

**How would mortgages work
in a Producer Credit system?**



WARNING

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New Thinking ahead.

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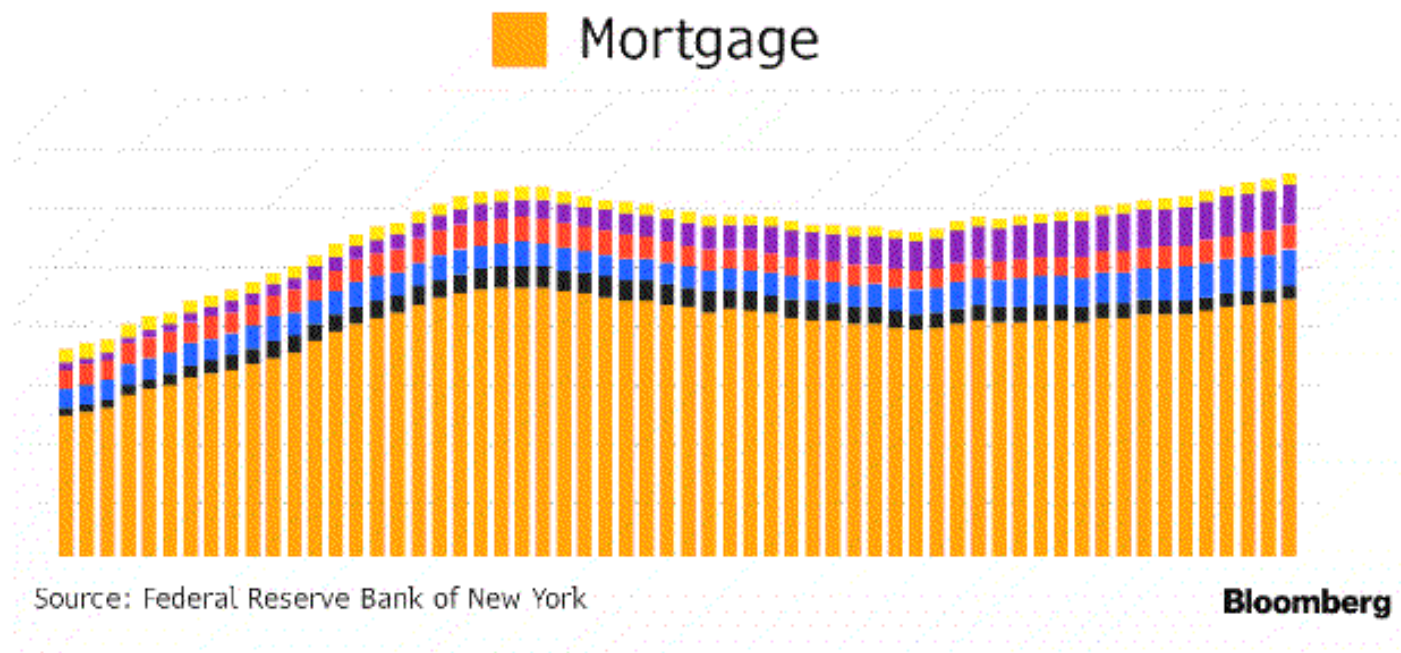


WARNING

Be prepared.



