



Dear Friends,

Here is Idea #6 in our campaign to give voters actual solutions to our current challenges and our 20 steps to a Total Democracy Makeover.

We need you as a partner in this journey to a healthy, vibrant and thriving democracy. [If you like the idea, contribute \\$20.](#)

My opponents are in the kowtowing business--kowtowing to party establishment, big money, PAC, and K Street. I am in the solutions business. The solutions business for Main Street's small businesses--your business.

In 2008 we hardworking Americans were devastated and lost a large portion of our savings--savings we earned.

The tragedy is that the economic meltdown was entirely avoidable. Some of the most direct causes of the meltdown--exploitative financial instruments stemming from absurdly underfunded home purchases--were entirely legal. Had the tried and true mortgage rules that have served us well for decades been followed, the crisis in the housing market never would have occurred.

DeFranco Delivers Idea #6: Tried & True Mortgage Rules Must Be Reinstated

We should demand that Congress prohibit zero down payment loans and ensure that the Government will not back these loans. Zero down payment loans are a disaster as we saw in the 2008 implosion of our market. These loans are unsound financial practice and should be banned. When anti-small-business financial products are allowed to infect the market, all of us pay for the gambling of irresponsible borrowers and the banks that throw money at them.

Why should anyone be able to buy a home without any money down? It is a scheme completely detached from reality. Why should we allow banks to pretend that such a scheme is good for the health and stability of the housing market? Homeownership is a goal for which Americans should save and strive. It is not an entitlement or something to be taken lightly.

For starter homes the down payment can be smaller than the traditional 20%, but it can't be nothing. Down payments should be at least 7% for homes worth \$200,000 or less. Between \$200,000 and \$400,000, the down payment should be 15%, but for anything over \$400,000 it must be the tried and true 20%. And for homes over \$2 million, higher.

We don't have to allow anyone to buy homes on the cheap, especially the wealthy, only to find out they can't afford it because when things go south, all of us are stuck with *their* bill. And that is fundamentally unfair. If we

want a healthy housing market, buying a home must have a rational relationship to the borrower's ability to pay.

Any person in the real world would see that these bad loans are illogical, a set up for disaster, bad for the American people and bad for the economy. Why hasn't my opponent done something about it?

My Idea #6 is a solution that is not only fair but will also have a tremendously positive impact on jobs and our economy by taking the extreme volatility out of the housing and the stock market.

My solution #6: Healthy Housing Market= Better Stock Market= Fuel Job Growth & Grow Main Street.

[If you like Idea #6 click here now to contribute \\$20.](#)

[If you really like Idea #6, contribute \\$66.](#)

[If Idea #6 is your favorite so far, contribute \\$660.](#)

For democracy,



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