

BUSINESS

Home ownership: Trick, treat or Trojan horse?

James Hart

Special to Sentinel-Voice

The Treat: You want the American Dream, right?

Okay. Let's assume you want to buy a home that cost \$115,000. You are prepared to put \$10,000 down, secure a 30-year mortgage for \$105,000, and pay \$4,000 in closing costs.

After which, let's presume your mortgage payment is \$1,000 a month. Now, let's examine your cost after only three years: Virtually your entire mortgage payment (i.e., \$36,000) is interest income for the bank. Lest you forget... add in your down payment, closing costs, maintenance, improvements, and roughly \$5,000 in property taxes.

In all, you have spent more than \$57,000. Yet, you still have 27 years worth of payments left. The only thing you own is the debt on the home, and your savings are probably depleted. What's

more, if you remain in your residence as agreed, you will pay the bank between \$250,000 and \$275,000. Otherwise, if you sell early, assuming any appreciation, you must get another home and incarcerate yourself "debtor's prison" or split half of your profits with the IRS.

But maybe you need a home to save on taxes. Good idea, right? Wrong. You need a good certified public accountant. There are hundreds of fun and innovative ways to legally slash your taxes to nearly zero.

The trick: The Federal government slaps some ink on pieces of paper and calls them Treasury Bonds or Notes. On behalf of the government, authorized security dealers sell these U.S. Treasury Bonds (i.e., IOUs) on the Open Market Committee. Next, the Federal Reserve takes all the

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government bonds that the public does not buy, and writes a check to the Congress in exchange for them.

There is "no money" to back up this check. Moreover, by calling these bonds "reserves," the Feds then use them as the base for creating nine additional dollars for every dollar created for the bonds themselves.

Then, the government spends the money created for the bonds. The money created on top of those bonds is the source of all bank loans made to the nation's businesses and individuals.

So, when you take out a home loan and the bank debits

your account, it is merely pretending to lend you money — leaving you two questions: First, how can lenders justify charging you \$250,000 to \$275,000 for a \$105,000 home?

Second, how much interest income are they entitled to, on money they have neither saved nor earned, but have created out of nothing? Yet, the plunder continues, and the Feds collect billions in interest daily.

The Trojan Horse: They descend upon your city in the stillness of the night. It seems there is a conspiracy of enthusiasm to sell homes to

minorities, low-income people, and first-time buyers. Their goal? They claim it is providing affordable housing for everyone — even if you have bad credit.

Caution! Beware of lenders baring loan documents. Lenders routinely identify minority communities for the express purpose of selling home loans.

Afterward, these loans are sold on the secondary market to investors and financial institutions outside of the targeted community. (Examine your coupon booklet and see where your payments are going.)

As a result, unless the targeted community can intelligently offset the billions in new interest and debt payments with fresh commerce and trade, a cash-flow crisis will begin or worsen.

Hence, economic

conditions inevitably decline and neighborhoods within that community will slowly deteriorate into slums and ghettos. More specifically, if the billions of dollars Black people innocently export into the coffers of predatory "banking cartels" turned over even four-to-eight times before leaving their communities, education and free enterprise, no doubt, would thrive and flourish.

For a smart, fun and exciting way to buy the home or investment property you want and make money, call C.E.I.T. at (213) 427-0020 for the book, "Irresistible Ways to Achieve Yours Dreams."

James Hart is chief economist at Credit Suisse Acceptance Trust and a sponsor of The Fame, Fortune, and Fantasy Contest... The sur-Thrivor series. For more information, 310 289-2212.

Fudge among several potential Fortune 500 female CEOs

NEW YORK (AP) — Some of the top corporate women who are likely candidates to head a Fortune 500 firm, as compiled by Working Woman magazine and The Associated Press

Ann Fudge — One of the highest-ranking black women in corporate America today,

Fudge is executive vice president of the coffee and cereal division of Kraft Foods, a unit of Philip Morris.

Jessica Bibliowicz — The 39-year-old daughter of Citigroup co-chairman Sanford Weill is a savvy Wall Streeter who became president and chief executive

of National Financial Partners, a new company that is snapping up small, independent financial services firms.

Rose Marie Bravo — The chief executive of British luxury clothing merchant Burberry rose to president of Saks before jumping to

Burberry last year. Bravo, who's based in London and New York, is married with two stepchildren.

Judith Estrin — The chief technology officer and senior vice president of San Jose, Calif.-based Cisco Systems leads the company's work in advanced Internet projects.

Previously, she oversaw several successful Silicon Valley startup companies.

Andrea Jung — The president and chief operating officer of Avon is a tough retailer who held executive positions at Bloomingdale's, I. Magnin and Neiman Marcus before helping update the Avon image.

Karen Katen — The president of U.S. Pharmaceuticals, Katen leads

the \$7 billion principal U.S. unit of Pfizer Inc. A senior vice president at Pfizer, she oversaw the launch of Viagra, as well as the antibiotic Zithromax.

Rebecca Mark — Formerly the chair and CEO of Enron International, Mark now heads international water company Azurix, which was formed by Enron in 1998. Azurix recently went public.

Web sites cater to financial questions

Special to Sentinel-Voice

The leading Afro-centric site on the World Wide Web (as measured by Media Metrix) has teamed with the first and premier online site providing financial information and services to the African-American community.

In order to inform and educate the African-American online community on saving, investing and creating wealth, BlackVoices.com and Blackstocks.com has formed the groundbreaking initiative.

A study showed that there is a high demand among African-Americans for financial information, products and services online.

While hosting weekly investment chat sessions on Black Voices every Thursday, Blackstocks will encourage investment initiatives such as opening investment and savings accounts online.

They will also sponsor the Black Voices' newsletter reaching more than 300,000 registered members. Appealing directly to Black Voices' upscale African-American consumer audience, Blackstocks will have a strong banner advertisement presence throughout Black Voices.

Barry Cooper, founder and CEO of BlackVoices.com, said, "We're excited about this partnership, which provides the largest African-American community online the financial information, products and services that they are seeking." Alton Perkins, Chairman and CEO of New Visions, Inc., which owns Blackstocks.com, added, "Together we're using new media in innovative ways to inform and educate African-Americans about investing and creating wealth."



IN SUPPORT OF ART

West Las Vegas Arts Center officials and youth who use the center show off a \$5,000 check from the Bank of America foundation. The grant is part of the foundation's civic commitment. Bank of America catalyst grants were awarded to groups in 50 cities, totaling \$250,000.

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