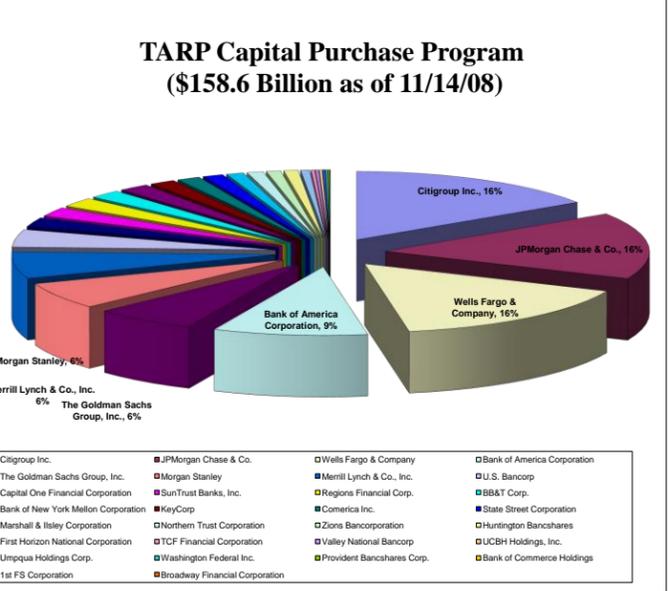
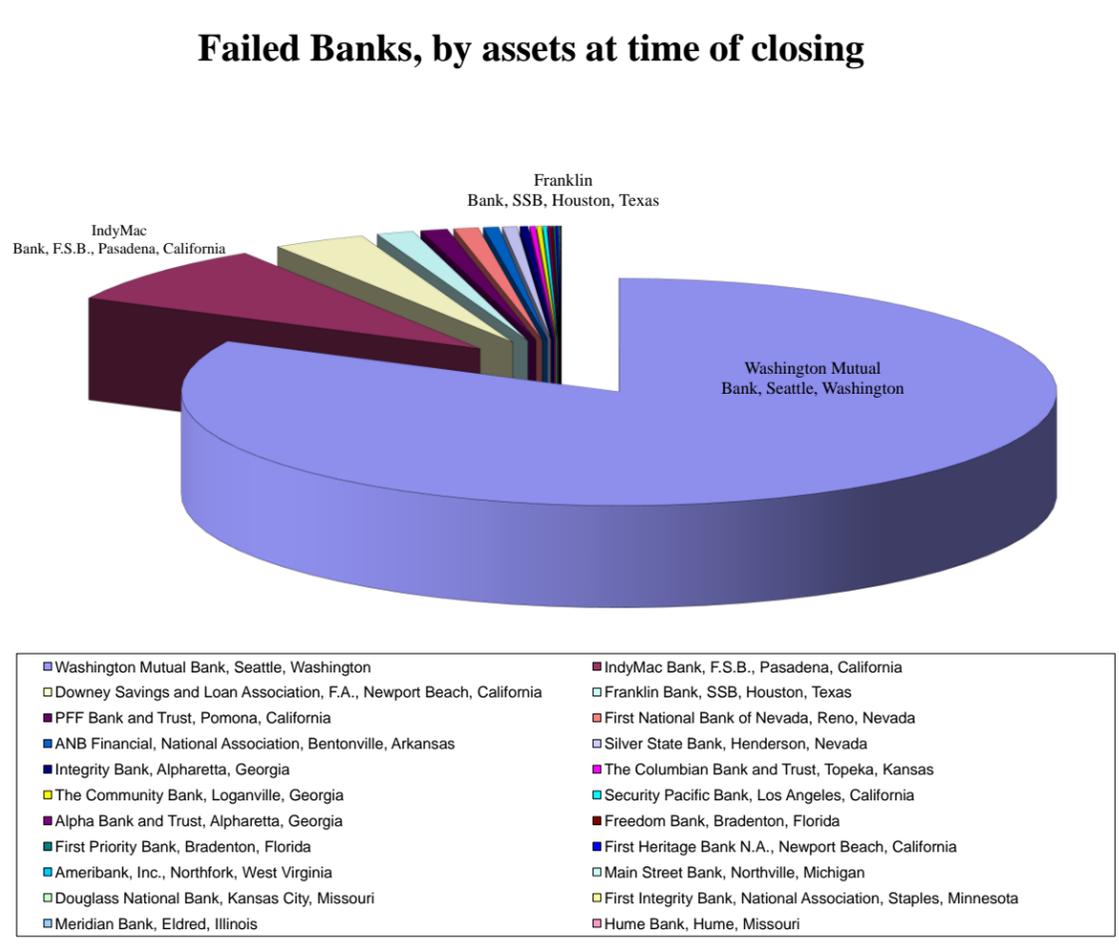


Year	Related Events
1968	Federal National Mortgage Association (Fannie Mae) is converted from a federal government entity to a stand-alone government sponsored enterprise (GSE)
1970	Federal Home Loan Mortgage Corporation (Freddie Mac) is created by an act of Congress
1974	Equal Credit Opportunity Act imposes heavy sanctions for financial institutions found guilty of discrimination on the basis of race, color, religion, national origin, sex, marital status, or age
1977	Community Reinvestment Act mandates banks and savings and loan associations to offer credit to individuals and businesses in lower income areas
1980	The Depository Institutions Deregulation and Monetary Control Act (DIDMCA) of 1980 granted all thrifts, including savings and loan associations, the power to make consumer and commercial loans and to issue transaction accounts and exempted federally chartered savings banks, installment plan sellers and chartered loan companies from state usury (unlimited interest rates) limits
1981	Each Federal Reserve bank establishes a Community Affairs Office to ensure compliance with the Community Reinvestment Act
1982	Alternative Mortgage Transaction Parity Act of 1982 (AMTPA) preempts state laws allows lenders to originate mortgages with features such as adjustable-rate mortgages, balloon payments, and negative amortization and "allows lenders to make loans with terms that may obscure the total cost of a loan"
1986	Tax Reform Act of 1986 (TRA) ended prohibited taxpayers from deducting interest on consumer loans, such as credit cards and auto loans, while allowing them to deduct interest paid on mortgage loans, providing an incentive for homeowners to take out home equity loans to pay off consumer debt
1985-1989	The effects of Tax Reform Act of 1986, the elimination of Regulation Q which had capped interest rates banks were allowed to pay, imprudent lending during the late 1970s inflationary period, as well as other causes, led to short term liabilities becoming greater than long term assets for many Savings and Loans
1989-1995	Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") established the Resolution Trust Corporation (RTC) which closed hundreds of insolvent savings and loans holding \$519 billion in assets and moved regulatory authority to the Office of Thrift Supervision (OTS)
1992	Federal Housing Enterprises Financial Safety and Soundness Act of 1992 required Fannie Mae and Freddie Mac to devote a percentage of their lending to support affordable housing; Office of Federal Housing Enterprise Oversight (OFHEO) created to oversee them. Creative Investment Research, Inc. starts process leading to first CRA pool, a Fannie Mae MBS security
