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## \$2,423,000,000,000 in Wall Street Leverage Fueled by JPMorgan Chase, Wells Fargo, Bank of America and Other ‘Too Big To Fail’ Banks: Report

Daily Hodl Staff

September 27, 2024

FINTECH

REGULATORS



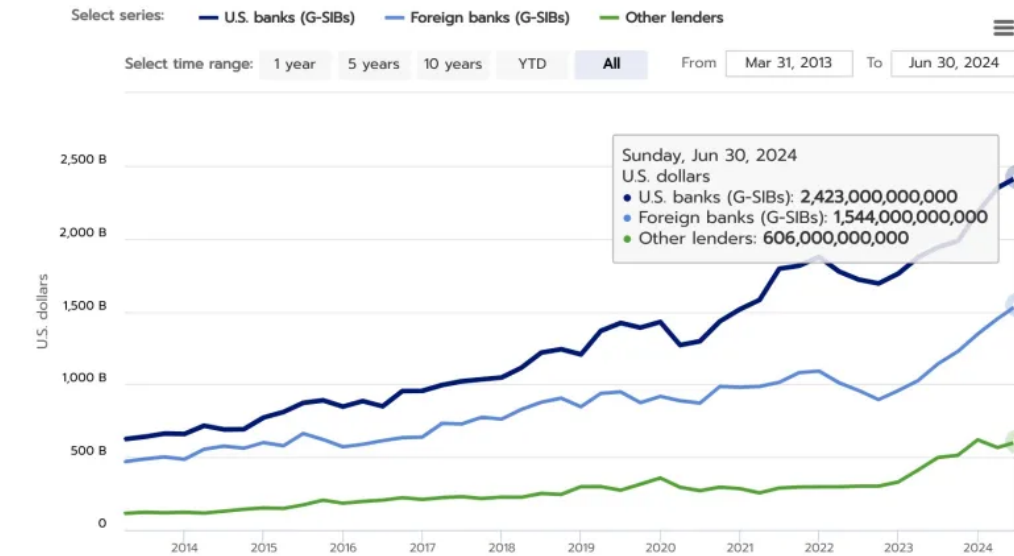


JPMorgan Chase, Wells Fargo, Bank of America and other systemically important US banks are now financing \$2.423 trillion in leveraged bets on Wall Street, according to new numbers self-reported by the industry.

The Financial Industry Regulatory Authority (FINRA) says data updated through the end of June shows the big banks' total margin loans to hedge funds are at a record high, according to numbers dating back to March of 2013.

Both US and foreign banks are fueling large levels of leverage in American markets, with foreign systemically important banks financing an additional \$1.544 trillion in margin debt.

### Borrowing by counterparty type (U.S. dollars)



Source: [FINRA](#)

Margin debt played a major role in the 2008 financial crisis, as outlined in a 2014 [study](#) from the Federal Reserve Bank of San Francisco.

*“Hedge funds may be the most important transmitters of shocks during crises, more important than commercial banks or investment banks...”*

*Hedge funds are opaque and highly leveraged. If highly leveraged hedge funds are forced to liquidate assets at fire-sale prices, these asset classes may sustain heavy losses. This can lead to further defaults or threaten systemically important institutions not only directly as counterparties or creditors, but also indirectly through asset price adjustments.*

*One channel for this risk is the so-called loss and margin spiral. In this scenario, a*

*hedge fund is forced to liquidate assets to raise cash to meet margin calls. The sale of those assets increases the supply on the market, which drives prices lower, especially when market liquidity is low. This in turn leads to more margin calls on other financial institutions, creating a downward spiral.”*

Lawmakers tackled margin debt in several ways in the aftermath of the 2008 financial crisis.

New legislation imposed stricter leverage and capital requirements on banks while limiting their ability to conduct proprietary trading using their own capital.

In addition, the Dodd-Frank Act required financial firms to use clearinghouses that post collateral and act as a middleman on both sides of the transaction, a process designed to increase transparency and mitigate the risk of one party defaulting.

