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The bear market rally will soon be over

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The bear market rally will soon be over. It rallied 1,300 Dow points that it should have. All the back up data as to why this is in process was included in the last issue. The rally induced many investors to stay long and they did recoup as much as 80% of their losses in some instances. Now it is time to exit and move into gold and silver shares. Probably the biggest key is that gold recently spent two weeks above $1,000 and we believe gold is prepared for a breakout that will take its price anywhere from $1,200 to $1,700 an ounce. Gold's long-term reverse head and shoulders pattern, one of the most powerful patterns in charting is in a breakout mode.

Yields on some short-term bills are so low we do not understand why anyone would buy them. Could Weimarization be just around the corner? The reality of investment today is that there is only one place to be and that is in gold and silver related assets.

We have abnormally high bond and stock markets that are headed toward serious trouble. In addition, Americans are looking at weaker residential and commercial real estate prices, higher taxes and inflation, more quantitative easing and government crowding out commercial borrowers, due to the Treasury's constantly growing thirst for cash to keep the economy and the government from collapsing. They will also be an endless demand for cash to bail out banks, Wall Street, insurance companies and the chosen among American corporations. What else would you expect with a government that is growing four times faster than the economy? Over the next three and a half years the size of government will double. There will be millions more parasites to feed off the carcass of government. Throw in buckets of corruption and you have a failed government and a failed system.

The current FASB (The Financial Accounting Standards Board) rules allow lenders to carry most loans at cost, instead of marking them to market. They are allowed to be held to maturity or for investment. Loans are worth trillions of dollars less than shown on balance sheets. That means their financials are not worth the paper they are written on. In some instances loans are worth $0.40 on the dollar or less. This mark-to-model travesty has gotten much worse over the past year. Those who say the credit crisis is over are just dead wrong. Admitted bad loans in many banks are greater than equity. Some are bankrupt, even with TARP money, and some are very close. It was Paulson and Bernanke and members of the House and Senate that forced the Financial Accounting standards Board to abandon mark-to-market to virtually no standard at all, known as mark-to-myth. That was the result of an avalanche of campaign contributions used to pay off our political class. As this travesty goes totally unnoticed by the public the value of mortgages, residential and commercial, continue to fall, as do bad corporate loans. More than 13% of home loan are underwater. More than 1.5 million loans have gone to foreclosure and four million more are on the way,

as the Fed desperately drives down interest rates and mortgage rates. There is an 11-month supply of loans on the market and 600,000 more are being held from listing. Some homes have been thrashed, some empty for 2 to 3 years and in some former owners are living in the homes and haven't made a payment in two years.

Under these and other conditions zero interest rates and 20% increases in money and credit can never end, contrary to what the liars at G-20 have to say. These foreclosures threaten the entire housing edifice, which we are sorry to say is nowhere near the bottom and probably will bump along the bottom for 5 to 20 years. Americans' greatest store of savings is being destroyed. The 50% that own their homes outright are about to lose almost everything they have in the way of savings, that was in their home. The fed is engaging in an exercise in futility, and they are quite well aware of it. They are preventing quick outright collapse so they do not immediately get hung. They are trying to ease down the damage. Due to the situation the $8,000 housing credit for first time buyers will probably be extended, but it will do little good, nor will the subprime loans being written by Fannie, Freddie, Ginnie and the FHA. Their failures will again start to hit the market next year along with ALT-A, option-ARM-pick and pay loans and prime loans, which presently make up 52% of foreclosures. As prices fall the market is monetized and worse yet, the American taxpayer gets to pay for it all. The Fed is not only buying mortgages from US lenders, but foreign lenders as well in the form of CDOs, collateralized debt obligations, which is money the Fed has created out of thin air, which is immediately monetized. This is one of the greatest frauds of all time and it is not yet half over. There are no regulators, there are no policemen, there is no Congress; everyone in NYC and Washington is in on it, except the poor taxpayers. Commercial real estate is just as bad and faces perhaps more than $1 trillion in refinancing next year. As we predicted four years ago losses in residential real estate would average 45% to 55% countrywide, and commercial would be hit for 70% and we are going to be dead on if not conservative. Over the next three years the total world financial system is going to collapse, the dollar devalued, massive default and the world will be brought to an economic and financial standstill. That is why you must have all your assets in gold and silver coins and shares. It is the only way you can preserve your wealth.

