

### By David Glenn Cox

With the current subprime crisis, most lenders don't sleep well at night. For years they lived an idyllic life style, lending out a dollar and getting back a buck and a quarter. Come in late and leave early; only a pimp had it better. But bankers never had to contend with the cops or wayward hookers. Like a drug dealer they just stood on the corner and waited for the suckers to come to them.

Not that bankers don't do good things for a community, they can. Marijuana growers in Northern California donate to the United Way and support the Little League; no one is all good or all bad. But the predatory aspects of American capitalism tend to bring out the worst, rather than the best. During the good times, bankers extended credit at higher interest rates to those who probably couldn't afford it. Home equity lines could turn the roof over your head into a new car, or bass boat, and the banker profited on both transactions.

I hear ya out there, libertarians mainly, "They made a choice, don't blame the banker." Tony Soprano used to say the same things: don't gamble, don't borrow money from us. People make bad choices all the time; no one is immune. If you don't believe me, check out the docket in divorce court. But when we ask the government to tightly regulate the lending industry we're called communists and anti-capitalists, and told that the government should leave free enterprise alone. Ok, I'll accept that, it's no business of the government to protect people from themselves.

By that reasoning, marijuana prohibition laws are void, as are all drinking laws; after all, I've known people very mature at 17 and people immature at 35. You said it! "The government has got to stop trying to protect people from themselves."

These same people want tax credits because they want to send their kids to private school but it doesn't bother them one iota that we send Columbia 5 billion US tax dollars to fight drug trafficking. Most are deficient in their knowledge of Columbia; President Uribe is the son of a politician who went to prison for drug trafficking. Uribe was himself removed as the administrator of Columbia's air ministry for supplying pilot's licenses to Medellin drug cartel pilots. He then became the mayor of Medellin where he was a close personal associate of Medellin's first citizen, Pablo Escobar. So close, in fact, that he was forced to step down as mayor after

Escobar's demise. This is the man that we trust with 5 billion US tax dollars to fight drug trafficking? But, sshhh, the government are people, too, and sometimes they make bad choices as well.

But, you know, it's the funniest damn thing, the local drug dealer buys from the bigger guy who himself buys from the bigger guy still and somehow all that money makes it back to Columbia. Bankers wouldn't get involved in that, would they? Millions of dollars in cash? No, they wouldn't. Besides, if American bankers did that, someone would be arrested. But it's funny still, all that money and all those transactions and yet they never seem to be able to catch anyone besides the low-level dealers. Our prisons are full of them, tens of thousands and no one talks, nobody knows nothing.

But times are hard today in the banking industry; they are at a loss as to what to do. The Federal Reserve has cut interest rates three times and they're betting 90 to 10 that the fed will cut again. But why? That's helping people who have made bad choices. People who have taken the last three rate cuts and, rather than pass their good fortune along, have instead raised mortgage interest rates and put the difference in their back pocket. Proof positive, the government shouldn't help people who make bad choices.

The banks are struggling for new areas of revenue; mortgage loans are toast, equity lines of credit are gone as home values decline. Car financiers have come up with a great new plan, Nine Year New Car Financing! Talk about your bad choices, a car loan that you might not live long enough to pay off. If you have to finance a car for nine years maybe you need to lower your sights some. Yes, they've had to come up with new and imaginative ways to draw in depositors. The pre-paid debit card! You give them your money and, for just a small fee, you can use it on anything you want!

Wal-Mart advertises their card for only \$8.95 with no credit check! Wow, no credit check! You'll take my cash without checking my credit! Cool! Just the tip of the iceberg as the banker's wring out the sponge of American prosperity. Pay day loans, car title loans, which I've always affectionately referred to as the First Bank of Crack Head. But, all attempts at humor aside, these are industries whose profitability depends on fleecing those the most in need. These aren't bankers redeveloping blighted urban areas or lending money to build schools or hospitals, these are pimps.

But, you can't get rich on nickel and dime car loans made to people during tough times. There

has got to be someone somewhere, someone with money socked away. Enter the reverse mortgage. Yes ma'am, we will lend you money against the value of your home, and because we're such damn nice guys, you don't have to pay us back, not one thin dime! We like you! You remind me of my own grandmother. That? Oh, that's just the interest rate, don't worry about that because you don't have to pay us back!

As Grandma says, "Now I can pay for my Healthcare! (God Bless America) And take that trip to see my children who think I'm leaving them this house!" The reverse mortgage gives grandma half the value on the property, depending on the program, along with the ticking time bomb of credit card interest rates of 14, 15, 16%, compounded per month. But, no worries, you don't have to pay it. But someone does.

Lawmakers in Australia have already begun to reign in the reverse mortgage for what it is. Just another way to scam the elderly. To take from them what has taken them a lifetime to earn with a promise of easy money. People on a fixed income, in declining health and fearful about tomorrow. Some of them alone for the first time in decades, solicited by mail, TV and Radio. With wealthy elderly celebrities telling them what a great idea this is.

It makes me wonder, it makes me question capitalism. A society where, in our future, we will all end up as road kill for the buzzards to pick at the bones of our lives. To work and struggle to build a home and raise a family, to obey the laws and follow the rules and to be treated by that society as just so much carrion for our trouble. It makes me question what sort of parents have raised their children to behave so?

How many nights did they lean over the kitchen table, writing checks to the State University instead of putting it away for their own retirement? How proud were they on graduation day? The picture that still sits on the coffee table, of them smiling with the robed and tasseled, excited, young graduate. Who then moved up the ladder of success and into the boardroom and when the CEO asked for ideas to grow the bank's revenue, raised their hand and said, "I know, let's rape grandma!"