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Economic Abnormalities

It wouldn't be much of a reach to say the entire economy is an abnormality. Bill Holter reminds us that it can be seen in a pre-65, 90% silver dime. When the premiums for Silver Eagles had gotten absurd (probably because the mint wasn't making them), the premiums on dimes was up around \$13. Now, when you go to sell dimes (junk silver), you might get \$4 under spot for your trouble. What's behind this huge shift in price?

Complacency. 'The world owes me a living'. Things will never get worse than they are right now. Interest rates will come down and I will be able to refinance the house. My 401K is growing and providing for my retirement. The US will never resort to barter.

Pre-65 dimes have more silver content, 14 dimes per oz, so, if you do need to barter, that's 14 transactions. If you accept the possibility of barter and see the possibility of silver becoming the default currency, you'd want to get some while the getting is good.

But because barter can't happen, junk silver is worth less than 1 oz coins. And, dealers are buying into a fixed number of coins and having them melted down to make a few percent. When less dimes are needed for barter—what might be the premium? With less dimes to be had and barter becomes reality (and it will)—will you have any?

Is that an economic abnormality? It is because anybody with half a brain can see that we are at the edge of economic collapse. An uncontrolled, wild rise in the price of gold/silver tells the story. Erstwhile brokers who had nothing good to say about precious metals have now adjusted portfolios to account for a 25% allotment to gold and silver.

Meanwhile, all-knowing, Bessent and Trump are kicking around their newest method to save the economy (for themselves—not for you), the 50 year mortgage. Most Americans are unaware that home loans, when they came into being, were 5/10 year loans with a big payoff at the end. Then came FDR with his FHA, extending mortgages to 15/30 years, longer-duration mortgages, that were used, post WW2, so GIs could buy a home. But WW2 is long in the past and we face more dire economic circumstances in 2025, where proposed 50 year mortgages represent a homebuyer's path to slavery.

With a bankrupt economy built on lies, Trump is doing all he can to keep his nose above water. For that, Social Security cost of living raises, that already don't keep up with inflation, will be computed to make cost of living rises smaller—to save money.

What about that 50 year mortgage? Another device not in the interest of American home-buyers. Begin with the average American home buyer being 59 years old—his mortgage would pay-off at 109 years of age. For what? To save \$200 a month—while interest debt grows at double that. Given today's average home price, a 50 year mortgage would cost a buyer more than \$400K more than a 30 year, at end of the contract.

So why stop at 50? Get crazy—go for 100 year mortgages. Saves money, but makes for many more buyers who can afford the home you're bidding on—doubling the price? Do you see what this is? It's being done to help

with the national debt. What's being lost is that 20 years of a good feeling, knowing your home is paid for and it is your's.

Maybe a 50 year mortgage could save you money, considering inflation. Then again, keep in mind that in a collapse, home values could correct 80%. Except for a couple of hundred a month (when you're already paying \$2000), there's nothing there for you. If there was a plan, it might involve allowing home buyers to carry their old interest rate to a new home loan. Or do something to make capital gains less odious for Americans.

That would involve investment/burden-sharing by a government, bankrupt and not thinking in those terms—needing to take rather than give. And mendaciously sold to citizens as a gilded age, actually a gelded age, soon to be arriving at the meatpackers.

Everywhere we look we see lies. I'd be willing to bet 10 ounces of gold, even odds, that what's going on in Venezuela is murder for oil and power. It's all a charade so that Trump and the US Empire won't have to face the reality that we are far past being able to compete on a world fair-playing field. And that's exactly what a 50 year mortgage is intended to do: lull the fools into continuing with their ongoing sleepwalk into slavery.

The number of persons signing up for adjustable-rate mortgages is increasing—just to save a couple of hundred dollars a month. As soon as rates rise above what they could have gotten on a 30 year, they will walk. Anything positive? More inventory.

Feeling the pinch across the economy, with auto/repo at its highest level, and prospective homebuyers unable to qualify, Fannie May has removed the need for a credit score to qualify for a home loan. How stupid is that? Not long ago the FHA, to accommodate buyers who couldn't handle the payment a 30 year mortgage, began offering a 40 year mortgage. With front-

loaded interest, longer duration offers little savings.

With a 50 year loan on a \$500K home, the interest rate is higher to account for risk, so the buyer pays \$8 more a month compared to a 30 year. Whereas a 15 year compared to a 30 year increases affordability by 34%. 50 year, the 1st decade is all interest.

Why is the interest higher on a 50 year mortgage? Banks don't like longer loans—low yield if rates go up. More than 90% of buyers take the 30 year loan because a 15 year, \$500K loan at 6% requires \$10K monthly income, whereas a 30 year requires \$75 hundred. The 30 year payment/\$2400 month. 15 years/\$3300 month—\$900 more.

The average time for home turnover is 12 years, so little gets paid on principle. So, who in the world will buy these loans as mortgaged-backed securities? Nobody sane.

You can't believe all you hear. Since the tariffs/sanctions began, the amount of Chinese exports is rising, not falling. NVIDIA stock is worth more than the rest of the US economy—that's betting the house on AI—a bet we lose to China, where electricity costs 1/3 of what it costs in the US. Now Trump is giving a \$400B kickback to Americans from less than \$300B from tariffs. What's the lyric? 'We ain't living long like this.'

What happened to sound money—gold? Military adventurism—Vietnam. Rumor has it that France came for our gold after the consequences of being obliged to take our compromised dollars for their defeat in French Indochina. We never learn—do we?

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