It is bad enough that Americans are tax slaves but most are debt slaves as well.

What we have observed over the past two years is that the credit crisis has not improved one bit. In time it will be much worse than it had to be because banks, Wall Street and insurance companies had to be bailed out. Instead of having a purged system and a two-year depression, we are now facing years of depression and the blame lays squarely on the actions of the Fed, banking, Wall Street and government.

Cash for Clunkers just took future buying into the now and cut future sales. The housing credit was another subsidy that created the same effect. Like price controls, none of this will work. Neither will taking bad assets, such as CDOs off banks' balance sheets and monetizing them. We find it of interest that the Fed won't divulge what they paid for this toxic waste. Currency swaps won't work either; it is more monetization and that produces inflation. Manipulation of currencies, the surreptitious foreign purchase of US Treasuries and back door bailouts are only temporary solutions that cause more inflation and make the problems worse. Government has been insuring subprime loans again; 70% of which will fall into foreclosure a year from now creating a whole new pressure on the housing market. What we see are a group of criminals who are above the law.

What we see is privatizing of profits and socializing of losses for the rich. Where are the

Congressional investigations to stop front running euphemistically known as flash trading? It accounts for 70% to 90% of daily trading volume as both investors and professionals get screwed over and over again. This is outright theft. We have still yet to see the SEC stop naked shorting. That is because trading departments are profitably stealing from the public and the SEC is in on it. There is one civil suit against rating agencies, but no criminal or civil actions against rating agencies for deliberately misrating collateralized debt obligations. They conspired with banks and brokerage houses, and the Fed, to mislabel and misrate bonds. Trillions of dollars were lost and no prosecutions. Nobody goes to jail. They just neither admit nor deny and their firms pay a fine to get them off the hook that shareholders get to pay for. On top of these criminal acts the SEC and the FED allows 40 to 1 leverage for banks, brokerage houses and hedge funds. What absolute madness. The banks and brokerage houses are still using 40 to 1 leverage. Where is the up-tick rule for shorting? We still do not have it back. Then there is $1.3 quadrillion in derivatives. A failure of only 5% will wipe out the world financial system. The lurid tale goes on and on. It has to be stopped and the participants have to all be tried and thrown into jail. That moment is fast approaching and vengeance will be ours.

The number of home foreclosures in process and delinquent mortgages rose 16% in the second quarter to 2.9% of serviced mortgages and home retention actions, such as loan modifications rose 21.7%.

The Dow Jones Economic Sentiment Indicator fell for the first time in seven months to 34.1 in September from 35.5 in August.

As of 9/30/09, the FDIC is broke. It has admitted its DIF is negative. That means no bank accounts are insured.

The top four banks, JP Morgan Chase, Bank of America, Citigroup and Wells Fargo, now control 39% of American bank deposits, up from 32% before the collapse.

Amherst Securities says housing inventory is 7 million houses, not the consensus 2 to 3 million. 7 million is 1.4 times the number of houses currently sold in the country each year. This is the shadow inventory the banks won’t tell you about.

August personal income rose 0.2% as July was revised to 0.2%. Spending rose 1.3% and July was revised to 0.2%. Adjusted for inflation spending only rose 0.9% in August. The recovery isn’t happening as yet; at best growth is lethargic. Real disposable income rose only 0.1%.

Planned layoffs at US firms fell in September to 66,404 versus 76,456 in August. That is 30% lower than the 95,094 jobs last year. This brought the 3rd quarter figure to 240,233, the lowest since the first quarter of 2008.

August spending on construction projects rose 0.8%, the largest increase since September 2008, after a 1.1% drop in July of 0.2%. Year-on-year it was off 11.6%.

Pending sales of existing homes rose sharply, up 6.4% to 103.8, the largest month-on-month gain in history, or since 2001. This is the result of the issuance of a major number of subprime loans and the $8,000 credit for first time buyers.

Consumer loan late payments rose to 3.35% from 3.23% in the second quarter. Credit card delinquencies rose to 5.01%, the highest since 1974.

Late payments on home equity loans set records, rising to 4.01% from 3.52% on loans to 1.92% from 1.89% on lines of credit.

