

Subject: Risk Weight Reduction (Fannie Mae and Freddie Mac)

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Proposal: Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance; Capital: Treatment of Certain Claims on, or Guaranteed by, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac)

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GLOBAL ALLIANCE AGAINST IGNORANCE globalallianceagainstignorance@gmail.com THE ORIGINS OF THE GLOBAL FINANCIAL CRISIS OR HOW DEMOCRACIES HAVE TURNED INTO DEBTOCRACIES Low interest rates have produced the global debt financed economic growth bubble that was bound to burst. How the bubbles caused the global financial crisis: Insiders get together or hear of a suitable take-over victim; one after the other launch bids that naturally drive the share price higher often astronomically as the victim apparently refuses the offers made. Enormous leveraged debt financed long positions often far in excess of the actual victim's capitalisation are taken that are unloaded in the market as ever more speculators buy the shares. The insiders know which bid will succeed and they bail out of their positions raking in vast profits for having done nothing but help to bubble the share price. It's like the opposite to a Dutch auction. If the insiders know that the takeover will fail they will sell the stock short from its highs and double their profits. Of course insiders can also drive shares/stocks/commodities/precious metals/forex up and down without the prospect of a takeover by simply spreading rumours in the market and profiting from the lemmings effect. The relationship with the overall economy is cemented by the construction industry that sets out on a building boom of housing, offices, condos, infrastructure that require furniture and furnishings that in turn is connected with the transport industry that is flourishing in the slipstream of the massive trade quantum. As bureaucracy expands commensurately and myriads of new rules, regulations and laws are drawn up the bonanza embraces all the professions including medical practitioners, pharmacists, dentists as the rich diet and wines that accompany all those heavy business lunches cause ever more indigestion etc. As all of this economic growth is debt financed and the sums become ever more astronomical low interest rates are the crucial factor to boost the bubbles. In the ensuing global competition for expansion values become totally distorted. As the financial institutions that have only recently been dealing with millions are now confronted with billions; leveraged exposures went right over the top into trillions. If you have an interest rate of 5% on one trillion that amounts to 50 billion p.a. so if you reduce this to 3% you save a staggering 20 billion. IT THEREFORE IS UNEQUIVOCALLY CLEAR THAT THE FEDERAL RESERVE AND THE CENTRAL BANKS KNOW THAT THEY ARE NOT HELPING THE ORDINARY FOLKS WITH LOW INTEREST RATES - on the contrary they punish them by hitting their savings accounts - THEY HAVE ONLY ONE OBJECTIVE AND THAT IS TO HELP THEIR FELLOW FINANCIAL INSTITUTIONS GET THROUGH THE MESS THEY'VE CREATED WITH THEIR INSANE DEBT FINANCING OF JUST ABOUT EVERY CROOK, SWINDLER AND FRAUDSTER INCLUDING ALL THOSE MUNICIPALITIES;