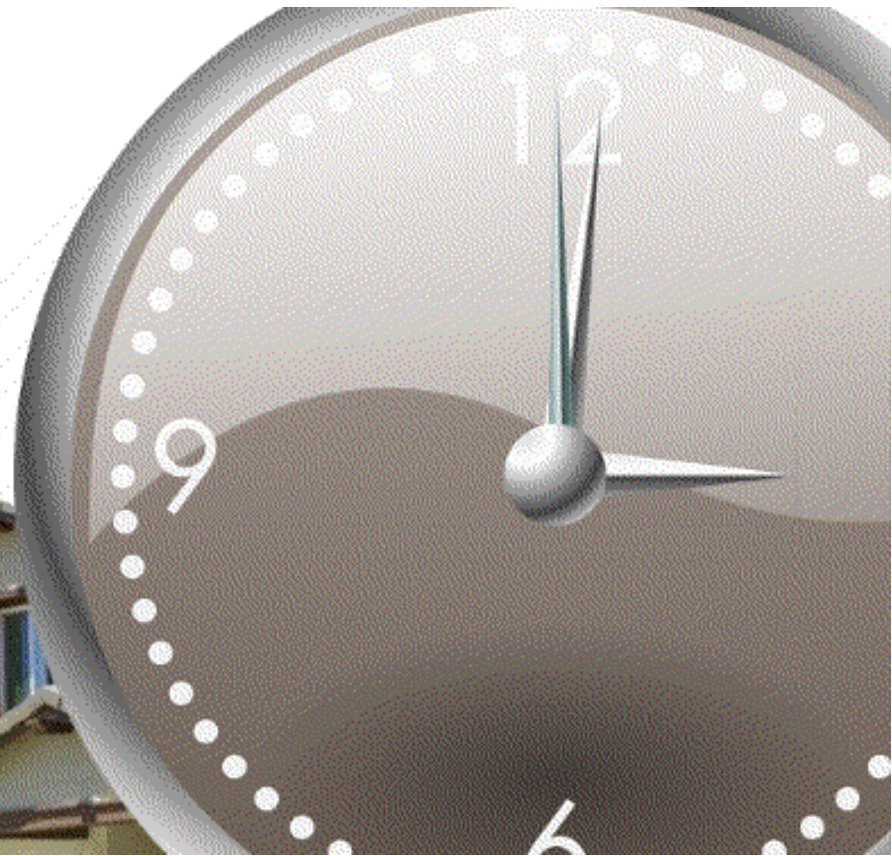
Most money today is created by *the issuing of mortgages.*



Builders **borrow at interest**
from banks to build houses.

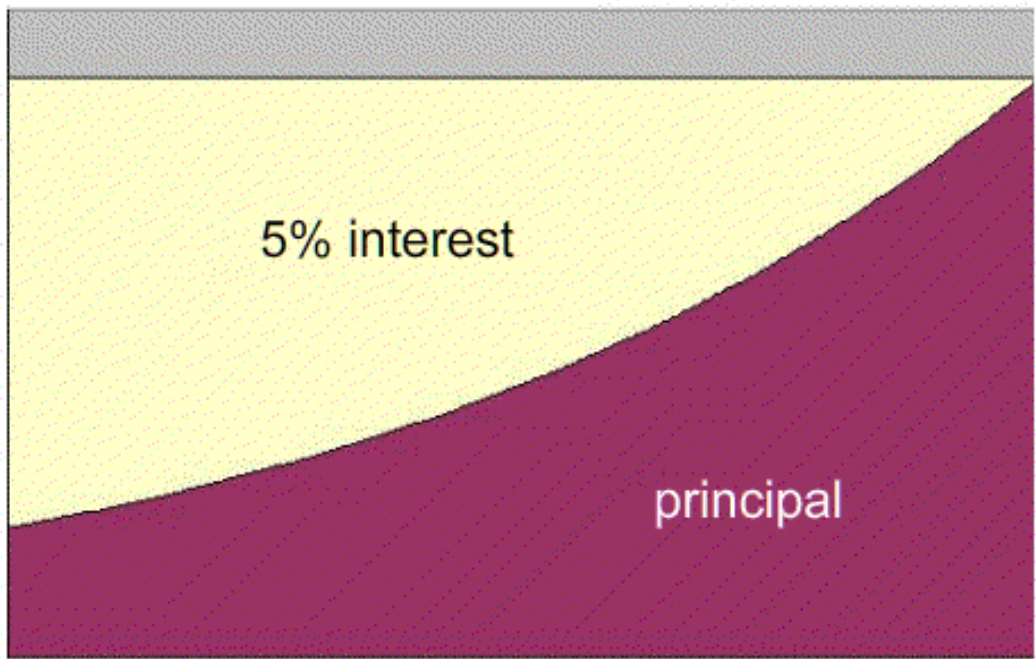


They need to sell all their houses
before the bank's *"interest clock"*
eats up their profits.



Then the buyers
borrow at interest from banks
to pay the builders
who pay back their banks.





A 30-year mortgage at interest means the *ultimate price* of a house will be ***much higher***.



In the Producer Credit system,
builders could issue their own Credits
to pay their expenses.



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builders could issue their own Credits
to pay their expenses.

Such builders would *not* be carrying
any debt to banks.

Their only legal obligation would be to ***provide the products they promised.***



And they could
capitalize new construction anytime
by spending
new Producer Credits.



The builder has both
the ability and the responsibility
to ***create enough purchasing power***
to absorb all of its product.



