NIGHTMARE ON MAIN STREET WITHOUT QUICK APPROVAL OF A $700 BILLION BANKING

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Without a government rescue of U.S. financial markets, experts say some worst-case scenarios could ensue

- Your employer won't be able to make payroll because the company's bank account has been frozen in a bank failure.

NIGHTMARE ON MAIN STREET WITHOUT QUICK APPROVAL OF A $700 BILLION BANKING BAILOUT, OFFICIALS WARN THAT THE CREDIT CRIS AN AMERICAN MELTDOWN.

- Your credit card will be rejected when you try to pay for groceries or fill your gas tank.

- Your bank may close.

Continuing failures of financial institutions and frozen credit threaten American families' financial well-being, the viability of businesses both small and larg Henry Paulson testified Tuesday before the Senate. And Federal Reserve Chairman Ben Bernanke added bluntly that without a rescue plan, the country fa

On Wednesday, the two men continued to press for the proposed $700 billion financial bailout before a skeptical Congress. And President Bush went on

For months, the credit markets that provide the lifeblood of the U.S. economic system have been bogged down, initially over fears and uncertainty about s lending and liquidity will dry up. The fear is that healthy lenders will sit on their cash to ride the crisis out, while vulnerable institutions either go under or are

That's what happened to investment banks Bear Stearns in March and Lehman Brothers and Merrill Lynch last week; Bear and Merrill were sold off to othe assets are being carved up.

Home mortgages were sliced into a variety of complex packages that have made it difficult for investors to value now that the real estate market has turne trading these securities.

Bankers, stung by bad loans, have tightened lending standards so that it's now hard for the average consumer to get a mortgage, a car loan or a line of cr businesses that need to borrow cash to expand operations, buy new equipment or carry on normal operations face tougher hurdles.

With mounting bank failures, banks have gotten increasingly fearful of even lending money to one another overnight -- an essential element to providing the business.

Based on what Bernanke and Paulson say, there would be more bank failures and an exacerbation of the recent reluctance of banks to lend to one anothe professor at the University of Florida.

The hope of the Bush administration -- and at this point it is only a hope -- is that the government stepping in as the buyer of last resort for the toxic mortga

Once the banks sell off the bad mortgage securities and find ways to rebuild their capital base, they could go forward on steady footing and resume more

No one likes to see government money going to bail out other people, but we have no choice, said Ken Thomas, a Miami banking consultant. With Bear S doing this piecemeal, and we realized the piecemeal approach was not working.

As lawmakers hash out the details of the plan, most experts say something has to be done -- and quickly.

The financial markets and banking system are based on confidence, said Krishnan Dandapani, a Florida International University finance professor.

The failure of one institution could lead to a chain reaction. It would be almost like the Great Depression happening all over again.