
Subject: It's maybe a bit more complicated than that?
Posted by [The Irishman](#) on Thu, 02 Oct 2008 01:54:37 GMT
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The little video is the best amalgam of lies and distortion the people trying to cover their tracks could have come up with. The guys causing all the trouble? Lehman, Morgan Stanley? They're INVESTMENT banks. The CRA only applies to depository institutions, i.e., COMMERCIAL banks. The lenders involved in the subprime mortgage process now crisis were not even covered by the CRA. Indeed, the vast majority of nontraditional and subprime loans are issued outside the federally regulated banking system. Those mortgages aren't backed by Freddie or Fannie because they're NON-CONFORMING loans - inadequate documentation, inadequate down payments, they're commonly known as LIAR loans and nobody gets liar loans under the CRA - they get FHA CONFORMING LOANS. Just as importantly, many of the investors who were buying mortgages in the secondary market from mortgage companies were not covered by the CRA either. These bad loans were the result of jumbo mortgages (over \$250K) with no equity and ARM terms that went belly up. And those properties were in southern California, on the Florida coasts, and in NYC - not some rundown Cleveland suburb. But it really all comes out the same - facts mean nothing anymore - only what Rush says is true now.
