

***PA – missing***

***BB- too narrowly focused, (housing and capital flows and how it created the credit and housing bubble) process being subverted.***

***PA – strong statements on making sure people understand.***

***Using a chronology.***

***DHE – first outline is in question. This is how he thinks about the problem. Feels he has logged this in – Keith’s outline captures***

***Keith – proposes his as a substitute to current outline. At last***

***October – proposed this structure for the hearings. His***

***perception that this would be a logical structure for the hearings.***

***JWT – don’t start with capital flows – start with housing. Attack on Phil for change of structure of hearings.***

***June – 19 areas. What are reasonable baskets – then outline – circulated.***

***BB: back to the process. Abuse***

***BT: American U – core things- discussion.***

***DHE – likes Keith – connects different pieces of the economy.***

***JWT – leans toward Keith approach***

***BG – can’t offer an opinion without more study. Echo BB.***

## **Level 1 outline**

### **1. Preface**

### **2. Capital flows**

*There was a credit bubble.*

### **3. Housing & housing finance**

*There were bad loans.*

### **4. Creation of toxic assets**

*There were bad financial assets and complex securities.*

## 5. Behavior at [large] financial institutions

*Those bad assets were concentrated and caused institutions to fail.*

## 6. Failures of [large] institutions [& policy reaction to them]

*Some of those institutions failed & policy reacted to prevent more anticipated failures.*

## 7. Failures of markets [& policy reaction to them]

*Certain markets shut down.*

## 8. Institution and market failures tanked the economy

*There was a severe recession.*