

POLS 4790H Politics of the Financial Crisis

Topic 5: The Crisis of 2008

1. A Run on the Shadow Banking System
2. Bear Stearns Fails 16 March 2008
3. Fannie Mae and Freddie Mac are Seized by the Federal Government on 8 September 2008
4. Merrill Lynch purchased by Bank of America on 15 September 2008.
5. Lehman Brothers Declares Bankruptcy on 15 September 2008. It was the Largest Bankruptcy in American History with \$613,000,000,000.00 in Debt.
6. American International Group Begins to Fail in September, 2008. The Bailout costs reach nearly \$200 Billion.
7. Washington Mutual seized by the United States Office of Thrift Supervision (OTS) on 25 September 2008. Later sold to JP Morgan Chase.
8. Wachovia purchased by Wells Fargo 31 December 2008.