1994	Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (IBBEA) repeals the interstate provisions of the Bank Holding Company Act of 1956 that regulated the actions of bank holding companies
1995	New Community Reinvestment Act regulations break down home-loan data by neighborhood, income, and race, enabling community groups to complain to banks and regulators about CRA compliance. Regulations also allows community groups that market loans to collect a broker's fee. Fannie Mae allowed to receive affordable housing credit for buying subprime securities
1997	The Taxpayer Relief Act of 1997 expanded the capital-gains exclusion to \$500,000 (per couple) from \$125,000, encouraging people to invest in second homes and investment properties
1997	Freddie Mac helped First Union Capital Markets and Bear Stearns & Co launch the first publicly available securitization of CRA pool, using a technique invented by Creative Investment Research, Inc. in 1992 , issuing \$384.6 million of such securities. All carried a Freddie Mac guarantee as to timely interest and principal. First Union was not a subprime lender
1998	"Financial Services Modernization Act" killed in Senate because of no restrictions on Community Reinvestment Act-related community groups written into law. Incipient housing bubble as inflation-adjusted home price appreciation exceeds 10% per year in most West Coast metropolitan areas
1999	Fannie Mae eases the credit requirements to encourage banks to extend home mortgages to individuals whose credit is not good enough to qualify for conventional loans
1999	Gramm-Leach-Bliley Act "Financial Services Modernization Act" repeals Glass-Steagall Act, deregulates banking, insurance and securities into a financial services industry allow financial institutions to grow very large; limits Community Reinvestment Coverage of smaller banks and makes community groups report certain financial relationships with banks
Oct-2000	Fannie Mae commits to purchase and securitize \$2 billion of Community Investment Act-eligible loans. In June, 2000, Creative Investment Research, testifies before Congress that Fannie and Freddie should be subject to a thorough social and ethical audit
Nov-2000	Fannie Mae announces that the Department of Housing and Urban Development ("HUD") will soon require it to dedicate 50% of its business to low- and moderate-income families" and its goal is to finance over \$500 billion in Community Investment Act-related business by 2010
Dec-2000	Commodity Futures Modernization Act of 2000 defines interest rates, currency prices, and stock indexes as "excluded commodities," allowing trade of credit-default swaps by hedge funds, investment banks or insurance companies with minimal oversight[33], and contributing to 2008 crisis in Bear Stearns & Co, Lehman Brothers, and AIG
