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### **Banking's Downward Spiral**

*Financial Institutions Are Creating a Crisis that Affects Borrowers*

**Los Angeles, Calif. (March 11, 2008)**—Financial institutions have raised the alarm—they are having trouble making their own payments due to unfavorable lending. Or so they say.

“The real problem is that financial institutions, through Structured Investment Vehicles (SIVs), borrowed money from reliable lenders as short-term loans,” says Gene Siciliano, financial expert and author of *Finance for Non-Financial Managers* (McGraw-Hill, 2003). “They then loaned that same money out to potentially unreliable borrowers on a long-term basis.”

This creates a major problem for the financial institutions. They are then forced into one of two options: take out more short-term loans to cover their own payments, or try to sell their loans to another financial institution—in the middle of a period of economic downturn.

Even though the only people who are truly affected by this are the financial institutions who caused the problem in the first place, this leads to an even bigger issue—financial institutions are losing money, which leads to problems for potential borrowers.

“Banks don’t like losing money. They tighten credit, cracking down on the amount of loans they give out, causing problems for creditworthy people trying to obtain mortgages and other long-term loans,” says Siciliano.

This credit crack-down only contributes to fear regarding a recession, a word that’s been on everyone’s mind these last few months.

“Financial institutions have created these problems in their quest to outgrow one another,” says Siciliano. “But I’m afraid that it’s you and I who will bear the brunt of the consequences.

For more information about Gene Siciliano, please visit [www.GeneSiciliano.com](http://www.GeneSiciliano.com). To schedule an interview with him, please contact Leyna McKenney at The Ictus Initiative, (617) 840-4689 or [Leyna@IctusInitiative.com](mailto:Leyna@IctusInitiative.com).

*Gene Siciliano, a former CFO and CPA with over 30 years of financial and general management experience, has held top financial management positions with Computer Sciences Corporation, Epson America, and Superscope, Inc., among others. As a consultant, he has acted as Chief Financial Officer for over a dozen companies—both publicly traded and privately owned—earning himself the title “Your CFO for Rent.” A member of the National Speakers*

*Association, Gene is also the author of Finance for Non-Financial Managers (McGraw-Hill, 2003).*

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