

# Trickle Down Credit

I am a banker. I may have some made mistakes in the past - taking big risks with mortgages.



Not to worry, the banks were bailed out so there were no consequences for our risky choices.



I am the Minister of Finance, Jim Flaherty. I like budgets cuz I get new shoes!

Oh, and our banks didn't do sub-prime mortgages but they bought U.S. ones. We're gonna give 'em \$32 billion.



Back to business as usual. (This is a credit card.)



We at the Bank of Canada want to stimulate the economy so we have set interest rates at 0.25% for the next year.



We have never done that before. Usually we are very secretive about what interest will be.



I get a loan from the bank at 0.25% and loan it to this lady with a credit card.



I have good credit so I have a "low" rate of 16.9%.



And I get air miles.

Then I take her credit card debt and put it with a lot of other people's and sell it.



I buy the debt and make money off of the interest over time.



Everyone wins!



Everyone?

