

1. Record Nr.	UNINA9910786447703321
Autore	Fried Joseph
Titolo	Who really drove the economy into the ditch? [[electronic resource] /] / Joseph Fried
Pubbl/distr/stampa	New York, : Algora Pub., c2012
ISBN	0-87586-944-0
Descrizione fisica	1 online resource (342 p.)
Disciplina	330.973/0931 330.9730931
Soggetti	Financial crises - United States - History - 21st century Recessions - United States - History - 21st century Global Financial Crisis, 2008-2009 United States Economic conditions 2001-2009 United States Economic policy 2001-2009
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references and index.
Nota di contenuto	Preface: Who Really Drove the Economy Into the Ditch?; Part One: Two governmental policies caused the crisis; Chapter 1: The Rosetta stone of the subprime lending crisis; The origin of no-down payment loans; Lender, Thou Shalt be flexible; "The government was screaming" for subprime; The deadly role of Fannie and Freddie; Alarms were ringing years before the crisis; Chapter 2: Garbage in, garbage out; Say "goodbye" to sensible underwriting standards; F&F pushed the new automated systems with gusto; Automation and subprime don't mix; Push enough subprime and some will slip through Risky, risk-based pricing Fannie and Freddie misconstrued the warning signs; Conclusion; Chapter 3: Appraise a house without leaving your seat; Lending on the basis of Zillow estimates; The many problems of the Automated Valuation Models; Needed for appraisals: A Full Monty; Epilogue; Chapter 4: A liberal pincer creates a thousand points of blight; The sound of silence; It gets worse: Down payments are "gifted"; What did F&F think of down payment corruption assistance?; The real reason we lack affordable homes; Summary; Chapter 5: Fannie and Freddie fudge their delinquency stats

Once a crook, always a crook Like Sinatra, they did it their way; What were the real delinquency rates?; More creative accounting; Smoke and mirrors; Epilogue; Chapter 6: Fannie and Freddie's junk loan orgy; Paul's Principle, explained; What are subprime loans?; The junk loan orgy; F&F paid top dollar for subprime; Purchases of subprime were leveraged; The Fannie and Freddie apologists and their logic errors; Ed Pinto: A man completely vindicated; Chapter 7: More subprime promotion by Fannie and Freddie; Fannie and Freddie promoted brokers over banks; They got cozy with subprime aggregators They were cheerleaders for subprime F&F designed the subprime loans of private lenders; Fannie and Freddie misled the market about subprime; F&F redefined "conforming" to include subprime; The GSEs fought predatory lending laws; A brief history of F&F, subprime, and politics; Chapter 8: The Community Reinvestment Act (or Dr. Jekyll and Mr. Hyde); What is the Community Reinvestment Act and how did it change?; The government refuses to produce reliable CRA data; What is the best estimate of CRA's impact on the crisis?; What torture teaches us about the CRA

Chapter 9: Fed policy is a secondary cause of the crisis The deflation argument; Exactly when did the housing bubble start?; Can the U.S. Federal reserve cause a world-wide bubble?; Fed policy doesn't affect long-term rates?; The two bubble factors: monetary policy and subprime; Epilogue: Transcripts show a clueless Federal Reserve; Part Two: Resistance to subprime broke down; Chapter 10: Securitization - Who needs it?; A brief history of securitization; Was our 40-year securitization experiment a success?; Mechanics of mortgage loan securitization

Securitization is not needed, but it is here to stay

---

#### Sommario/riassunto

This is an opinionated book with an attitude. However, the author, a CPA and MBA, presents economic information in a conversational tone and meticulously backs up his views with references, charts, and quotes. Joseph N. Fried has published several books with Algora, explaining financial controversies and challenges for the general reader. Here, he highlights eye-popping aspects of the recent financial circus including: Drive-by house appraisals; the impact of hundreds of local housing programs funded by HUD; state governments, and housing advocacy groups; false delinquency statistics put forth

---