “JSA” plan monthly payment would be \$1,675 per month. Felipe says, “I have been trying to convert my loan to an affordable fixed rate loan for the past year and a half. No lender will even consider my request because of the lack of equity in my home. If my payment goes to \$2,600 per month, I will not be able to make the payment, and will likely have to give up my house and ruin my credit. This also means moving my family out of the area that we love. The “JSA” plan will allow me to keep my house and my credit.”

2. Penni C., Citrus Heights, California. 50, married, with 2 children. Both she and her husband are employed as x-ray technicians. 1st mortgage of \$150,000 on home valued at \$300,000. Loan is a 6.25% fixed loan with a payment of \$925 per month. The “JSA” plan would reduce payment to \$625 per month. Penni says, “To a lot of folks \$300 per month doesn’t sound like a lot of money. But my husband and I have just finished putting one daughter through college and have another still attending. We have college debt, medical bills from some recent cancer treatments, and an old car that needs replacing. The \$300 a month would allow us to make a payment on a new car that we would otherwise not be able to afford.”

3. Ron P., Clovis, California. 40, married, no children. Ron is an independent real estate appraiser with his wife working as an office manager in a construction company. Mortgage of \$240,000 on home purchased for \$300,000. Home is currently valued at \$200,000 with 30 year fixed loan at 6.50%. Mortgage payment is currently \$1,575 per month and would reduce to \$1,050 under the “JSA” program. Ron says, “With the R/E sales falling to an all time low, my appraisal business is down to a quarter of what I did last year. I have had to take on a second job in order to make ends meet. If the “JSA” is implemented, not only would the \$525 per month savings help us get back on our feet, the capital infusion to the banks would likely get the real estate market back in gear, which would bring back new appraisals to my business.”

4. Rita Z., Nipomo, California. 30, married, no children. Rita is a sales manager with her husband working as an operations manager. Home was purchased for \$365,000 with no money down at 7.25% fixed. Home is currently valued at \$290,000 with a payment of \$2,550 per month. New payment under JSA plan would be \$1,575 per month. Payment would decrease by \$975 per month. Rita says, “We have been watching the decline in interest rates and were initially hopeful of refinancing our home. But after a few calls we realized that without equity in our home, no one would even talk to us. We can, and will, continue to make the payment on our home, as long as both my husband and I remain employed. If the “JSA” plan were implemented, we would likely be able to start a family, which at this point is impossible to even dream about.”

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