

## Changes to Version 7.0

1. The fundamental change in 7.0 is that proceeds at [auction](#) are paid to the rent recipients at once or through a market mechanism and are not used to pad the [advance rent account](#).
2. [VIP\\$](#) are now known as Elsie or LC\$. However, the final naming decision rests with [the investor](#), and both conventions will remain in the text. References to the [VIP Treasury and Land Management](#), [VIP reader](#), etc. will not change. Neither will VIP\$ references in graphics. I will attempt to use the words Elsie and Elsie when referring to the currency in the text. When specific amounts are named in the text, LC\$ will be used.
3. The [dividend](#) no longer falls when the price of the LC\$ rises above 99.1% of the [peg](#)
4. The ABC will no longer maintain a permanent offer for the LC\$ at 99% peg.
5. Rents are distributed in the currency(s) requested by the recipient or any combination of Elsie and U.S. dollars. This applies to the [ABC](#), VTLM, and [counties](#). Requested dollars are paid at 99.05% of the peg. This is true even if the Elsie falls below 99% of the peg.
6. A new concept, natural demand, describes the inherent order in rent collection and distribution, proving that purchasing land into the [commons trust](#) is a natural process. Given enough time after being set in motion and having no outside catalyst, [Phase I](#) will be complete. Based on various exogenous conditions, the time to completion, without a catalyst, ranges from 200 to 300 years.
7. Natural demand is beneficial in predicting the maximum time until the end of Phase I, given a specific state of the system. Given any initial conditions, the spreadsheets accompanying the text simulate Phase I using natural demand or other demand parameters. When used iteratively, the end of Phase I can be predicted with a changing retail market and exogenous conditions.
8. Destroyed Elsie will no longer be placed in a [bank](#) to be resurrected at the end of [Phase II](#). This created too much confusion for minimal benefit. Destroyed Elsie are gone for good.
9. [Sales mode](#) is renamed "auction mode," as it applies to any auction, not just those generated by sales. The majority of auction proceeds no longer go to

an advance rent account but are distributed with what is called immediate-delayed disposition.

10. [Advance rent mode](#) is renamed “direct mode.” The retained purchase price rises significantly to 55%, with 5% going to the advanced rent fund and 50% going for immediate-delayed distribution. The oversized benefit to the property owner has been removed. However, this purchase mode applies to all properties, not just those whose average is 40% land share. It is available on a first-come, first-served basis through a waiting list. It is the best way to sell one’s land into the commons trust, remain the property owner, eliminate property taxes, and, for low-land-share properties, eliminate rent. Counties get their windfall at the start.
11. Two additional [purchasing modes](#) have been added: exchange and rescue modes. See the new module, Purchasing Modes.
12. Rent paid from advance rent accounts always equals 1/12 of the account balance. There are no longer monthly refunds. The advance rent account shrinks approximately by 2/3 in a year, not precisely 2/3 as it did in some 6.0 modules.
13. The advance rent account can hold either U.S. dollars or Elsie. Rents are batched daily and distributed after Elsie holders of record for the dividend are determined.
14. The ABC, VTLM, or counties must give two months' advance notice when requesting to change their distribution currency mix.
15. The [land fund](#) receives whatever mixture of currency is optimal for distribution based on the input rents or auction proceeds. Land fund Elsie are typically, but need not be, put on the market at once with ram and jam to raise money for a property purchase. Those that are put up with [ram and jam](#) must be destroyed, as required, if not purchased.
16. Funds for the [EDSF](#) and dividend must be in Elsie. Should there be insufficient Elsie in the rent or auction proceeds for these funds, bids for those Elsie must be placed on the market. EDSF dollars are placed on the market at 99.05%, behind the market makers who get priority. Dividend dollars are bid for Elsie at the full peg (100%) in a fill-or-kill order. In the unlikely event of no sellers, the dividend will be distributed in U.S. dollars. This applies only to Phase I.
17. In Phase II, should there be insufficient Elsie in the rent or auction proceeds for the EDSF and dividend, dollars are used to purchase land into the

commons trust, and the minted Elsie are distributed to the EDSF and dividend payable. If no land is available for purchase, revaluation and hyperdeflation will persist until some land becomes available or federation occurs.

