



## ‘Another Scandal’: Biden Admin ‘Radicals’ Blocked SVB Sale, Nationalized It, Then Blamed Trump For Collapse

### Description

USA: Instead of spending taxpayer dollars to nationalize Silicon Valley Bank, a private buyer favored by the Treasury and the Federal Reserve had emerged, **only to be nixed by FDIC Chairman Martin Gruenberg**, according to the *Wall Street Journal*, citing a source with knowledge of the situation.



***Instead the regulators offered solutions that bail out even uninsured bank depositors and other banks at unknown costs that Mr. Biden isn't acknowledging. –[WSJ](#)***

Kevin Hassett, former Chairman of the Council of Economic Advisers under Trump, told *Fox Business* that **“there were buyers who were willing to step in & buy [SVB, but] the radicals at the @FDICgov basically weren't going to allow that to happen ... the Biden Admin had a whitelist of companies that were allowed to buy the failed bank & companies that weren't.”**

“If this is true,” said *Grabien* founder Tom Elliott, “**then this is another Biden scandal.**”

If this is true, and the WSJ is also reporting it, then this is another Biden scandal. Rather than letting the free market resolve a somewhat ordinary bank collapse, they used the opportunity to nationalize SVB, using tax money to ensure their campaign donors were made whole. <https://t.co/TKtvR0eUQQ>

— Tom Elliott (@tomselliott) [March 14, 2023](#)

While most banks have hedged their interest-rate risk and diversified their deposits, SVB and Signature bank **did not – yet, President Biden is of course blaming former President Donald Trump** for modifying certain rules from the 2010 Dodd-Frank act in the 2018 bipartisan banking law, which raised the threshold to classify financial institutions as ‘systemically important’ (Sifi) from \$50 billion in assets to \$250 billion.

Yet, as the *Journal* notes, **Barney Frank, co-author of Dodd-Frank, thinks that’s BS**, as the entire point of the 2018 legislation was to reduce costly compliance on mid-size banks so they could be more competitive with the giants – the latter of which benefit from a lower cost of funding due to their implicit government backstop. In short, the Dodd-Frank legislation was driving more deposits to large banks, while mid-size banks forced to comply with the same regulations were at a disadvantage.

The 2018 law **did not** excuse mid-sized banks from performing quarterly liquidity stress tests to ensure they could withstand “adverse market conditions,” and “combined market and idiosyncratic stresses,” such as interest-rate shocks. Mid-sized banks must also maintain a liquidity buffer of “highly liquid assets” such as Treasuries and MBS.

### Something deeper afoot?

Biden’s blame game aside, **crypto VC Nic Carter has some very interesting thoughts on what went down** in regards to the shuttering of Signature Bank, calling it a “Colossal scandal.”

Dear God. Barney Frank openly admits that Signature was arbitrarily shuttered despite no insolvency because regulators wanted to kill off the last major pro-crypto bank. Colossal scandal <https://t.co/Sa25w6Au7b> [pic.twitter.com/gLuiybHepS](https://pic.twitter.com/gLuiybHepS)

— nic carter ? (@nic\_\_carter) [March 13, 2023](#)

*Continued;*

Heard this independently from other sources as well. I suspected as much last night but confirmed today. Signature was executed last night not due to any runs but as a political scalp, intended to be veiled by the fog of war.

Apparently even FDIC was surprised when it was dropped into their hands. The claimed justification was Signatures Signet product, which was perceived to be “systemic”

**My conclusion is that politicians like Liz Warren together with regulatory bodies fragilized crypto banks and encouraged runs against them, then used withdrawals as a pretext to close them down**

What was meant to be a surgical operation became a massive banking crisis.

Lastly, if you don't think Barney Frank has a reliable read of the situation – the ‘Frank’ in Dodd Frank, former chair of the House Financial Services Committee, I can't help you

— nic carter ? (@nic\_\_carter) [March 13, 2023](#)

by Tyler Durden

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