Commercial paper expanded for a 7th week as companies rebuilt inventories to meet demand in a gathering economic rebound. The CP market rose by $19.7 billion to $1.232 trillion. Asset-backed CP rose to $522.3 billion from $520.8 billion. Unsecured financial issuance rose $23.3 billion versus an increase of $14.4 billion in the prior week.

Former Fed Chairman Greenspan says Americans will have to both tighten credit and raise taxes in order for the economy to pull out of the worst recession since the 1930s.

What most pundits and commentators missed in the Jobless Claims report was this disturbing fact from the Bureau of Labor: States reported 3,275,213 persons claiming EUC (Emergency Unemployment Compensation) benefits for the week ending Sept. 12, an increase of 99,832 from the prior week. There were 1,559,198 claimants in the comparable week in 2008.

The goofy BLS Net Birth/Death Model, which has manufactured thousands of jobs in excess of last year's B/D rate, created only 18k jobs for September of 2008.

A court-appointed examiner investigating Lehman Brothers Holdings Inc.'s bankruptcy has been exploring whether the Federal Reserve improperly cut in front of other creditors owed money in the $613 billion bankruptcy case, records show.

The Federal Reserve and the New York Fed — which lent Lehman $46 billion in cash and securities before its bankruptcy filing last September — were paid promptly and in full, while tens of billions of dollars in other debts were left to be sorted out in court. It remains unclear when and how much Lehman creditors will be repaid…

Should the examiner determine that the Fed got preferential treatment, bankruptcy administrators could pursue court claims to recover assets for Lehman's creditors from the Fed.

Such a finding would have little legal precedent and could turn politically fraught, bankruptcy lawyers say. Yet it could bring a focus to one of the unresolved questions of the financial crisis: just how much special treatment the federal government receives above private-market players when it becomes a direct participant in the markets.

Yesterday, the US Treasury announced another $138B of debt auctions.

October 5: $30B of 26-week Bills and $30B of 13-week Bills; $7B of TIPS

October 6: $39B of 3s

October 7: $20B of 10s

October 8: $12B of 30s

Raising questions about the strength of this recovery, the pace of layoffs didn't slow much in September. Private-sector jobs in the U.S. fell 254,000 in September, according to a national employment report published Wednesday by payroll giant Automatic Data Processing Inc.

(ADP) and consultancy Macroeconomic Advisers.

The ADP loss is greater than the 240,000 drop projected by economists in a Dow Jones Newswires survey. The estimated change of employment from July to August was revised from a decline of 298,000 to a decline of 277,000.

The ADP survey tallies only private-sector jobs, while the Bureau of Labor Statistics' nonfarm payroll data, to be released Friday, include government workers. Economists surveyed by Dow Jones expect the BLS to report September job cuts totaling 175,000, down from 216,000 jobs lost in August. However, the ADP survey, along with other worse-than-expected data, suggests some economists may raise their estimate of job losses before Friday's number.

The Supreme Court set up a historic decision on gun control Wednesday, saying it will rule on whether restrictive state and local laws violate the Second Amendment right to gun ownership that it recognized last year.

The landmark 2008 decision to strike down the District of Columbia's ban on handgun possession was the first time the court had said the amendment grants an individual right to own a gun for self-defense. But the 5 to 4 opinion in District of Columbia v. Heller did not address the question of whether the Second Amendment extends beyond the federal government and federal enclaves such as Washington.

Most court observers say they think that the five justices who recognized the individual right will also find that the Second Amendment applies to state and local governments, a move that could spark challenges of state and local laws governing gun registration, how and when the weapons can be carried, and storage requirements.

Finance ministers and central bank governors of the Group of Seven (G7) nations may not issue a communique at the end of their meeting in Istanbul this weekend, two G7 sources said on Wednesday.

A decision not to release a communique could be seen as a sign of the G7's declining importance in policymaking. Traditionally, the group of the world's richest countries has issued a statement on the global economy after its meetings, often moving financial markets.

But the Group of 20 (G20) nations has supplanted the G7 during the financial crisis as the main forum for managing the global economy, as a summit of G20 leaders in Pittsburgh last week underlined. The G20 includes big developing economies such as China and India.