CITY ADMINISTRATIONS; LOCAL AND NATIONAL GOVERNMENTS/DEBTOCRACIES WHO FINANCE THEIR GROWTH SCHEMES ON DEBT THAT IS REPLACED BY MORE DEBT. Nobody ever asked whether the loans were justifiable. The only criteria that mattered was growth. Sales figures were not just massaged but were fraudulently misrepresented by inclusion of every kind of fictitious forward sales imaginable including sales to own subsidiaries. Nobody ever asked whether these condos, these cellphones, these cars had ever been purchased by an actual user - why bother with such banal details if you can show that you sold millions across the globe to dealers and distributors that you operate and own. Ever more loans were needed to pay for the multi million advertising and marketing campaigns trying to get rid of the stock which was fast becoming obsolete as new models were piling up in the mass-production factories. Housing that already is at least 40% in excess of need in that more people now own two or more properties than ever before became just another stockmarket style trading activity. Buy now sell one year later at the virtually guaranteed 25% plus higher price. A self-generated debt bubble momentum as ever more buyers leapt onto the bandwagon afraid of missing the boat. The buy to let actors got into the market and some very ordinary folks on small incomes saw themselves become property millionaires on paper. No end of low interest policies will straighten out these get rich quick people. Working and Retired people with or without families who bought a house with a mortgage are the real victims of the global financial crisis that a few pennies of the mortgage is not going to remedy because their savings are now being devalued by the Fed and the colluding Central Bankers with ever lower interest rates that benefit only the irresponsible debt junkies who are now being rewarded for their addictive gambling that caused the global financial crisis. Trying to reignite the financial crisis is surely the height of idiocy but that is what the FED and the Central Bankers are trying to do ignoring that the financial crisis was caused by interest rates that were too low. The ultimate example of course is Japan that suffered a massive housing boom bubble more than 20 years ago on the back of low interest rates that drove the Tokyo stockmarket over 30,000. The subsequent zero rate policy to "stimulate" the economy has done nothing for Japan and it will do nothing for the USA or Europe or any other country other than bring back the same old debt junkies for the same old economic growth gambles that only benefit the small horde of scratch my back I'll scratch yours insiders. While the media in between running the usual advertising for more mass-consumption; the political charlatans while pushing for more trade to boost economic growth; the corporate racketeers screaming for lower interest rates to sustain their debt-riddled empires; the environment is ignored or at best given the usual deceptive/empty slogans bearing in mind that the 80 million environmental organisations that have sprung up in the last 50 years have a planet destructive footprint exceeding that of the entire world population of 1950. ALL OF THEM IGNORE THAT ALL MONEY IS MADE FROM ENVIRONMENTAL PLANET DESTRUCTION AND THAT DEBT FINANCES MORE PLANET DESTRUCTION AND THAT LOW INTEREST RATES BOOST THE GLOBAL DEBT BUBBLE THAT CAUSES PLANET DESTRUCTION IN THE FIRST PLACE. They will not stop until Climate Change forces them out of the gambling Casinos. recently published: Public Release: 9-6-2007 www.thinkingmanagers.com a website for business leaders created by Edward de Bono and Robert Heller The Global Leadership Failure A "healthy" global economy that's making the planet sick. When quantum exceeds finite capacity; quantum must be reduced. Over-population and population growth = QUANTUM that fuels economic growth. And economic growth fuels environmental damage to the planet's life support system causing global warming and climate change. Hence the perpetrators of economic growth are Terrorists because they deliberately destroy the interdependent ecological fabric of the planet. Contact: Felix Leisinger globalallianceagainstignorance@gmail.com 0044-207-834-1331 www.equalearth.org Public Release: 22-Oct-2007 Proceedings of the National Academy of Sciences Rise in atmospheric CO2 accelerates as economy grows, natural carbon sinks weaken Human activities are releasing carbon dioxide faster than ever, while the natural processes that normally slow its buildup in the atmosphere appear to be weakening. These conclusions are drawn in a new study in the early online edition of the Proceedings of the National Academy of Sciences, Oct. 22-26. The report states that "together, these effects characterize a carbon cycle that is generating stronger-than-expected climate forcing sooner than expected." Contact: Chris Field cfield@globalecology.stanford.edu 650-462-1047 x201 Carnegie Institution Public Release: 22-Oct-2007 Journal of Geophysical Research - Oceans North Atlantic slows on the uptake of CO2 Further evidence for the decline of the oceans' historical role as an important sink for atmospheric carbon dioxide is supplied by new research by environmental scientists from the University of East Anglia, who have taken measurements for a decade from merchant ships plying the North Atlantic. Contact: Annie Ogden press@uea.ac.uk 44-160-359-2764 University of East Anglia Public Release: 24-Oct-2007 Proceedings of the National Academy of Sciences Decline in uptake of carbon emissions confirmed A decline in the proportion of carbon dioxide emissions absorbed by land

and oceans is speeding up the growth of atmospheric CO₂, according to a paper published today in the US Journal: Proceedings of the National Academy of Sciences. CSIRO Contact: Dr. Mike Raupach
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