CREDIT CRISES

The Consumerist has posted the testimony of one of the credit card customers, Steven Autrey, who had planned to testify before Congress last week until Congressman Bachus insisted that Autrey agree allow his own financial history to be made public before he could testify.

> The NFL does not allow one team, in the midst of the fourth quarter, to unilaterally move their end zone 20 yards in their favor just because they don't like the point spread. The rules are laid out before the kickoff, and the umpires enforce the same rules for both home and visiting teams for the whole contest. It's time for legislation at the federal level that tells the credit card industry, "Game Over" to unilateral, one-sided, rule changes.
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> As a registered Republican, it has typically been my philosophy that business and commerce flourish and perform better with minimal government interference. However, when an industry sector proves time and again that it is unable to police itself and behave and engage in fair and ethical trade practices, legislative intervention is required.
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> With some progress in our consumer credit laws, and reform of the monopolistic credit scoring cartel controlled by the Fair, Isaac, and Company ("FICO"), perhaps once again consumers can have a level playing field in doing business with credit card issuers.

Click through to read the whole thing.

And while Congress was demanding that consumers forgo all financial privacy in order to have the right to speak to Congress, the US was helping to bail out Bear Stearns. Only, that didn't work out so well–Bear Stearns is as we speak desperately trying to sell itself before the markets open tomorrow (they're opening already in Asia).

> Bear Stearns Cos. was closing in on a deal Sunday afternoon to sell itself to J.P. Morgan Chase & Co., as worries deepened that the financial crisis of confidence could spread if Bear failed to find a buyer by Monday morning.
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> People familiar with the discussions said all sides were pushing hard to complete an agreement before financial markets in Asia open for Monday trading. "None of these things is done until they're done," Treasury Department spokeswoman Michele Davis said Sunday afternoon. "But I think everyone's expectation is sometime in the early evening hopefully" the deal will be done.
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> Terms of the deal were still being hammered out Sunday afternoon. Reflecting the dire situation at Bear, the company is likely to fetch considerably less on a per-share basis than its stock price of $30 in New York Stock Exchange composite trading Friday at 4 p.m. Last year, the shares hit $170.
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> One stumbling point appeared to be the amount of risk that J.P. Morgan would absorb in any type of transaction. While J.P. Morgan is eager to snap up some of Bear Stearns assets – such as its prime brokerage business that caters to hedge funds – Chief Executive Officer James Dimon was reluctant to pursue the deal without certain assurances that would protect his firm's exposure, said people familiar with the matter.
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> Despite the emergency funding from J.P.

> Morgan and the Federal Reserve that was announced Friday and gives Bear access to cash for an initial period of 28 days, the clock is ticking against the 85-year-old company. Regulators, bankers and investors are concerned that the firm could plummet even further when markets open Monday. A continued exodus by parties that Bear trades with could even cause the investment bank to collapse.

There is something very wrong with this picture. I understand the efforts to bail Bear Stearns out. I understand this is going to get much much worse. But as it does, we need to foreground the real people who are at the end of the process.

Update: JPM got Bear Stearns for the rock bottom price of $2 a share. Wow.

Update: They used the words "huge discount" in the headline. That doesn’t even begin to describe it.

> Bear Stearns, facing collapse because of the mortgage crisis, agreed Sunday evening to be bought by JPMorgan Chase for a bargain-basement price of less than $250 million, the two companies announced.