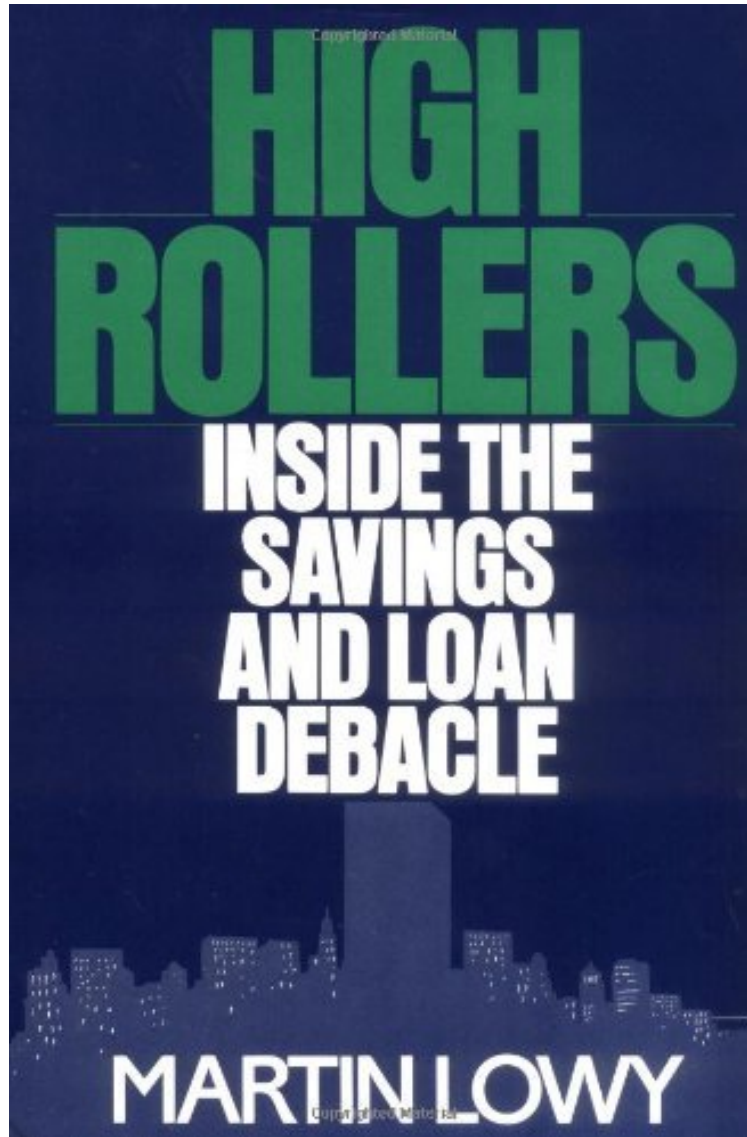


High Rollers: Inside the Savings and Loan Debacle

Martin Lowy

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Martin Lowy : High Rollers: Inside the Savings and Loan Debacle before purchasing it in order to gauge whether or not it would be worth my time, and all praised High Rollers: Inside the Savings and Loan Debacle:

1 of 1 people found the following review helpful. Objective and Broad in Scope By Craig Clotfelter This book rather rigorously breaks down how the SL crisis occurred. It also breaks down some rather technical points and tries to present them in a manner understandable for the reader. I would admit that it may come across as a little dry and detailed for some. On the other hand, those familiar with the technical aspects of the lending and financing topics may find that same material a bit remedial. I do think that this is the best book I have read that addresses the crisis from a policy

perspective. It starts with the foundation of the SL industry and the policies put in place (and in some cases the lack thereof) that lead to its crippling collapse. It does an excellent job of detailing blame/cause but also suggests inevitability at the same time. The author does present, at various stages of the crisis, what-ifs? This presentation was done well as it was 'salted' with the feasibility of implementing these what-ifs at the time. The author has a gift of constantly putting the various topics and issues into their proper perspective. As an example, the author noted that the outright fraud committed by institutions prior to insolvency was comparatively small compared to the overall number of institutions that were failing and ultimately did fail. I would strongly urge all of those in the policy and regulatory aspect of the financial services industry (even those outside of banking and lending) to read this book as a good primer on causes of financial crises and policy (and political) steps that can exacerbate rather than resolve a situation. As the author points out repeatedly (and with well supported and sounded arguments), the crisis may not have been avoided altogether, however it could have been minimized substantially. Unfortunately, because of lack of political will, lack of technical understanding and a fundamental failure to truly appreciate human nature, the outcome was not inevitable, but doubtless. I would argue this is a must-read for congressional staffers, policy makers, regulators and any law enforcement agencies whose work involves them in the financial services sector as well as those in middle to upper level management of financial services companies.

2 of 2 people found the following review helpful. Simply excellent review of the SL Debacle By Nick CI doubt this book sold many copies when it came out in 1991. As Lowy notes the issue is too dull and complex for most people to care about. However his history of such quality -drilling down into the issues and more importantly personalities involved in the scandal- that those with even a passing interest should read this book. Well done! 1 of 1 people found the following review helpful. excellent, detached overview By Customer This is really a great description of the SL debacle. He explains the roots of the failure (government-set maximum mortgage rates *below* the price of capital), the shenanigans to try to keep the walking dead alive in spite of guaranteed negative returns, plus the overall background of lending for property development. Extremely educational and a great background for the repeat performance happening now in the mortgage lending industry.

