



and How Newt Gingrich Abetted the Theft of Average Joe's Home

The untold story in the foreclosure crisis unfolding across America is that, following a foreclosure perpetrated by one of the October 2008 Bailout Banks (e.g. Bank of America, Citibank, JPMorgan, Wells Fargo) Fannie Mae or Freddie Mac suddenly appear as the record owner of Average Joe's home. These federal government sponsored entities then go into local housing court and get a court order authorizing them to evict Joe. If Joe resists, these supposedly charitable institutions obtain a writ ordering the local sheriff to forcibly remove Joe from his home.

Newt Gingrich recently admitted to accepting \$1.8 million from Freddie Mac (\$25,000 to \$30,000 a month during one span of time) for advising this proto-fascist entity. Gingrich claims that he supports Fannie and Freddie because he believes the federal government "should have programs to help low income people acquire the ability to buy homes." But Fannie and Freddie don't do this and never have. When government "helps" someone by subsidizing the purchase of something (through easy credit or lower-than-market rates), it makes that something more expensive. Helping someone buy something that is overpriced because of your help is not help. Fannie/Freddie subsidies not only hurt the low income people they intend to help, they hurt everyone by subsidizing, and therefore distorting, the entire housing market. Fannie/Freddie's charity has now taken a dark turn. Like their Depression-era New Deal predecessor the Regional Agricultural Credit Corp., Fannie/Freddie are now repossessing homes at an increasing and alarming rate.

Mr. Gingrich either does not understand economics – government subsidies make things more expensive, not less expensive, and therefore hurt their intended beneficiaries – or he is a vain, selfish, and cynical man with no interest in actually helping his neighbor.

You decide.

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