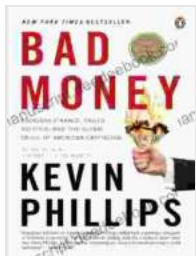


Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism

The Great Recession of 2008 was the most severe economic downturn since the Great Depression. It was triggered by the collapse of the US housing market, which was itself caused by a combination of reckless lending practices by banks and Fannie Mae and Freddie Mac, and a lack of regulation of the financial industry. The recession had a devastating impact on the global economy, and it led to a loss of trillions of dollars in wealth and millions of jobs. It also led to a loss of faith in the American capitalist system.

Reckless Lending and Securitization

One of the main causes of the financial crisis was reckless lending by banks. In the years leading up to the crisis, banks made trillions of dollars in loans to subprime borrowers, who were people with poor credit histories and little ability to repay their debts. Banks also made大量of loans to mortgage-backed securities, which were bundles of subprime mortgages that were sold to investors. These loans were often made with little or no documentation, and they were often based on inflated appraisals of the underlying properties.



Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism: The Inexcusable Failure of American Finance: An Update to Bad ... Penguin Group eSpecial from Penguin Books)

by Chris Ogden

★★★★☆ 4.2 out of 5

Language : English

File size : 3047 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting: Enabled
Word Wise : Enabled
Print length : 352 pages
X-Ray for textbooks : Enabled



The securitization of subprime mortgages was a major factor in the financial crisis. Securitization allowed banks to sell off the risk of subprime lending to investors, which freed up capital that could be used to make more loans. However, the securitization process also made it more difficult to assess the risk of subprime mortgages. Investors often relied on the ratings agencies to evaluate the risk of these investments, but the ratings agencies often gave them AAA ratings, even though they were highly risky.

Lack of Regulation

Another major factor in the financial crisis was a lack of regulation of the financial industry. The financial industry had been deregulated in the 1980s and 1990s, and this deregulation allowed banks to take on more risk. The lack of regulation also made it difficult for regulators to identify and address the risks that were building up in the financial system.

The Collapse of the Housing Market

The combination of reckless lending and securitization led to a bubble in the housing market. Prices of houses rose rapidly, and people who had purchased homes with subprime loans often found themselves unable to make their mortgage payments. As more and more subprime borrowers

defaulted on their loans, the value of mortgage-backed securities plummeted. This led to a loss of confidence in the financial system, and it triggered the collapse of the housing market.

The Global Financial Crisis

The collapse of the housing market had a devastating impact on the global financial system. Banks that had invested heavily in mortgage-backed securities were forced to write down their losses, and this led to a loss of confidence in the banking system. The loss of confidence led to a credit crunch, which made it difficult for businesses and consumers to borrow money. This, in turn, led to a slowdown in economic growth.

The Great Recession

The credit crunch and the slowdown in economic growth led to the Great Recession. The recession was the most severe economic downturn since the Great Depression, and it led to a loss of trillions of dollars in wealth and millions of jobs. The recession also led to a loss of faith in the American capitalist system.

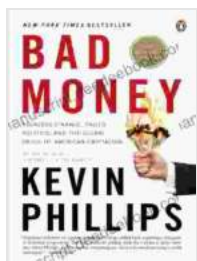
Failed Politics

The financial crisis and the Great Recession were also caused by failed politics. The Bush administration had overseen the deregulation of the financial industry, and it had also encouraged homeownership through Fannie Mae and Freddie Mac. The government's policies helped to create the conditions that led to the financial crisis, and they also made it more difficult to address the crisis once it occurred.

The Global Crisis of American Capitalism

The financial crisis and the Great Recession were a major blow to the American capitalist system. The crisis led to a loss of faith in the system, and it also raised questions about the sustainability of the system. The crisis also led to a decline in the global economic dominance of the United States.

The financial crisis and the Great Recession were a major turning point in the history of American capitalism. The crisis led to a loss of faith in the system, and it also raised questions about the sustainability of the system. The crisis also led to a decline in the global economic dominance of the United States. The crisis was caused by a combination of reckless lending, a lack of regulation, and failed politics. The crisis has had a lasting impact on the global economy, and it is still too early to say what the full impact of the crisis will be.



Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism: The Inexcusable Failure of American Finance: An Update to Bad ... Penguin Group eSpecial from Penguin Books)

by Chris Ogden

★★★★☆ 4.2 out of 5

Language : English
File size : 3047 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 352 pages
X-Ray for textbooks : Enabled

FREE

DOWNLOAD E-BOOK





How The Democrats Won Colorado And Why Republicans Everywhere Should Care

The Democrats' victory in Colorado in 2018 was a major upset. The state had been trending Republican for years, and no one expected the Democrats to win...



Intermediate Scales and Bowings for Violin First Position: A Comprehensive Guide for Aspiring Musicians

As you progress in your violin journey, mastering intermediate scales and bowings in first position becomes crucial for enhancing your...