Lowy avoids the easy answers, like blaming it on fraud and greed, and explains how something of this magnitude could occur under the noses of those who should have protected the taxpayer. Paul M. Horvitz, University of Houston Market forces, not scoundrels, destroyed the savings and loan business. So says Martin Lowy in what is truly an inside look at the savings and loan crisis. Drawing upon his experience as a practicing attorney, bank officer, and savings and loan director, Lowy provides an expert account of the problems that have overwhelmed the nation's savings institutions and their government regulators. High Rollers is the first book on the SL crisis that provides an analytical groundwork for technical and nontechnical readers--so that both can comprehend what happened. Lowy's clear, readable style allows him to quickly describe the origins of the problems in new market forces and new technologies, and how the problems grew out of control as a result of regulatory mistakes and congressional inaction. Even his discussions of real estate lending practices and accounting issues are, in the words of Professor Horvitz, both clear to the novice and instructive to the professional.

From Kirkus sA technocrat's thoughtful, informative assessment of the varied factors that brought America's savings-and-loan associations to costly grief. Where other annalists have focused on the venal buccaners whose predations became a public scandal, Lowy, an attorney, offers a back-to-basics rundown on the deep-rooted origins of a convulsive crisis. In the process, he dismisses easy-answer notions that either fraud or junk bonds were primary causes of the SL industry's perdurable problems, and documents just why it is ``the boom, not the bust, that does the damage." He also makes a strong case for the proposition that regulatory accounting rules designed to help troubled associations weather interest-rate storms had the unintended consequence of encouraging risky lending practices. And Lowy does not shy from assigning blame for the thrift crackup, casting a cold eye on Capitol Hill. Among other shortcomings, the author says, Congress refused to accept the reality that deposit insurance without effective oversight is a recipe for disaster. Nor do accommodating auditors escape unscathed. As a practical matter, Lowy charges, they've largely failed to provide an accurate count on the financial condition of thrift institutions. His own proposal for reform of an industry whose recovery prospects he views as bleak at best center on apolitical simplification of the regulatory system's complexities. Given the fact that even solvent operators resist big budgets for agencies empowered to liquidate them, however, the author's recommendations look like candidates for early retirement. A savvy, low-key primer that earns top marks as a thinking person's analytic guide to the making of a fiscal quagmire. -- Copyright copy;1991, Kirkus Associates, LP. All rights reserved. "In the burgeoning cottage industry of books explaining why it's no longer A Wonderful Life' in Bedford Falls, Martin Lowy, a veteran attorney, bank regulator and savings and loan director manages to look past the mirrors concealing the fundamental causes of a multi-decade thrift mess that will cost taxpayers at least \$200 billion."-The Wall Street Journal"A savvy, low-key primer that earns top marks as a thinking person's analytic guide to the making of a fiscal quagmire."-Kirkus s"Add to the many ponderous or popularly written tomes on why America's thrift institutions failed this very reasoned explication of the mess, written by a lawyer and banker."-Booklist"It's hard to find a clear, knowledgeable and impartial analysis of the savings and loan mess, and

Martin Lowy has done us all a favor by providing just that."-The New York Times Book ?A savvy, low-key primer that earns top marks as a thinking person's analytic guide to the making of a fiscal quagmire.?-Kirkus s?Add to the many ponderous or popularly written tomes on why America's thrift institutions failed this very reasoned explication of the mess, written by a lawyer and banker.?-Booklist?It's hard to find a clear, knowledgeable and impartial analysis of the savings and loan mess, and Martin Lowy has done us all a favor by providing just that.?-The New York Times Book ?In the burgeoning cottage industry of books explaining why it's no longer A Wonderful Life' in Bedford Falls, Martin Lowy, a veteran attorney, bank regulator and savings and loan director manages to look past the mirrors concealing the fundamental causes of a multi-decade thrift mess that will cost taxpayers at least \$200 billion.?-The Wall Street Journal"High Rollers really gets to the heart of the SL problem. I recommend it to anyone who would like to understand what happened."-Lewis Ranieri Chairman United Savings Association of Texas"This is by far the best of the nonacademic books on the SL mess. The book is both informative and readable. I started reading it and found it difficult to put down until I had finished it."-George G. Kaufman John F. Smith, Jr. Professor of Finance and Economics Loyola University"Lowy avoids the easy answers, like blaming it on fraud and greed, and explains how something of this magnitude could occur under the noses of those who should have protected the taxpayer. I have read all of the books about the SL collapse and this is the best."-Paul M. Horvitz Judge James A. Elkins Professor of Banking and Finance University of Houston"High Rollers is the best book in the field without question. It is well written and makes really good sense. Lowy explains events clearly, makes complex relationships understandable, and presents a balanced, very readable story of this sorry situation that is a joy to read and a pleasure to recommend to those who want to know."-George Benston John H. Harland Professor of Finance Emory University

About the Author
MARTIN LOWY is a banker and lawyer with 25 years of experience in thrift institution law, management, and regulation. As a lawyer he has represented thrift institutions, bank trade associations, and accounting firms, as well as the New York State Superintendent of Banks and the Federal Deposit Insurance Corporation in failing bank situations. He served as Vice Chairman of Dollar Dry Dock Bank from 1986 to 1989, and currently is Counsel to the New York law firm of Rosenman Colin.