

TIMMEH GEITHNER, CAMPAIGNER AGAINST INJUSTICE

What a load of crap:

Charlie Rose: You're encouraging banks to declare a moratorium on foreclosures?

Tim Geithner: No, I wouldn't say it that way. I think that you know what you're seeing in housing still now is a national tragedy, still very, very difficult. You know, again, this was a crisis caused by a lot of people were taken advantage of, a lot of people were too optimistic about what they could afford in terms of a house, lot of people were speculating in real estate, and a lot of innocent victims got caught up in the consequences of those basic mistakes. You saw, you know, the nation's largest banks that ran these servicing businesses, not invest anything like what they needed to, to run that business effectively in a downturn like that. And you're seeing the consequences of all those mistakes play out still across the American economy. **Now, you've seen some banks suspend temporarily the foreclosure process so they can just make sure that they're not causing any injustice to the borrowers and that's very important for that to happen.** And we're going to –

Charlie Rose: So you're pleased to see that happen.

Tim Geithner: I think where that's happening again the suspension is to make sure they're not causing any injustice is very important, but I think it's important to recognize, Charlie, that if you – a national moratorium would be very damaging to exactly the

kind of people we're trying to protect, because the consequence of that would be in neighborhoods that have been most affected by the foreclosure crisis, where you see lots of houses on the block empty, unoccupied, what it means is those communities will be living longer with houses unoccupied, with more pressure on their house price with the people still in their houses. **That would be very damaging, and so again we want to make sure we're holding these services accountable, that they're not causing any injustice to people who can afford to stay in their home,** and we're going to make sure we're careful in doing that. But we also want to make sure that we're not going to make the problem worse. [my emphasis]

You see, Timmeh and the banks are entirely motivated by an interest in justice. It has nothing to do with protecting the banks (even though Timmeh conveniently leaves out the fraud of the people between the mortgage originators and the servicers, all of whom share the blame in this process, or the liability of the banks selling properties with titles they have to know are flawed). It has nothing to do with protecting the government's own position with Fannie and Freddie. It's all about preventing injustice.

Of course, Timmeh seemed fine with letting HAMP continue for a year causing significant injustice to those who could afford to stay in their home.

And Timmeh, tremendous economist that he is, seems not to have thought about what's going to happen to foreclosures with dubious titles in the market place (and with those foreclosures, the value of property in the neighborhood).

But he sure is pitching this desperate scramble by the banks in the best light!