YOU FUNDED YOUR OWN LOAN WITH YOUR SIGNATURE.....ON A PROMISSORY NOTE

WHAT THE FEDERAL RESERVE AND THE GOVERNMENT ARE DOING AT THE NATIONAL LEVEL, LOCAL BANKS ARE DOING WITH US AT THE LOCAL LEVEL. The only difference is that instead of printing new notes, the banks are creating new checkbook money each time they make a loan.

Here's what happens when you go to the bank to get a loan for your vehicle:

- •The bank has you sign a Promissory Note.
- •The back of the note is then stamped, "pay to order of" or similar words.
- •The note is then deposited into a transaction account in your name. Now this was not disclosed to you before you signed the note and you did not give them the authority to open a transaction account on your name.
- •The bank then writes a check from your transaction account deposit that you had no knowledge of, either to you or transfers the amount to those who should be receiving it.
- •The bank then sells the note to Federal Reserve or into the securities market. The proceeds of which, are used to fund the alleged loan.

Through the bank selling your note, YOU PAID FOR YOUR PURCHASE WITH THE PROMISSORY NOTE. Your note was treated by the bank as an asset that could be exchanged for cash. Anything that you can exchange for cash is an asset. What 95 % of America does not realize is that within our monetary system a Promissory Note is an asset. The moment you signed that note it became money to the bank. There was no money in existence until you signed the note. Once the bank stamped it "pay to the order of" it became a negotiable instrument. To the bank, it had **Present Value**, because they were able to sell it for cash. To you it only had **Future Value.**
What's wrong with this loan scenario? You always suspected that there was something not right when you went for a loan from the bank. Now you know what it is. Let me give you a simple illustration that will help you to understand this.

Imagine if you came to me needing a loan.

You: "Can you give me a loan for $10,000."
Me: "sure I'll loan you $10,000, but you have to give me an asset worth $10,000."
You: "All I've got is this diamond ring worth $10,000."
Me: "That will do." I then take the ring and sell it for $10,000, and come back to You with a check for $10,000.
Me: "Here's your $10,000 loan at 10% interest, and the payments are $200 a month for x number of years."
You: "xxxxxxx!" We won't even print what you would tell me to do with that loan.

In fact if you called the police I would go to jail for fraud, loan sharking, racketeering etc. BUT THIS IS EXACTLY WHAT THE BANKS ARE DOING EVERY SINGLE DAY.

Now what is wrong with this loan? EVERYTHING!

- •It's not a loan. It's an exchange. We simply exchanged your diamond for a $10,000 check.
- •It never cost me anything to make the loan. I brought nothing to the table. My assets did not decrease by $10,000, as would be the case in a true, honest loan. Therefore I had no risk.
- •You provided the asset (the diamond ring). I merely sold it and gave you back your money, and then had the unmitigated gall to charge you interest on nothing.

In the same way, YOUR PROMISSORY NOTE BECAME THE FUNDING INSTRUMENT OF YOUR BANK LOAN. The bank received it as an asset, as legal tender, i.e. in the form of money and deposited in an account. According to the Uniform Commercial Code, a promissory note is a negotiable instrument, and is therefore legal tender. As such it is the funding instrument. Therefore there was no loan. It was an exchange. Your note which, could be monetized by the bank, was exchanged for the bank's check. And the bank lied and called it a loan. Banks and lending institutions only **appear** to lend money.

The "lending" techniques that are used are beyond brilliant. It took some very, very smart people to figure out how to **appear to be lending money**, but in actuality have the value supplied by the person wanting a loan. And that is what is happening.

"THIS IS TOO INCREDIBLE TO BELIEVE, SHOW ME PROOF."
If you are finding this rather difficult to believe, let's look at some Federal Reserve Bank publications, which actually admit that this is how bank loans work.

"Transaction deposits are the modern counterpart of bank notes. It was a small step from printing notes to ***making book entries crediting deposits of borrowers,*** *which the borrowers in turn could "spend"* ***by writing checks, thereby "printing" their own money****."*

Modern Money Mechanics, page 3, Federal Reserve Bank of Chicago.

"Of course ***they do not really pay out loans from the money they receive as deposits****. If they did this, no additional money would be created.* ***What they do when they make loans is to accept promissory notes in exchange for credits to the borrowers' transaction accounts.*** *Loans (assets) and deposits (liabilities) both rise by $9,000. Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system."*

Modern Money Mechanics, page 6, Federal Reserve Bank of Chicago.

According to the Fed, it is not their policy to make loans from other depositor's money. Neither do they make loans from their own assets. They make loans by accepting promissory notes in exchange for credits to the borrower's transaction account. They even admit that it's an exchange. IF IT'S AN EXCHANGE HOW CAN IT BE A LOAN?

"In ***exchange*** *for the note or security, the lending institution credits the depositor's account or gives a check that can be deposited at yet another depository institution."*

Two Faces of Debt, page 19 Federal Reserve Bank of Chicago.
You want more proof: **THE BANK'S OWN BOOKKEEPING ENTRIES ARE PROOF.** Let's say the bank receives a $1,000.00 check deposit. It is recorded as an asset to the bank. But in order to balance their books, on the other side of the ledger they have to record a $1,000.00 liability. The bank has an asset for $1,000.00, but it also has a liability of $1,000.00 to you, the depositor.

The bank owes you $1,000.00. You have a right to draw on that $1,000.00 whenever you choose. Now when you purchased your vehicle instead of a check you gave the bank a signed promissory note. The bank deposited it, just like a check or cash, in a transaction account in your name. Now remember that all deposits are received as assets to the bank. However, they also have a corresponding liability to the face value of your promissory note. Therefore, in reality you don't owe the bank anything. You simply exchanged your promissory note for their check, which paid for the vehicle. The account is a wash.

SO WHY ARE WE PAYING MONTHLY PAYMENTS AND INTEREST FOR SOMETHING THAT, WITHIN OUR MONETARY SYSTEM, HAS ALREADY BEEN PAID FOR?

Actually the bank owes you! They still do not own your promissory note. They made an exchange - your promissory note (asset to the bank) was exchanged for the face value of the note. They deposited your note and then sold it remember. Therefore, on their books they still have a liability to you.

Source: http://letsrollforums.com/you-funded-your-own-t20000.html