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SUMMARY OF SOCIAL SECURITY MORTGAGE PURCHASE PROGRAM

1. Essential features of the ideal allocation of Social Security funds are safety, good return and, if possible, favorable social effect.

2. Investing in stocks has as major disadvantage possible big fluctuations, also it can be argued that it has negative social effects.

3. Government securities have a disadvantage of relying on future tax income.

4. If trust fund purchases mortgages, it will:
   - have decent safety of funds, backed by both real asset and credit of the holder
   - have a very good return, one of the best among available options
   - can have positive social effect

5. Positive social effect would result in several ways. First, there would be money freed for mortgages which would tend to decrease mortgage rates and increase availability to people. Some of the money would move into other areas, stimulating growth. Real estate market might be improved. Finally, if people pay less interest on mortgage, they deduct less from taxes, so Treasury income increases.

6. Although the proposed solution appears close to ideal, very thorough scrutiny is needed before making it public to avoid possible unforeseen consequences.

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