2000-2001	US Federal Reserve lowers Federal funds rate 11 times, from 6.5% (May 2000) to 1.75% (December 2001). Easy-credit environment encourages less-qualified home buyers and investments in higher yielding subprime mortgages. In Minneapolis, first wide scale anti-predatory lending remediation, or loan repair program launched. Project supported by social investors, William Michael Cunninghamham
2002	President G.W. Bush sets goal of increasing minority home owners by at least 5.5 million by 2010 through billions of dollars in tax credits, subsidies and a Fannie Mae commitment of \$440 billion to establish NeighborWorks America with faith based organizations
2002-2003	Mortgage denial rate of 14 percent for conventional home purchase loans, half of 1997
Jun-2003	Federal Reserve Chair Alan Greenspan lowers federal reserve's key interest rate to 1%, the lowest in 45 years
Sep-2003	Bush administration recommend moving governmental supervision of Fannie Mae and Freddie Mac under a new agency created within the Department of the Treasury. The changes are blocked by Congress
2004	SEC effectively suspends net capital rule for five firms - Goldman Sachs, Merrill Lynch, Lehman Brothers, Bear Stearns and Morgan Stanley. Freed from government imposed limits on the debt they can assume, they levered up 20, 30 and even 40 to 1
Sep-2005	Over protest of Democrats in U.S. Congress, the FDIC, Federal Reserve, and the Office of the Controller of the Currency allow loosening of Community Reinvestment Act requirements for "small" banks, cutting back the number of subprime loans offered to borrowers. Creative Investment Research, Inc. serves as expert witness in NJ case seeking to hold loan servicers, investment banks, credit rating agencies responsible for supporting and facilitating subprime market abuses and fraud
2006	In possibly the first casualty of the looming subprime crisis, Kirkland, Washington based Merit Financial Inc. files for bankruptcy and closes its doors, firing all but 80 of its 410 employees; Merit's marketplace decline about 40% and sales are not bringing in enough revenue to support overhead



Date	Legislative Actions (Late 2008)
Sept. 19	Bush Administration Announces Bailout Plan to Confront Crisis
Sept. 24	Hearing: The Future of Financial Services: Exploring Solutions for the Market Crisis, Bernanke and Paulson on Bailout
Sept. 25	Hearing: Oversight Hearing to Examine Recent Treasury and FHFA Actions Regarding the Housing GSEs
Sept. 29	Bailout Package (HR3997 or EESA) Rejected 228-205 in House
Oct. 1	The U.S. Senate passes HR1424, their version of the \$700 billion bailout bill
Oct. 3	Hours after House votes 263-171 to enact, Bush signs EESA bill
Oct. 22	Hearing: Credit Rating Agencies and the Financial Crisis
Nov. 12	Treasury Secretary Paulson abandons plan to buy toxic assets under the \$700 billion troubled asset relief program (TARP).