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Millions of jobs and homes were lost as a result of the global financial meltdown in Fall 2008. The “mortgage boom” was one of the surprising events and important to talk about. the mortgage boom led the US towards debt burden and how money is created out of nothing. House prices rose continuously during the housing boom until the Great Recession hit.

Deregulation enabled people to buy houses for a very small down payment, meanwhile, the value of the property increased so quickly that they could gain significant profits on a turnaround within months. The housing market collapsed because people took advantage of this opportunity. On the other hand, financial institutions were making fake AA or AAA ratings. These fake ratings led the global financial system to be paralyzed with no one able to borrow money which is also mentioned is video.

The recession accelerated and spread across the globe due to this crisis and many of the people lost their jobs. Specifically, it explains the events that led from a government-regulated financial industry to a deregulated one, which allowed financial institutions to make risky investments, and how they dominate the market with derivatives, collateralized debt obligations, and Internet Stocks. As a result of deregulation, the housing market has boomed and raised which is so surprising.

High rates of subprime loans cause predatory lending to become popular, and investment companies begin borrowing money to buy loans and then turn them into CDOs which is also mentioned in the video. With credit default swaps, people can speculate on the market by putting faulty ratings on CDOs that they do not own; many companies and brokers are speculating through faulty ratings. When big investment firms run out of money and declare bankruptcy, the ratio of borrowed money to assets increases rapidly. A part of the Great Recession was the financial sector of the United States, as well as the culture. Our culture relies heavily on credit. It's how people buy cars, houses, and college education. The majority of people rely on credit cards and spend money that they haven't yet earned.

Based on things explained in this video, my point of view is the same. Everything related to investments are risky and inorder to gain something we need to take risk. we should always be prepared to predict the bad outcomes and try to avoid them as much as we can. As we can acknowledge, there were several warnings about crisis so we can understand when to quit and when to re-invest. Knowing these information with details and based on course knowledge will benefit us in future for making better decision if it comes to investing.

At the end of the day, we can conclude and learn that the main reason for the financial crisis was the deregulation of the industry, which allowed financial institutions to act according to their own interests So It is recommended that strong actions are need to be taken against those who are responsible for this crisis, but it is unfortunate to see that those people and institutions are still in power.

**Work Cited**


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