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[Economic Collapse News - Wells Fargo Can Liquidate Customer Accounts - All About Bank Bail-In's]

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Description:

Economic Collapse News. With the trouble facing Wells Fargo I thought it imperative to discuss bank bail-in's. Many still don't know there will be no more bank bailouts. Wells Fargo meets the criteria of a systemically important financial institution thus making them applicable to the new Dodd-Frank bail-in laws**. In short, that means big banks can legally confiscate customers accounts.** Worse, customer accounts are the #1 most desirable source for resolving a distressed bank. We explain exactly how this is possible.

Welcome to the Silver Report Uncut now I wanted to talk about a very important subject because it really dawned on me looking through the comments in the last video and seeing the popularity of it I see that a lot of people that are not used to the content on this channel. We use a lot of terminology that I just somehow assume that everyone knows about, that this is something I've actually been studying since they implemented the Dodd-Frank Act in 2010. There's so many people left in the dark.

My attempt with this show is try and bring to light just exactly what they've done because during the financial crisis we all know that there's bailouts a couple people had brought up, "Oh well, they just petitioned for a bailout and they're gonna help them out". You know what bailouts are? No longer legal anymore. There's no more taxpayer bailouts for big Wall Street banks! If a bank is categorized as a systemically important financial institution, there's no tax payer bills because, unfortunately, though they shove that down our throats and they're able to come and take taxpayer money, people were too upset about that but it was minuscule the amount it was.

You might have remembered an enormous figure at that time but there was an enormous amount of untapped wealth that they were not able to access during that time and so they got together they put all their heads together that the banks created and wrote a bill handing it over to some bought and paid for senators. Now all of a sudden you have the Dodd-Frank Banking Reform Act but now, instead of taking money from the government or taxpayers to principle, it's been established that the next source of money for these banks if they're failing would be deposit accounts! That's right, the money to stabilize the banking sector during the next financial crisis or any independent crisis, as we're looking at Wells Fargo right now, will come out of your savings and checking accounts.

So I wanted to talk about something initially because this already took place over in Cyprus this was the same set of laws implemented by the IMF and were agreed on by a lot of the world powers and distributed throughout the world and implemented here. So this is not a law that was written here it is written by the Central Bank of central banks but exactly what took place when they were implementing the bail out in Cyprus was they limited withdrawals. They limited transfers of money for individuals and they also had deposit insurance there because a lot of people were bringing up the FDIC. You know what they have an intricate role in this particular subject but more than that people think that they're going to be secured! Most people's accounts are lower than $250K that, yes that might be true. They also do bond balance their deposit insurance in Cyprus was a $100K and people took enormous losses, they lost enormous amounts of money.

You see, there's a line whenever it comes to bank bailouts and since the unsecured debt of their customers, which would be what you would consider a deposit, you see when you deposit money in a checking or savings account that money no longer belongs to you technically and legally. Your deposit becomes the property of the bank since you are an investor so the bank would give you what really amounts to an IOU or your statement. As far as the bank is concerned, it is unsecured debt and derivatives have priority over your checking and savings accounts when it comes to paying off their debts!

So don't think that the FDIC or the Federal Deposit Insurance Corporation is really thinking that your money is top priority, the assets of the FDIC are miniscule in the billions compared to the valuations of outstanding derivatives in the trillions. Your deposits are protected only up to the $250,000 insurance limit and, of course, only to the extent that the FDIC has the money to cover deposit claims or can come up with it.

Now, we haven't heard a lot of talk about this but other countries have been really coming forward like there was in the Bank of England and they had a joint resolution between the FDIC and the Bank of England and what they were discussing there they made a resolution that in the event of a next, you know, economic crises that were to strike the systemically important banks that they would stand by the rules for the bail-in policy. What does that mean? Well, we know we're already seeing withdrawals limited at Wells Fargo but what happens with, you know, Bank of America JPMorgan Chase Citigroup? Now they've mixed up their massive derivatives put their depository arms and what happens if these banks topple over and there's a domino and they fall into bankruptcy by a major derivatives fiasco have deposits exceeding one trillion dollars derivatives books with a notional value exceeding the GDP of the entire world.

The answer, if you really want to know what this actually would look like, is exactly what took place in Cyprus. The money was taken out of depositors accounts during the last banking crisis in Cyprus. Now one thing to note because the reason that they said that they were implementing this is so that it falls on investors.

People you should be responsible with your money and choose which bank that you think is the most trustworthy in the event that there is a collapse! It is your fault because you were someone who was backing them because you count as an investor but the smart and large shareholders they know long before banks are going to be heading down and if we've just seen the drop in the stock prices at Wells Fargo maybe they already got wind of it already. In all reality, it's a terrible idea to keep your money in banks such as Bank of America JP Morgan Chase, Citibank, Wells Fargo! It's an all-around better idea to deposit it in a smaller bank or credit unions, otherwise these banks going under could really cause one trillion dollars of depositors funds to just disappear and that's not small change!