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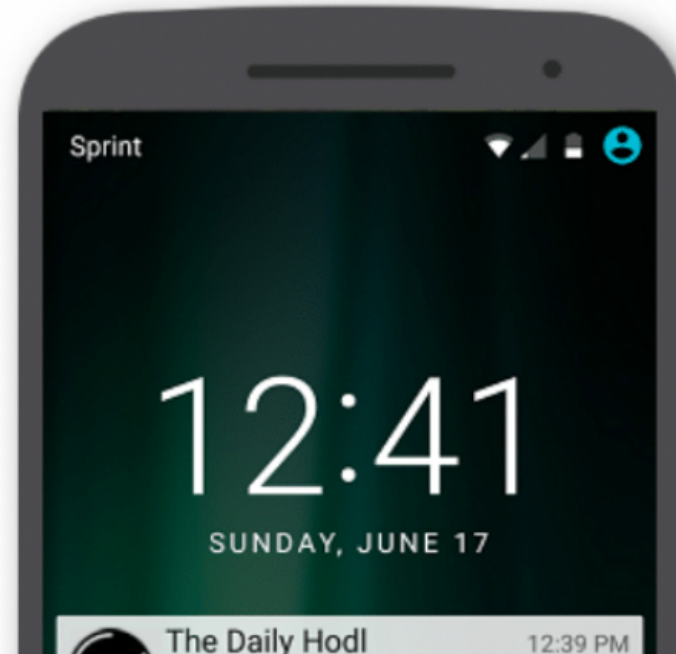
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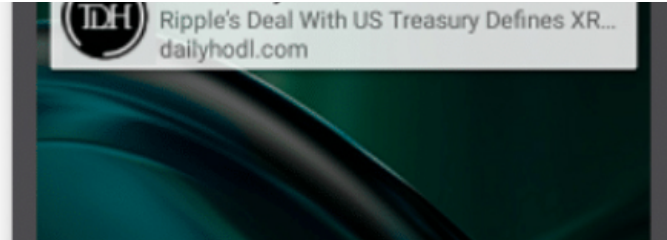
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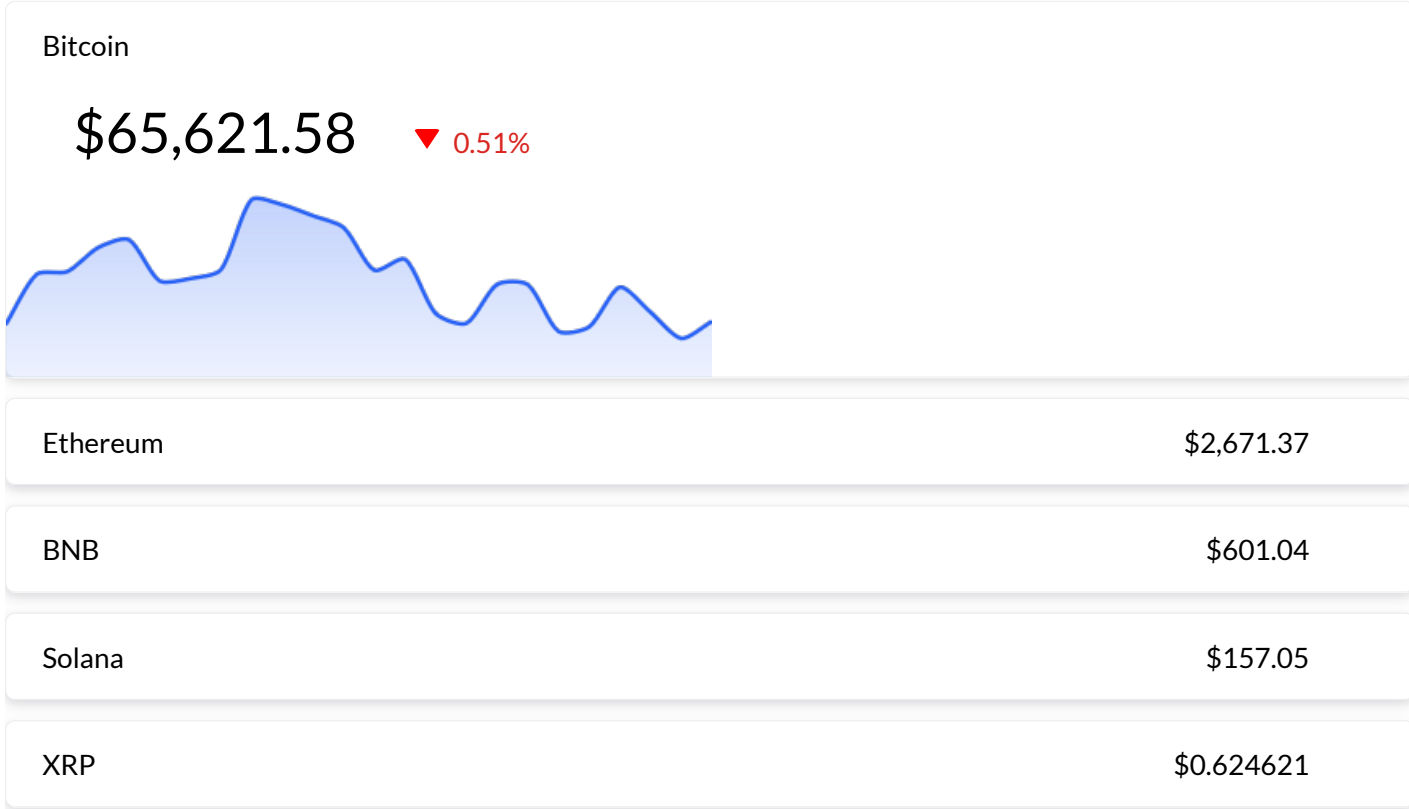
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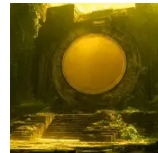
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Featured Image: Shutterstock/Billion Photos

