



From *The New York Times*

[Lender Faces Credit Crisis With Banks](#)

Wall Street lenders cut their credit lines to New Century Financial, forcing it ever closer to bankruptcy.

We have been hearing for years now that a mortgage crash might happen. So many people had rushed into the housing market without adequate capital, opting in many cases for ARMs, sub-primes, interest-only and other questionable lending instruments. Banks were only too happy to float the paper and mortgage lenders were only too happy to write it. Now, tick-tock...tick-tock...

Epilog: On April 2, 2007, New Century (the lender mentioned above) filed for bankruptcy, reported [The New York Times](#)