REHYPOTHECATE

Meaning: Rehypothecate: to use assets pledged as collateral for a loan as collateral for another loan, typically by a financial institution.

1. The bank decided to rehypothecate the collateral to raise additional liquidity.

2. Investors were wary of the risks associated with rehypothecating their assets.

3. In times of market volatility, institutions may choose to rehypothecate their clients' securities.

4. She explained how the practice of rehypothecating can lead to increased leverage in financial markets.

5. Regulatory changes have made rehypothecating less common among hedge funds.
