

Financial Crisis Timeline 2008 - 2009

- March 2008 Collapse of Bear Stearns and sale to JPMorgan Chase - BS pioneered the securitization and asset backed securities (ABS) markets.
- June 2008 - DOW declares official bear market as it closes down 20% from it's Oct. 11, 2007 high of 14,198
- July 1 2008 - Bank of America buys Countrywide Financial
- July 2008 - oil prices peak at \$147 per barrel as money flees housing and stock assets and is spent on commodities
- September 7, 2008 - Fannie Mae / Freddie Mac taken into conservatorship
- September 14, 2008 - Merrill Lynch purchased by Bank of America
- September 15, 2008 - Lehman Brothers files for bankruptcy
- September 16, 2008 - American International Group (AIG) gets \$85B in loans from Fed Reserve in exchange for 79.9% equity stake
- September 22, 2008 - Morgan Stanley and Goldman Sachs stop being investment banks and become traditional bank holding companies
- October 1, 2008 - Emergency Economic Stimulus Act of 2008 passes creating the \$700 billion Troubled Assets Relief Program (TARP) to buy failing bank assets
- October 2008 - Iceland's major banks are nationalized
- November 2008 - China creates a stimulus plan
- February 17, 2009 - American Recovery and Reinvestment Act of 2009 signed into law. \$787B more in tax relief, unemployment benefits.
- February 27 2009 - DOW closes 7062, 50%+ below 10/07 high of 14,198

Other factors

- Sub prime loans - 9% of market in 2001 / 40% in 2006
- Housing peaked in 2005 / major lenders stopped sub prime loans in 2007
- Unemployment in May 2008 = 5.5% / May 2009 = 9.4%