

The Albatross that Happens Upon Hapless Homeowners

By [The Mogambo Guru](#)

12/15/10 Tampa, Florida – There are lots of sad stories about how so many people have mortgages larger than their houses are worth, now that their houses have gone down in value with the general decline in housing prices, and more and more people are finding themselves increasingly in this same, sad situation of having to pay a lot of money for something that is not worth it.

The question these sad-sack people must answer is, “Continue this madness, or flee?”

Oddly enough, this is the same situation facing my wife, who reports that she continuously has to choose between her saying, “I’m leaving you, Mogambo, you hateful, weird, outraged, angry, cheap, gold-bug, armed-to-the-teeth, lunatic bastard who loves gold and silver more than he does his own family!” versus me saying, “Stay here and put up with me, you shrill, screeching, emasculating old shrew who would stupidly spend all our money instead of wisely putting it into gold, silver and oil in a fearful, frantic response to the Federal Reserve creating so unbelievably much money so that the federal government can deficit-spend that selfsame so unbelievably much money, which is not to even mention the wonderful way that 4,500 years of the history of governments acting fiscally and monetarily insane guarantees – guarantees! – Huge Freaking Wealth (HFW) for those owning gold, silver and oil, which is us, of which you get half! Half!”

As she says with a heavy sigh, the decision is “a daily struggle,” but I am sure that she will stay with the latter as gold and silver respond, as they always do, to the suicidal malfeasance of the Federal Reserve’s creating so much new money, and thus gold and silver will continue to rise in price and thus lavish their timeless Make The Big Bucks Blessings (MTBBB) upon us, which is the whole point of investing! Whee!

That happy happenstance will almost certainly not, alas, happen to the unhappy hapless homeowners who happen to currently owe more than their houses happen to be worth, or to the people who will soon find themselves in that very same mess, as, according to Zillow.com, it is going to get A Lot Worse From Here (ALWFH).

In particular, their news is that “US home values are poised to drop by more than \$1.7 trillion this year amid rising foreclosures and the expiration of homebuyer tax credits.” Yikes!

As to the amount of financial pain suffered already, *Bloomberg* goes on with the doleful statistic that “This year’s estimated decline, more than the \$1.05 trillion drop in 2009, brings the loss since the June 2006 home-price peak to \$9 trillion”!!

The use of the double exclamation point was actually accidental, as my trembling hand had a spasm at the thought of suffering a \$9 trillion loss of value.

But accidental or not, to the pathetic people who are underwater on their mortgages, it surely merits two exclamation points to indicate the special emphasis of how they ache to break free from the housing albatross around their necks, much as my wife aches to also break free from the allegorical stinking corpse of some huge, rotting, dead bird tied around her neck, every bit of joy squeezed out of her life by my perpetual, rabidly hysterical, year in and year out, paranoid, constant insistence to buy as much gold, silver and oil as possible because the Federal Reserve is creating so much excess money that ruinous inflation is inevitable.

The Wall Street Journal does not mention anything about stinking dead birds or ruinous inflation, but does quote CoreLogic, a “real-estate data firm,” as reporting that “so-called underwater mortgages fell to 10.8 million at the end of September,” and that these total to a full 22.5% of all US homeowners with a mortgage! Yikes! Almost 1-in-4! Yikes, yikes, yikes!

As if that is not bad enough, if you are the kind of person who ascribes great significance to things that happen although they never happened before, or they have not happened for a long, long time, then you will be interested to know that, even worse, “homeowner equity is lower by one third and is below 40% for the first time since World War II.” First time in 75 years! Yikes again!

Of course, this is all too complicated and confusing for me, overwhelming my little pea-brain as to what any of it can possibly mean, even if I was interested in what it means, which I am most assuredly not.

I am, instead, in it Only For The Money (OFTM), which is why I follow the classic Mogambo Super Duper Investment Plan (MSDIP), which is to merely buy gold, silver and oil when the Federal Reserve is creating excess money, and especially when the Federal Reserve is creating trillions of dollars in new money per year so that the federal government can borrow and spend trillions of new dollars per year, and doubly especially when each subsequent year means more and more deficit-spending and more and more creation of new money by the Federal Reserve.

And the Mogambo Super Duper Investment Plan (MSDIP), which has the motto “Designed by a lazy idiot for lazy idiots!” is so childishly easy that you giggle childishly in delight, “Whee! This investing stuff is easy!”