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The Federal Reserve and the Treasury are running a scam that funnels freshly-printed money from the Fed into the Treasury, using Freddie Mac and Fannie Mae as the pipeline. Freddie Mac and Fannie Mae were taken over by the government and put into conservatorship in the 2008 bailout. Freddie Mac and Fannie Mae are companies that bundle mortgages and then sell them to investors. At the end of 2012, the Federal Reserve committed to spending \$40 billion per month on Freddie Mac and Fannie Mae mortgage backed securities, creating an artificial market.

This system is troubling for the following reasons:

- Unchecked money-printing (quantitative easing) causes massive inflation
- As the Federal Reserve buys more mortgages on people's homes, it could eventually own the majority of the real estate market through mortgage purchases, and become America's landlord

- Real wealth (land ownership/mortgages) is being transferred into bankers' hands in exchange for paper fiat money created from nothing

- A new housing boom has been created that will end in a bust

The Treasury is using the \$40 billion/month paychecks to bridge the federal debt and make Obama look good.

Shareholders in Freddie Mac and Fannie Mae are suing the US government for bailing out and taking possession of the companies in 2008. The shareholders are angry that the Treasury is pocketing all of the "profits" that Freddie Mac and Fannie Mae are generating. But the profits are an illusion as the Federal Reserve is propping up the companies.

The Treasury received a \$95 billion payment, record "profits" from Freddie Mac and Fannie Mae in April, however, none of the money was applied to the principal of the bailout debt estimated at \$317 billion.

This scam was planned years ago when the Federal Reserve lowered interest rates to an irresistible level and subprime loans were made to people who did not qualify for them, creating the real estate bubble and burst. Then, the US government stepped in and took possession of Freddie Mac and Fannie Mae after using taxpayer money to bail them out. Freddie Mac and Fannie Mae guaranteed half of the nation's mortgages worth \$5 trillion and Wall Street pressured Congress to step in and save them.

The bottom line is that the Fed merely is using this method (among others) to create money out of nothing and hand it over to the government, its trustworthy partner-in-crime. That's why Congress will never do anything to offend the Fed. They could not continue their plunder without them.

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