Now, according to the IMF, it was in a paper titled *From Bailout To Bail-in, Mandatory Debt Restructuring Of Systemic Financial Institutions* that they described what they mean by this law that they implemented here which would be a bail-in. It's a statutory power of a resolution authority as opposed to a contractual arrangements such as contingent capital requirements to restructure the liabilities of a distressed financial institution by writing down its unsecured debt and/or converting it to equity. So the statutory bail-in power is intended to achieve a prompt recapitalization and restructuring of the distressed institution.

I know that's some thick language but here are some very important points because they changed around some definitions here. What used to be called a bankruptcy is now a "resolution proceeding" because banks no longer are really technically allowed to go bankrupt because they have these bail-in policies. So the bank's insolvency is resolved by turning its liabilities into capital. So insolvent systemically important financial institutions are to be promptly recapitalized with their unsecured debt so that they can go on with business as usual! Unsecured debt includes deposits.

Are you understanding this that they can literally take your deposits and continue operating as if it never happened? You would think there would be lawsuits, oh you know people wouldn't stand for this thinking they (the banks) would lose because it's the law now and the largest class of unsecured debt of any bank. Keep in mind this is directly from the IMF papers so the insolvent bank is to be made solvent by turning our money into equity in essence. So bank stock that could become worthless on the market or tied up for years in resolution proceedings along with large investors that would flee first would leave them with one significant source of capital in order to resolve an insolvency. Rather than having their assets sold off closing their doors, is exactly what would happen to smaller bankrupt businesses or banks but these laws have been designed to keep these banks alive and open for business at all costs again. The costs are to be carried by their investors in other words under this tricky language their customers, depositors their unsecured debtors.

It's so important to note that your money in your checking and savings accounts if you're at one of these financial or systemically important financial institutions would be the bank's unsecured debt! You will have to stand in line behind trillions of dollars of derivative payouts before your checking and savings accounts will be made whole now. The Federal Reserve would play a key central role in this along with the FDIC. It's interesting because, along with the Bank and Reform Act and the Dodd-Frank Act, there's special protections for derivatives counterparties so that gives them the legal right to demand collateral to cover losses in the event of insolvency. So they get the first slice of the pie and that's even before secure deposits of state and local governments!

So your chances of recovering your money now, let's think about this for a moment. Most rich people in the United States have a major portion of their wealth in real estate, stocks bonds, they simply don't keep their wealth in checking or savings accounts. However, most of the poor or middle-class people, they have a major portion of their assets in checking and savings accounts. So those of us that they would consider the unimportant uncomfortable part of their job, you know, would say how did the banks have the right to go into your safety deposit boxes and take your money out?

It's even worse than that because pension funds they were hit the hardest during the last banking crisis but they will be drained during this next one, pension funds will be subject to confiscation as balance as well since many of the bonds they purchase are subject to being converted to bail-in deposits if the banks really need the money which, of course, the way it's looking for our bank as large as Wells Fargo. And there's a lot of people that were reporting that they actually didn't get their paychecks because their company's payroll is managed by Wells Fargo.

So I guess we can all sit comfortably now as we know that the taxpayer bailouts they're off the table. Do you feel comfortable? Ultimately they never let these zombie banks go bankrupt why is that for the most part bills don't get passed unless they have massive financial backers and since the IMF, the central bank of central banks, is behind this drafting of this resolution. They gave themselves an open door to that great source of untapped wealth they were no longer able to get their hands on during the last crises.

It's something that I talked about several times that when banks create laws like this, when banks write laws that give them the power to access that great untapped source of wealth which would be the checking and savings accounts of millions of Americans, they plan to use them. I mean this should come as no surprise, it's well known that all federal banking regulations are written by lobbyists for the banking industry for the interest of the banking industry I challenge you right now think of your favorite representative that's out there. Go and look on their website and look at some of their disclosed donors or just you know type in their name and type in donors what you will find you're gonna find JPMorgan Chase. Yeah I don't even know who they are this is just a blank guess but I challenge you, you're gonna find JP Morgan Chase, you're gonna find Citibank, you're gonna find all of these major banks, you'll find Wells Fargo on there!

Every single one of the banks touches almost every single one of us. That's interesting because so many people who are already commenting because people say that couldn't be happening that's not happening just take a look. I challenge you to look through the comments of the video from yesterday and just see how many people personally were removing their own money from there, so they not only we're hearing about it, they were partaking in it. It's a very real situation.

Alright, thank you guys for joining us here at the silver report uncut if you like the content be sure to subscribe, like the videos, share the videos get the word out. I thank you so much for stopping by. As always, stay safe.