John Williams: 2nd-Q GDP Decline Narrowed in Revision (to -0.8% from -1.0%), but GNP and GDI Contractions Deepened (GNP to -1.0% from -0.8%, GDI to -2.6% from -2.1%) – Annual GDP Contraction Remained Worst of Post-World War II Era http://www.shadowstats.com/article/493

John Williams explains: Gross Domestic Income (GDI)" is the theoretical equivalent to the GDP, but it is not followed by the popular press. Where GDP reflects the consumption side of the economy and GDI reflects the offsetting income side. When the series estimates do not equal each other, which almost always is the case, the difference is added to or subtracted from the GDI as a "statistical discrepancy." Although the BEA touts the GDP as the more accurate measure, the GDI is relatively free of the monthly political targeting the GDP goes

through.

“Gross National Product (GNP)” is the broadest measure of the U.S. economy published by the BEA. Once the headline number, now it is rarely followed by the popular media. GDP is the GNP net of trade in factor income (interest and dividend payments). GNP growth usually is weaker than GDP growth for net-debtor nations. Games played with money flows between the United States and the rest of the world tends to mute that impact on the reporting of U.S. GDP growth.

The Street, US government and financial media reported and followed GNP until 1987 because at that time the US turned from a net creditor to a net debtor; and GNP sank on the outflows of cash.

‘Gross Domestic Purchases” declined 2.3% in Q2; ‘final sales to domestic purchases declined 0.9%. How did GDP get revised to -0.7% with income and sales declining far more? Government expenditures contributed 1.33 (federal +11.4); Imports contributed 2.09, exports subtracted .45, so trade provided 1.64.

‘Cash for clunkers’ and the first-time home buyers’ credit boosted GDP and will do so in Q3. But will the US economy expand at the Street’s forecast +2.6% rate for the second half of 2009?

Separate Commerce Department data on Wednesday showed that weak domestic and global demand meant second-quarter corporate profits after taxes rose 0.9 percent, much lower than the 2.9 percent estimated last month. They increased 1.3 percent in the first quarter.

Restaurant industry performance softened in August, as the National

Restaurant Association’s comprehensive index of restaurant activity posted a modest decline. The Association’s Restaurant Performance Index (RPI) – a monthly composite index that tracks the health of and outlook for the U.S. restaurant industry – stood at 97.9 in August, down 0.2 percent from July and its third decline in the last four months.

Activity in the U.S manufacturing sector expanded in September for the second consecutive month, another hopeful signal the U.S. economy is getting back on its feet.

The Institute for Supply Management, a private research group, reported Thursday that its index of manufacturing activity moved to 52.6 in September, remaining above the key level of 50. Readings above 50 point to expansion in activity, and those below 50 point to a contracting sector. In August, the index came in at a reading of 52.9 from 48.9 in July.

September’s reading was below the 54.0 figure economists polled Monday in a survey by Dow Jones Newswires expected to see. It appears the fundamentals for continuing recovery are still at work as inventories and sales are gaining balance, said Norbert Ore, who directs the ISM manufacturing survey. He added that while the rate of growth moderated slightly when compared to August, the recovery broadened as the number of industries reporting growth increased from 11 to 13.

The U.S. manufacturing sector has been one area of the economy that has offered hope the U.S. is close to a recovery. The sector has been seeing steady improvement for a good part of this year.

The ISM report also indicated the overall economy grew for the fifth consecutive month. For the balance of the year, Norbert said that we should see manufacturing holding at this level or improving.

Interestingly, though, he said respondents' tone is still somewhat negative, because one month does not make a recovery. They are in a wait and see mode. Overall, the details of the ISM report were still positive. The private research group reported its new orders index, a leading indicator of future activity, moved to 60.8 in September from 64.9 in August and 55.3 in July. It was the third consecutive month of growth in the index.

The production index hit 55.7 last month after 61.9 in August. The inventories index was 42.5 in September from 34.4 in August.

The lower level of orders and productions are consistent with sustained growth going forward, Norbert said.

Hiring remained weak, with the index still below 50, in contractionary territory. The employment index stood at 46.2 last month from August's 46.4 and after July's 45.6. Ore said that jobs will come later as companies focus on productivity.

Meanwhile, the inflation reading remained above 50, with the prices index at 63.5 after 65.0 a month before.

A forecasting gauge of housing-market activity rose more than four times as much as was expected in August as the housing market continues a slow climb out of its long slump.

The National Association of Realtors' index for pending sales of previously owned homes spiked 6.4% to 103.8 in August from 97.6 in July, the industry group said Thursday. The increase marks the seventh consecutive rise in pending home sales.