There would be:

- no bankers to beg credit from,
- ***no payments to make*** and
- *no “interest clock” to beat.*





That is because
the builder's only **creditors**
would be *their customers*
who have acquired the builder's Credits
in order to **buy the buildings.**



The construction costs are *already paid*.



This makes possible ...



The Partnership Model



Mortgages would be replaced
with *partnerships*.



Initially the builder would form a partnership with the first buyer.



There would be no need of
a down payment.



The buyer undertakes
to buy out
the builder's ownership
over time and ...

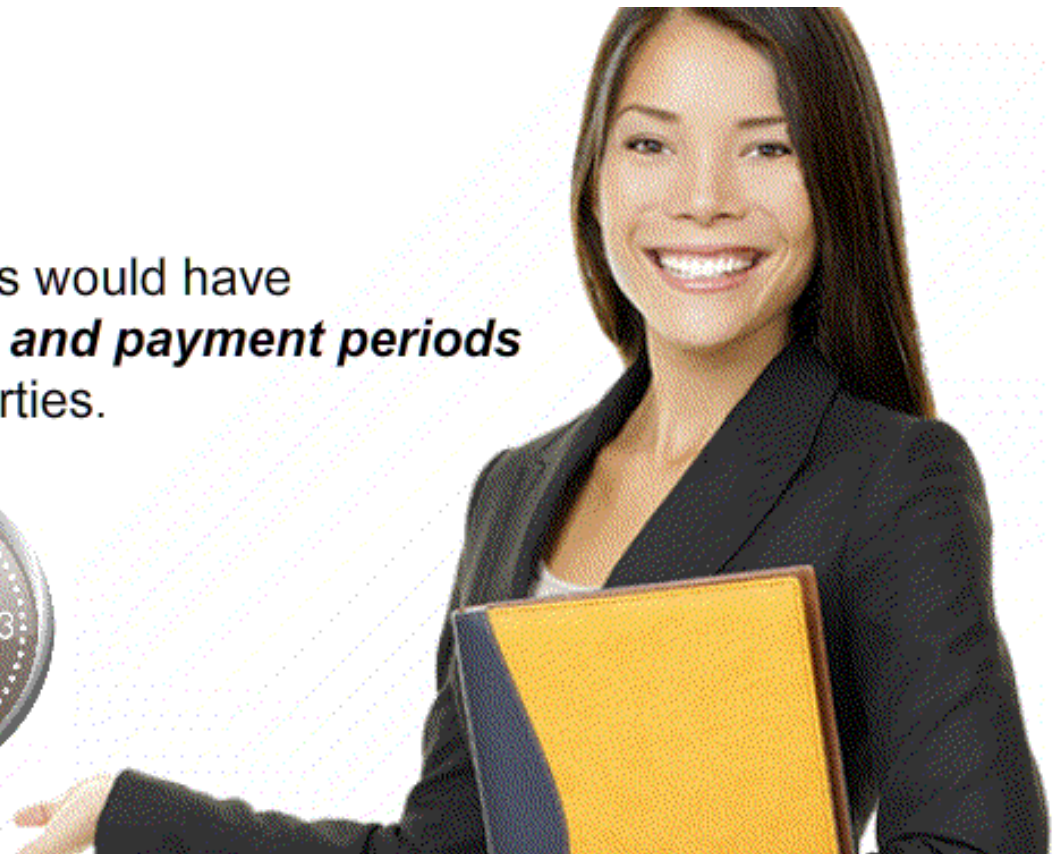


The buyer undertakes
to buy out
the builder's ownership
over time and ...

as long as the buyer
is making payments
and otherwise acting
according to the agreement,
the builder has only
“silent partner” status.



Not being in debt to banks, builders would have ***the freedom to adjust payments and payment periods*** with the agreement of the other parties.



The same would apply to subsequent buyers.



The second buyer pays both

- the builder
- and the first buyer.



The third buyer pays:

- the builder



The third buyer pays:

- the builder
- the first buyer



The third buyer pays:

- the builder
- the first buyer
- and the second buyer

each according their ***current share of ownership.***



When you move, **you don't sell your house**
You turn it into a **revenue stream**
that helps to make payments on the next one.



Under all circumstances,
buyers would either *retain ownership*
or be *allowed to sell* the equity they had **paid for**.

Eviction would still be possible for ***non-performance***,
but ***loss of equity would not***.