18. 95% of auction proceeds are subject to immediate-delayed disposition. Rather than being placed in the advance rent fund, as in version 6.0, their disposition depends on the currency. If auction proceeds are received in U.S. dollars, they are distributed to rent recipients immediately. EDSF and dividend Elsie are obtained as described directly above. If the auction bid is in Elsie, the Elsie for the ABC, VTLM, and counties, to the extent their current currency distribution is in U.S. dollars, are placed in an offering at 99.16%, .01% greater than the market maker's asking price. These Elsie are paid when the market maker inventory is depleted. If any of these entities requested, at least two months earlier, that all or part of their distribution be in Elsie, those Elsie and Elsie for the dividend and EDSF be distributed immediately.
19. The ABC plays a new role as a market maker in the Elsie market. The market maker handles all rent requests and rent-distribution-request-sized transactions. As the Elsie inventory grows, the market maker can expand into escrow (treble and auction) sized transactions. Private market makers are free to set their parameters. Large purchases of Elsie will typically be made by waiting on the ABC for ram and jam at 99.05% or to come in ahead of the market makers at 99.06%.
20. The text shall indicate that the expected currency for auction bids during the bulk of Phase I will be U.S. dollars. Property bidders will not be expected to be familiar with AFFEERCE, its currency, or its terminology. The 0.85% discount for the auction winner by bidding in Elsie is insufficient to overcome the 0.1% spread paid by losers when they redeem their Elsie. Elsie will only be held by those who understand the [AFFEERCE](#) model, such as [treblers](#).
21. It is now understood that Phase I can take much longer than 20 years, although the expectation is that it will take at most 20 years from when the AFFEERCE model is well known. Despite this optimism, the time allocated for Phase I in version 6.1 has been raised to 60 years.
22. Phase II is now expected to take less than 20 years. [Hyperdeflation](#) may occur as little as three or four months after the ABC ceases purchasing

property for U.S. dollars. An Elsie buyer's panic that brings Phase I to a rapid termination and does the same with Phase II is entirely possible.

23. To lower the initial cost, the use of Elsie in commerce and the general replacement of passwords with [biometric matching](#) will be delayed by a few years until sufficient operations capital is achieved. Until then, accounts will be password protected and can be used to pay rent, treble, bid at auction, or trade on the [Elsie market](#).
24. Version 7.0 marks the completion of the Elsie Toolkit
25. With the completion of the Elsie Toolkit, 5% of ABC ownership belongs to AFFEERCE author and toolkit developer Jeff Graubart. The other 95% ownership requires a minimum investment of \$24 million, primarily for the not-for-profit VTLM. This investment also covers a \$6 million market maker starting inventory and a \$1 million land fund. There is no limit to the utility of much more significant investments, all of which will be used for the land fund. Barring other complications, 95% of the ABC will be sold to the highest bidder.
26. The net rent (rent after the county takes its share) concept is removed. All percentages are in terms of total rent. The maximum dividend (32% of ground rent) occurs if the Elsie is 96.375% of the peg or lower, in which case all EDSF funds are channeled to the dividend.
27. Phase I distribution is set at 7% VTLM, 5% ABC, 1% Purchasing Agent, 7% Dividend, 30% County, 25% EDSF, 25% Land Fund. As before, the land fund is eliminated in Phase II, and all its funds go to the EDSF.
28. The creation of Elsie for infrastructure reimbursement after federation is being retired in favor of an increased capital expenditure distribution. All distributions needed to combat deflation will go to the intellectual property distribution or be used to increase the size of the Earth Dividend.