Analysts surveyed by Dow Jones Newswires had expected pending sales would rise by 1.5%. The NAR pending home sales index in August was 12.4% higher than the 92.4 it was in August 2008 and is at its highest level in more than two years.

The latest rise in pending home sales shows buyers are returning to the market and signing contracts, said Lawrence Yun, the NAR's chief economist. Still, he noted long delays related to short sales and new appraisal rules are keeping some deals from closing.

There is likely to be some double counting over a span of several months because some buyers whose contracts were canceled have found another home and signed a new contract to buy, he said.

The NAR index is based on pending sales of existing homes, including single-family homes and condominiums. A home sale is pending when the contract has been signed but the transaction hasn't closed. Pending sales typically close within one or two months of signing.

Pending sales historically have been a reliable leading indicator of actual sales of existing homes.

By region, seasonally adjusted pending sales in the Northeast climbed 8.2% in August from July, reaching a level that is 12% higher than it was in August 2008. Midwest activity rose 3.1% in August from July; it has risen 7.6% since August 2008. Activity in the South crept up

0.8% in August from July; activity there has risen 8.2% since August 2008. In the West, pending sales surged 16% in August from July; they've risen 22.3% since August 2008. In its October forecast on the industry, the NAR upgraded its projections, estimating existing-home sales would hit 4.98 million this year and climb to 5.43 million in 2010. That compares with 4.91 million in 2008 and 5.65 million in 2007.

The median price for an existing home is seen at $172,700 in 2009 and $179,400 in 2010. It was $198,100 in 2008.

The number of U.S. workers filing new claims for jobless benefits increased more than most economists predicted last week – a sign that that labor market is still slow to heal. Total claims lasting more than one week, meanwhile, declined.

Initial claims for jobless benefits rose 17,000 to 551,000 in the week ended Sept. 26, the U.S. Labor Department said in its weekly report.

Economists surveyed by Dow Jones Newswires had expected a rise of only 5,000.

The previous week's level was revised from 530,000 to 534,000.

The four-week moving average of new claims, which aims to smooth volatility in the data, fell by 6,250 to 548,000 from the previous week's revised figure of 554,250.

Spending by U.S. consumers climbed in August by the most since 2001, indicating the biggest part of the economy is starting to rebound from its worst slump in almost three decades.

The 1.3 percent increase in purchases was larger than forecast and followed a 0.3 percent gain in the prior month that was bigger than previously estimated, Commerce Department figures showed today in Washington. Incomes climbed 0.2 percent for a second month and inflation decelerated.

After months of effort, the Treasury Department completed its first two deals on Wednesday to buy up distressed assets from banks in partnership with private investment firms. But even though the government is providing by far the largest share of the financing, its effort to mop up troubled assets from banks got off to a slow start, The New York Times's Edmund L. Andrews writes. Only two of nine money-management firms that the Treasury selected in early July have raised the minimum amount of private capital to qualify for matching federal money.

The two firms, Invesco and the TWC Group, each raised slightly more than the minimum requirement of $500 million in private money. The Treasury is matching that with its own investment of $500 million, and it will lend each of the "public-private investment funds" $1 billion.

A new poll by Consumer Reports shows that most American parents will either hold off on vaccinating their children against the H1N1 (swine flu) virus or won't vaccinate them at all.

Nearly 2/3 of the parents who responded to the poll said that they'd either wait or refuse the vaccine. 50% said that they would wait to vaccinate their children, mostly due to concerns about side effects of the vaccine. 35% said that they would definitely vaccinate their children. 43% of the parents said that they weren't overly worried about their children

contracting H1N1, and an equal amount said that other parents were overreacting.

The Transportation Security Administration plans to install 150 security machines at airport checkpoints that enable screeners to see under passengers' clothes.

The installation will vastly expand the use of the controversial body scanners, which can reveal hidden bombs and knives. But the devices have been labeled as intrusive by some lawmakers. The House of Representatives in June overwhelmingly passed a measure that would restrict their use by the TSA to passengers flagged by other types of screening, such as metal detectors. The measure is pending in the Senate.

TSA spokeswoman Kristin Lee said the machines are "critical" to stopping terrorists with homemade bombs that may elude metal detectors. The agency hasn't decided which airports will get the machines, Lee said.

