

Americas Watchdog Calls U.S. Treasury Secretary Paulson a Self Serving Liar Regarding His Comments About the U.S. Credit Crunch Being Over

Americas Watchdog & its National Mortgage Complaint Center are terming Treasury Secretary Paulson's May 7, 2008 comments about the US credit crisis being over as "a bald faced lie." According to the group, "The credit crisis is about to get much worse". Paulson said, "I think we're closer to the end of this than the beginning." According to Americas Watchdog's National Mortgage Complaint Center, "Currently 1 in 7 US homeowners owes more on their home than it is worth. By June of 2009, we expect the number of US homeowners owing more on their home than it is worth will be 1 out of 4. We also have something called a \$320 billion auction rate securities scandal, with no signs of the US government to help the defrauded investors. How is that the end of the beginning? Why not start being honest with the American public about reality?"

([PRWeb](#)) May 8, 2008 -- Americas Watchdog and its National Mortgage Complaint Center are contesting U.S. Treasury Secretary Paulson's May 7, 2008 statement that the U.S. credit crisis is nearing an end, as "a self serving lie, from a U.S. political appointee."

According to Americas Watchdog, "A very greedy Wall Street, and a bought and paid for Congress & Bush Administration got us into the worst real estate disaster since the great depression, and now the best they can do is lie about the very dire future for the U.S. economy? All of the perceived U.S. real estate equity supposedly gained between 2003 & 2006 has vanished, or is in the process of vanishing, and Secretary Paulson thinks the credit crisis is nearing an end? Another way of putting this is more than \$2 trillion in perceived equity has vaporized. U.S. banks lent money on this \$2 trillion. Now its gone. The banks sold these mortgage loans to pension funds, or long term investors. Now the banks are having to buy back an increasing number of failed loans due to something called a buy back provision. Translation, the credit crisis is about to get much worse."

So what has Washington DC & the Federal Reserve done so far about the U.S. real estate/financial disaster?

* They have offered many U.S. taxpayers a \$600 rebate. The problem, according to Americas Watchdog: A \$600 rebate will not save the U.S. economy. According to Americas Watchdog, "Its one more pathetic waste of money from Congress."

* Congress has proposed a \$50 billion bail out to save people in foreclosure. The problem, according to Americas Watchdog: A \$50 billion bail out, is a small drop in a huge bucket. First who gets bailed out? Real estate flippers, people who put zero down on a home they could not afford, people who did not bother to read their mortgage before they signed it, people who have not made a mortgage payment in a year? According to Americas Watchdog, the National Mortgage Complaint was on record as far back as 2004 saying that the U.S. real estate frenzy would end in a disaster. Americas Watchdog asks, "Why should the taxpayers have to pick up the tab?"

* According to Americas Watchdog, the Federal Reserve has done little to help as well. Americas Watchdog claims, "While they have given big U.S. banks & investment bankers lower interest rates, these cuts have done little to dramatically lower mortgage rates." The National Mortgage Complaint Center is on record as saying, "U.S. real estate prices will drop an additional 10% or more in 2009." Which begs the question: Why buy a home

today if it will be worth 10% less in 2009?

* According to Americas Watchdog, Federal Reserve cuts have also translated into a weaker dollar and sky rocketing food and energy costs.

The Solution:

According to Americas Watchdog, "Solutions start with leadership and integrity from Washington D.C. Solutions start with a Congress that actually does the peoples business, as opposed to one back room deal after another."

Two current classic examples are:

* Example 1. The auction rate securities scandal: While most U.S. citizens never heard of this; its a \$320 billion disaster that has put at risk the life savings of over 100,000 U.S. citizens. Americas Watchdog is calling it, "the biggest case of fraud in U.S. history". What is an auction rate security (ARPS & ARS)? It was an exotic investment that main street U.S. banks, brand name stock brokers and financial institutions sold to U.S. consumers as, "same as cash, just like cash, no risk, completely liquid", etc. Now over a hundred thousand U.S. citizens stand to lose their life savings as documented by the New York Times. Americas Watchdog says, "Where does Secretary Paulson and the U.S. Congress stand on over 100,000 U.S. citizens being lied to by big campaign donors like banks, Wall Street Investment houses and name brand stock brokerage firms? Secretary Paulson is the former Chairman of Goldman Sachs. How does Secretary Paulson feel about his former colleagues defrauding over 100,000 U.S. citizens out of their life savings (\$320 billion)?"

* Example 2. For over four years Americas Watchdog's National Mortgage Complaint Center has been demanding the U.S. Congress require U.S. banks and mortgage bankers to disclose a huge mortgage kickback called a "yield spread premium". A yield spread premium is a kick back banks and mortgage bankers get for inflating a borrowers interest rate. Mortgage Brokers must disclose this kick back. Banks and mortgage bankers have no such obligation, even though they get the kick back too. According to Americas Watchdog, "If anyone really wants to understand why we have a biblical type U.S. real estate disaster, one look no further than a very greedy Wall Street, greedy & U.S. banks that had no obligation to provide a consumer with transparency with respect to the outrageous fees they were making on home loans, and the U.S. Congress that accepted big bucks, to look the other way." The National Mortgage Complaint Center says, "50 million U.S. homeowners pay a higher monthly mortgage payment because a bank or mortgage banker was not required to disclose the kick back they received for inflating a homeowners interest rate/monthly mortgage payment."

Americas Watchdog says, "It's time for honesty, it's time for justice and its time for integrity on the part of our elected leaders. We are in a huge mess today because there is no such thing as integrity in Washington DC and in most of our nations financial institutions. Its time for real honesty and transparency before it's too late."

Americas Watchdog and its National Mortgage Complaint Center are all about consumer protection and corporate responsibility. The National Mortgage Complaint Centers web site is located at <http://NationalMortgageComplaintCenter.com>.

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