

Proposal: 1703 (AF77) Reg Q; Regulatory Capital Rule: Eligible Retained Income

Description:

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From: Charity Colleen Crouse

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Subject: Regulations Q; Regulatory Capital Rule: Eligible Retained Income

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Comments:

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Proposal: Regulatory Capital Rule: Eligible Retained Income [R-1703]

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Your comment: I do not prefer that civic debate be engaged via the public comment area of the Federal Reserve System, but I believe that stock purchases of the sort recommended are contrary to the best interest of the People of the United States of America. We STILL have not had an adequate reporting or accounting for the previous stock purchases by Treasury after the 2008 banking bailout and how that was used to effectively launder toxic assets from certain companies through the federal government. I believe that was ACTUALLY a deliberate attempt to obfuscate efforts to hold CRIMINAL liabilities accountable and to instead pass off the costs and penalties to the People of the United States of America, as well as others. Not only that, but I also believe it preferenced certain financial interests involved with those stock purchases to the detriment of others, including in manners that have long-term consequences of significance. For instance, how much of the "Affordable Care Act" marketplace was ACTUALLY about laundering stocks in connection with the insurance sector not directly connected to health insurance? Congress and federal agencies have a different role and priority when they are engaged as a "market participant" than when they are in another form of administrative role. I believe that the situation concerning COVID-19 would be substantially different right now and would be handled considerably different if the United States government and its official representatives had been less of a "market participant" in the refinancing of certain corporate entities that had engaged deceptive practices than were it to have performed its responsibilities to regulate and legislate for effective program administration and oversight.

In the last three years especially, many important deadlines and timelines regarding reporting have been intentionally missed. There was for a considerable amount of time critique from within the financial sector, especially in regards to areas wherein regulatory compliance was considered to be a merit about the implications of changes put into place as a result of the 2008 banking bailout. This year is a very important year in terms of "defaults" connected to outstanding obligations. This COVID-19 has had the impact of obstructing efforts to address important compliance and regulatory deadlines for financial accountability. Not only that, but there are additional sectors that have had a turnover in terms

of major market changes as was reported by the Office of the Comptroller of Currency Semiannual Risk Perspective. This includes the mortgages that were leaving the period wherein they were required to pay on interest versus principle that I believe should have had a much more significant impact on the current situation than it has because of declarations of "emergencies" that have required the intercession of federal assistance. I am concerned because I believe this has a direct impact on what is going to necessarily be a major economic paradigm shift in the U.S. and elsewhere when obligations incurred by the gas and oil sector concerning loans taken out within the last decade start to come due in a major manner, which is anticipated for the next four to five years. Having the government take on stock purchases as has been proposed compels a question of intents engaged in connection with the last ten years of economic prioritization and how it now appears that what has come due was the result of an intentional effort to defraud the federal government into a situation of insolvency that will ultimately be put onto the People of the United States of America without CRIMINAL accountability being demanded and pursued.

Questions were outstanding prior to the announcement of the COVID-19 problem regarding the conservatorship of Fannie Mae and Freddie Mac; there was an announcement around this time last year that the current Presidential Administration intended to have the matter reconciled by the end of last year. But where is that at this time? People are being confined to their homes at a time when many marketplace changes that involve securities backed by mortgages are changing significantly. The correlations are not unrelated.

The concern becomes one of what sort of "securitization" will be underwriting the economy in the near and long term as a result of this. Were this "emergency" to have been one that was identified as a result of some sort of "human error" or criminal behavior then much different obligations would be incurred by the People of the United States of America, as well as institutions that are being called upon to respond and to provide aid or alter their regular business activities, than were it to be characterized as a "public health" problem, such as a pandemic. This is a sort of compounding of the decision-making that was allowed to enable the rollout of the Affordable Care Act marketplace in manners that defined the current economic paradigm. Part of that was that a deficiency was left in financing long-term securitization of civic institutions or systems for redress of grievances by backing them up so-to-speak with criminal convictions that could provide momentum for sustaining campaigns of accountability. For instance, many regulatory bodies such as state insurance commissions or federal agency compliance departments are required to provide reports on open investigations within a certain timeframe in order to themselves be complaint with their sureties. How many reports, however, in the last three years have been permitted to "default" and have accrued? The question then becomes one of who is going to assume responsibility for addressing this debt.

I do hope that Secretary of the Treasury Steven Mnuchin means what he says about holding any companies that abuse the current financial assistance programs responsible for criminal charges if they abuse them during this timeframe. But I also hope that this is not going to be used as a COV(er)-up of crimes that have ALREADY occurred and that were not addressed appropriately at the time of their occurrences or in the appropriate forums. What sort of enforcement that is going to involve is I believe the major question of our time.