# \$3,000,000 To Be Handed Out With No Strings Attached as US Nonprofit Powers Guaranteed Income Program for Artists

Mark Emem

September 27, 2024

FINANCEFLUX



A US nonprofit says it's preparing to hand out \$3 million to people struggling to make ends meet.

The Springboard for the Arts nonprofit **says** it is extending Minnesota's Guaranteed Income for Artists pilot program to a period of five years.

Participants in the program will be drawn from two counties in the North Star State

and will receive no-strings-attached monthly payments of \$500 for the five-year period.

*“This addition will bring the total to 100 participants, evenly split between St. Paul and Otter Tail County, cementing its position as the only guaranteed income program in the nation to include rural artists.”*

The nonprofit says participants in the Guaranteed Income for Artists pilot program will receive various support services besides the payments.

*“As part of a new partnership with LSS Financial Counseling, Springboard for the Arts will also provide all pilot participants with “wrap-around” services – a comprehensive set of support resources that build long-term economic stability and financial well-being. These include personal finance guidance, student loan debt assistance, and housing counseling.”*

Potential beneficiaries of the guaranteed income program will be randomly selected from the pool of applications that will be received. The **deadline** for submission of applications for the additional 25 artists is November 15th. Beneficiaries will begin receiving the no-strings-attached monthly payments in January, **according** to The Minnesota Star Tribune.

Minnesota’s Guaranteed Income for Artists pilot program is funded by the Bush Foundation, Kresge Foundation, McKnight Foundation and other private foundations, according to Springboard for the Arts.

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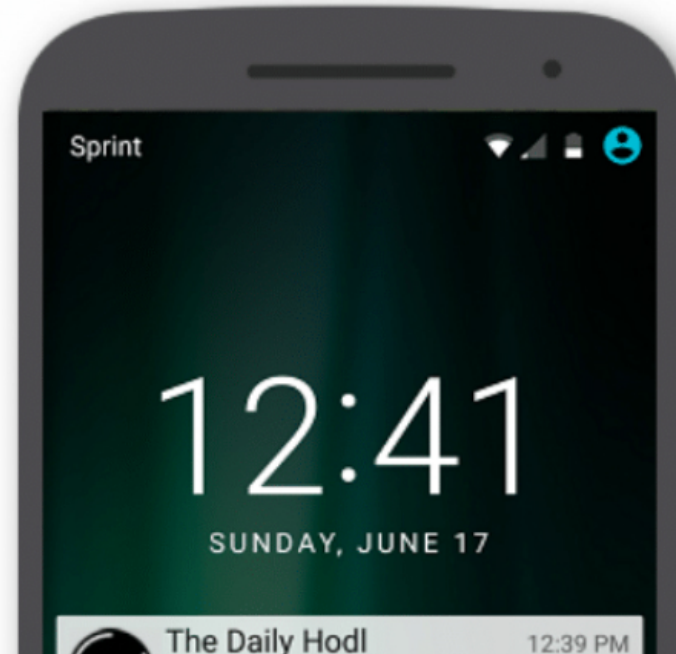
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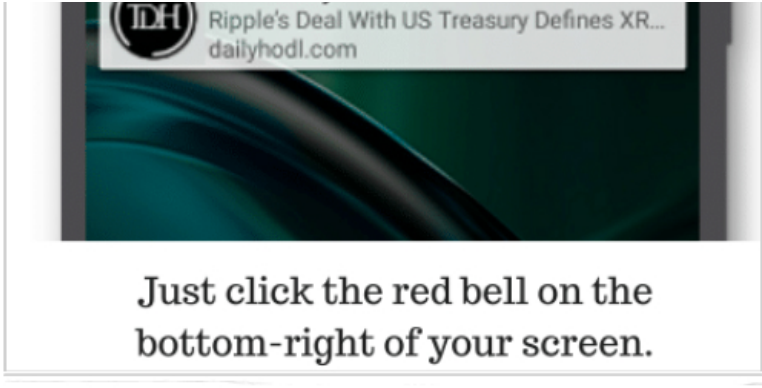


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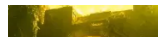
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Ethereum	\$2,678.17
BNB	\$600.57
Solana	\$156.88
XRP	\$0.625544

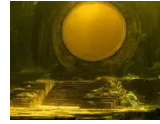
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