



As the bottom fell out of the housing market and complex mortgage-backed securities began tanking in 2007, a strange thing happened at Moody's Investors Service, one of the largest firms that rate bonds for the risks they pose to investors.

Moody's blue-ribbon board of directors stopped receiving key information from an internal committee that was supposed to keep the board informed of risks to the company, a McClatchy investigation has found.

Instead, the ad hoc risk-management committee suddenly disappeared, precisely at the time when the board and management should have been shifting to higher alert as the financial world began quaking.

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