Macro Strategists,

Suppose house prices rise 20% per year for 6 years. Hanna refinances 3 times. Hal simply pays his mortgage debt. After 6 years, if they both sell their homes, Hanna nets nearly twice as much as what Hal nets.
Of course, if house prices went sideways, Hanna defaults:

HANNA		7/1/2000	
CASH	35,000	MORTGAGE DEBT	590,000
REAL ESTATE	600,000	EQUITY	45,000
TOTAL	635,000	TOTAL	635,000

HAL		7/1/2000	
CASH	5,000	MORTGAGE DEBT	260,000
REAL ESTATE	300,000	EQUITY	45,000
TOTAL	305,000	TOTAL	305,000

HANNA		7/2/2002	
CASH	35,000	MORTGAGE DEBT	625,000
REAL ESTATE	864,000	EQUITY	274,000
TOTAL	899,000	TOTAL	899,000

HAL		7/2/2002	
CASH	5,000	MORTGAGE DEBT	260,000
REAL ESTATE	432,000	EQUITY	177,000
TOTAL	437,000	TOTAL	437,000

HANNA		7/2/2004	
CASH	35,000	MORTGAGE DEBT	658,000
REAL ESTATE	1,244,160	EQUITY	621,160
TOTAL	1,279,160	TOTAL	1,279,160

HAL		7/2/2004	
CASH	5,000	MORTGAGE DEBT	255,000
REAL ESTATE	622,080	EQUITY	372,080
TOTAL	627,080	TOTAL	627,080

HANNA		7/2/2006	
CASH	35,000	MORTGAGE DEBT	693,000
REAL ESTATE	1,791,590	EQUITY	1,133,590
TOTAL	1,826,590	TOTAL	1,826,590

HAL		7/2/2006	
CASH	5,000	MORTGAGE DEBT	250,000
REAL ESTATE	895,795	EQUITY	650,795
TOTAL	900,795	TOTAL	900,795

HANNA EQUITY:	1,133,590
HAL EQUITY:	650,795
DIFFERENCE:	482,795