The $100,000 scanners shoot low-intensity X-rays that penetrate clothing, bounce off a person's skin and create images that show solid objects as dark areas. The TSA machines have privacy additions to create images that look like etchings. Screeners view them on a monitor in a locked room near a checkpoint and delete them immediately after viewing.

"Body imaging is a total invasion of privacy," said Rep. Jason Chaffetz, R-Utah, who proposed the restriction. "You don't need this kind of scrutiny."

Although the machines use X-rays, a 2003 report by the National Council on Radiation Protection & Measurements, which Congress created to develop radiation guidelines, said people can safely be scanned by the machines up to 2,500 times a year.

"Imaging technology is safe," Lee said.

The TSA used $25 million from the federal stimulus package to buy the scanners from California-based Rapiscan Systems. The agency is using an additional $22 million to buy 500 upgraded machines that scan bottles for liquid explosives.

The TSA has been testing scanners since early 2007, mostly on passengers who set off a metal-detector alarm and are taken aside for additional screening. The new scanners will be installed beginning early next year and will be used in place of metal detectors at checkpoints.

Passengers may choose to avoid the scanners and be screened by a metal detector, but those who do will be pulled aside for a pat-down, Lee said.

American Civil Liberties Union lawyer Christopher Calabrese said using the scanners in place of metal detectors "is unquestionably a step in the direction of having these machines be mandatory."

Factory goods orders fell in August, brought down by a lower demand for airplanes and snapping a string of increases in a sign manufacturing's recovery from recession will be fitful.

Orders dropped a more-than-expected 0.8%, the Commerce Department said Friday. Wall Street predicted a 0.6% drop. July orders rose 1.4%, revised from a previously estimated 1.3% gain. Non-defense capital goods orders excluding aircraft fell 0.9% during August. The

orders are seen as a barometer of capital spending.

Durable goods dropped more than first thought, down 2.6%. Last week, a preliminary estimate said durables fell 2.4%. Durables are expensive goods made to last at least three years, such as cars.

August non-durables rose 0.8%, perhaps reflecting higher petroleum prices.

The 0.8% decline in overall orders marked the first drop since March. August unfilled orders, a sign of future demand, fell an 11th month in a row, decreasing 0.4%. Shipments of all factory goods dropped 0.3%.

Job losses accelerated last month and the unemployment rate climbed to the highest level since 1983, stark reminders of how the worst financial crisis in a generation may undermine consumer spending and economic growth in the months ahead.

The figures from today's Labor Department report sent stocks tumbling for a fourth day and yields on benchmark 10-year notes to the lowest level since May. The report underscores forecasts for the Federal Reserve to keep its benchmark interest rate near zero through next year, and may spark calls for stronger government efforts to shore up jobs.

You will see the economy pulling back, Richard Yamarone, head of economic research at Argus Research Corp. in New York and most accurate forecaster surveyed for the payrolls loss, said in a Bloomberg Television interview. Payrolls may not return to their previous peak for years to come, he added.

Payrolls dropped by 263,000 in September, exceeding the median forecast in Bloomberg's survey, with losses extending from cash-strapped state and local governments to retailers to builders, today's report showed. The jobless rate rose to 9.8 percent from 9.7 percent in August, while working hours matched a record low.

We lost 6 million jobs over 8 years and since the "official" start of the recession 12/07, we called it in 2/07, officially 7.6 million jobs have been lost. The government says unemployment is 15.1 million. Manufacturing unemployment fell 51,000; services lost 147,000 and goods producing industries cut 116,000, as free trade and globalization continued to take its toll. Education and health only added 3,000 jobs, and government jobs fell 53,000.

Auto sales, post clunker, crashed 23% in September. GM and Chrysler fell 45% and 42%.

Meredith Whitney says credit is still contracting for small business and that government needs to provide more support. That probably means a CIT bailout. The problem is lack of credit at an accelerating pace. This year credit card lines have been cut to business by 25%. She sees another $1.5 trillion in credit card lines being cut. She says that this trend is particularly significant given that credit cards are the most common source of liquidity for small businesses, used by 82% as a significant position of overall funding.

The Economic Cycle Research Institute's US Future Inflation Gauge rose to 90.6 in September from 89.7 in August. Inflation began its current upswing in May and relentlessly is moving higher.

The number of lenders that cannot collect on at least 20% of their loans has hit an 18-year

high.

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