The U.S. Department Of Energy Has Turned Into A Predatory Lender Operating Against The Public?

By Anston Conners

Your tax dollars pay for the U.S. Department of Energy (DOE) to exist but if you want to get some of your tax money on loan to help the public by building electric cars or energy efficient homes you have to PAY DOE to even file an application and it will almost always not be approved.

You will have to spend enough of your own money to buy a house in Wisconsin, and over year of your life, to find out that the money you hoped to get was only hard-wired to political insiders.

Per DOE: ***You have to pay the government between $150,000.00 and up to $400,000.00 to even look at your loan application.***

Contrast this with the fact that DOE has demonstrated, for over a decade, that it will reject all applicants who are not friends or financiers of Obama.

Additionally, contrast this with the fact that a commercial bank charges nothing, or less than $500.00, for the same application process and takes 2-3 weeks instead of 2-5 years as DOE dies!

Contrast this with the fact that Obama's friends at Tesla, Fisker and Solyndra were simply handed funds from this account with almost no review or up-front 'fees'.

Read the specs at these links:

Renewables/Energy Efficiency solicitation, page 18-19: https://www.energy.gov/sites/prod/files/2015/12/f27/DOE-LPO_REEE_Solicitation_03-Jun-2014.pdf and Fossil solicitation, Supplement 1: https://www.energy.gov/sites/prod/files/2015/12/f27/DOE-LPO_ADV-FOSSIL_Supplement-01_8-Jul-2014.pdf

DOE has now *legally* defined itself as a "BANK" but it is not regulated as a BANK! DOE holds a monopoly on certain types of financing in violation of anti-trust laws. If Elon Musk, an Obama financier, tells his partners inside of DOE to not fund you, you don't get funded!

The communications from DOE, the videos of DOE staff from presentations, the communications with others, the actions of DOE, the statements by those who have interacted with DOE, the documents produced by DOE and other material, legally define DOE as an entity offering "*Financial Offerings such as a Bank".*

DOE is engaging in "Predatory Lending" which is supposed to be regulated by Federal and State laws, rules and regulations.

By definition, predatory lending benefits the lender and ignores or hinders the borrower's ability to repay the debt. These lending tactics often try to take advantage of a monopoly finance position which the lender created. A number of banks have been sued by the U.S. Government for such practices. DOE used systems, as discussed in former Tesla head Darryl Siry's article: https://www.wired.com/2009/12/doe-loans-stifle-innovation/ to become the ONLY source of domestic auto and energy product financing by the way DOE "arranged things". They created, working with the National Venture Capital Association (A predominantly DNC-controlled entity) the ONLY banking route and became THE ONLY BANK in high tech cars and alternative energy.

Standard banking practice holds precedent that a $100M business loan application takes three weeks, or less, to approve or deny, has few, if any fees required to process it and that the Federal Government never charges it's constituent taxpayers, on average, more than $100.00 for any federal financing instrument.

DOE appears, by it's actions, to now be violating numerous banking laws, ethics and standards and inflating process, fees and standards to protect our competitors and using our tax dollars to do so. The previous applicants will confirm these assertions.

Predatory Lending Practices

What constitutes a predatory lending practice? A number of actions are often cited as such — including a failure to disclose information or disclosing false information (such as the fact that DOE did NOT disclose that applicants direct competitors are the "loan reviewers" AND beneficiaries; that the money was "hard-wired to Tesla, Ener1, Fisker, etc;) and, that DOE uses risk-based pricing and **inflated charges and fees**. There are other predatory practices such as loan packing, loan flipping, asset-based lending and reverse redlining in use by DOE staff.

These practices, either individually or in concert with each other, create a cycle of debt and corruption that causes severe financial hardship on any applicant who is not a DNC insider. Here are some predatory lending practices that many are concerned about:

Inadequate or False Disclosure

The lender hides or misrepresents the true costs, risks and/or appropriateness of a loan's terms, or the lender changes the loan terms after the initial offer.

Risk-Based Pricing

While all lenders depend on some form of risk-based pricing — tying interest rates to credit history — predatory lenders abuse the practice by charging very high interest rates.

