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*Making It Happen*

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**Book Excerpt**

**House of Cards:  
A Tale of Hubris and Wretched Excess on Wall Street**  
**By William D. Cohan**

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On March 7, *BusinessWeek* made it clear that the trouble in the subprime mortgage industry was spreading rapidly. “The canaries in the coal mine are keeling over fast,” the magazine observed, noting that “at least 25 subprime lenders” had gone out of business, declared bankruptcy, put themselves up for sale, or announced significant losses. “Now there’s evidence that the pain is spreading to a broad swath of hedge funds, commercial banks and investment banks that buy, sell, repackage and invest in risky subprime loans.” The magazine quoted Jim Grant, the respected author and publisher of *Grant’s Interest Rate Observer*, that the market was “starting to wake up to the magnitude of the problem” and had entered what Grant called “the recognition stage.” Terry Wakefield, the head of a mortgage-industry consulting firm, was even more blunt: “This is going to be a meltdown of unparalleled proportions. Billions will be lost.”



Cohan, William D. *House of Cards: A Tale of Hubris and Wretched Excess on Wall Street*. New York: Doubleday, 2009: 320.