Inflated Fees and Charges

Fees and costs (e.g., appraisals, closing costs, document preparation fees) are much higher than those charged by reputable lenders, and are often hidden in fine print or do not follow industry standards.

Loan Packing

Unnecessary products are added into the cost of a loan.

Loan Flipping

The lender encourages a borrower to refinance an existing loan into a larger one with a higher interest rate and additional fees.

Asset-Based Lending

Borrowers are encouraged to borrow more than they should when a lender offers a refinance loan based on their amount of equity, rather than on their income or ability to repay.

Reverse Redlining

The lender targets limited-resource industries like high-tech cars that conventional banks may shy away from. Everyone in the industry is charged higher rates to borrow money, regardless of credit history, income or ability to repay and/or process is changed for friends of “the bank”.

Balloon Mortgages

A borrower is convinced to refinance a loan with one that has lower payments upfront but excessive (balloon) payments later in the loan term. When the balloon payments cannot be met, the lender helps to refinance again with another high-interest, high-fee loan.

Negative Amortization

This occurs when a monthly loan payment is too small to cover even the interest, which gets added to the unpaid balance. It can result in a borrower owing substantially more than the original amount borrowed.

Abnormal Prepayment Penalties

A borrower who tries to refinance a loan with one that offers better terms can be assessed an abusive prepayment penalty for paying off the original loan early.

Mandatory Arbitration

The lender adds language to a loan contract making it illegal for a borrower to take future legal action for fraud or misrepresentation. The only option, then, for an abused borrower is arbitration, which generally puts the borrower at a disadvantage.

Unlicensed Loan Offers

Beware of loan offers through public officials. Make sure any lender you work with is licensed. Is DOE licensed?

Promises

Stay clear of lenders who promise that your loan will be approved regardless of your credit history or rating.

Being Rushed to Sign Papers

Applicants were rushed into the loan process with high Interest Rates and Fees

Blank Spaces in Documents

DOE left the loan application document up to the applicants, as they stated in the videos, the ENTIRE document was a “blank space”.

Legal Protections

Federal laws protect citizens against predatory lenders. Chief among them is the Equal Credit Opportunity Act (ECOA). This law makes it illegal for a lender to impose a higher interest rate or higher fees based on a person’s race, color, religion, sex, disability, age, marital status or national origin.

The HOEPA Act protects citizens from excessive fees and interest rates. Loans that are considered “high cost” are subject to additional disclosure requirements and restrictions.

In addition, 25 states have anti-predatory lending laws, and 35 states limit the maximum prepayment penalty that a lender is required to pay.

Loan Churning a Problem

One of the most common practices among predatory lenders is loan churning, where borrowers are forced into a relentless loan cycle in which they are constantly paying fees and interest.

Loan churning usually works like this: The lender makes a loan the borrower can’t afford. The borrower fails to pay the loan back on time, so the lender offers a new loan that includes another set of fees and interest. The borrower, already under stress for

not repaying the first loan, agrees to the second loan and the loan-cycle churn has started.

Prepayment Penalties

Another practice among predatory lenders is to include a prepayment penalty on loan agreements, especially those involving subprime mortgages or car loans.

A prepayment penalty is a fee charged to borrowers who repay a loan before its due date. It usually happens when borrowers are refinancing to take advantage of a more affordable interest rate. Prepayment penalties are meant to discourage borrowers from paying off a loan early because it deprives the lender of interest they expect to receive for the life of the loan.

Prepayment penalties vary from lender to lender. Many are for 2% of the amount owed. Others are for the equivalent of six months of interest on the loan. Most prepayment penalties are based around the number of years you have been paying the mortgage and usually expire after three years.

The Truth In Lending Act requires lenders to provide a disclosure form to borrowers that includes a box that the lender must check if a prepayment penalty is in play. The wording on the form says a penalty “may” be charged and that wording often confuses consumers. Some people will read that to mean “may not” or simply skip over it in hopes that it will not ever be enforced.

The smarter practice is for the borrower to ask the lender for details on the amount of the penalty and how long the prepayment period is.

Many states have laws preventing high interest rate loans.

This document: https://fas.org/sgp/crs/misc/R43087.pdf lists the entities that may have an interest in DOE’s deceptive and predatory lending practices.

Is DOE breaking the law?