



CARTER COURIER

<http://carter.house.gov>

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LETTER FROM THE CONGRESSMAN

Dear Friends,

If you are like me you have been glued to your television watching the reports on the economy and the actions Congress must take to ensure our economic stability. Many of you called my office and encouraged me to vote against the Wall Street bailout. I thank you for voicing your concerns. Although I opposed the bailout, I do realize that Congress must pass a comprehensive package that will correct the problem but also protect the taxpayers.

As always, I will continue fighting for the conservative principles that are so important to the people of the 31st District.

Until next week,



WE WILL FIND A SOLUTION

There is no doubt our economy is treading tough waters. The actions of Congress this week have left many Central Texans with two questions:

How did we get into this mess and can we get ourselves out? Almost a decade ago the government encouraged greater levels of home ownership. Lenders in metropolitan areas gave loans to people who would not typically qualify. Not long after, our economy was hit hard as terrorists murdered thousands of Americans on 9/11. In response, the government lowered interest rates making homes more affordable and infusing more cash into the economy. While these rates meant a recovery, they made it easier for more questionable borrowers to obtain a mortgage.

Suddenly it was profitable for banks to give exotic loans to borrowers who had no business getting a mortgage so they could flip the house for a profit. Homebuilders continued to build until we reached a point where there were more homes than borrowers. As prices started to fall, the plans of these investors began to unravel. Suddenly the plan to repeatedly sell houses at a profit wasn't an option anymore. Borrowers were no longer able to make a six-figure profit just for signing a mortgage and began to default on their loans as they faced higher payments.

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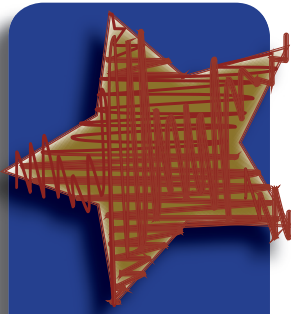
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This problem quickly began to affect Wall Street. These subprime mortgages were sold to investors hoping to make a buck. To add even more confusion, many of these loans were sliced and diced and packaged with other loans to give an illusion that they were stable. The economic world calls these packaged loans a Mortgage Backed Security (MBS). Since these MBS's were bought at significant prices, but now have little or no value, investment firms now face massive losses and a sudden lack of capital to back up existing obligations. Thus, the stock market is losing value, banks are failing, and everyday Americans are suddenly finding it hard to get a credit.

This is where Congress must act. As a free market believer, I firmly believe that the less government intervention the better, but one cannot argue that this drastic situation demands drastic action. However, I do not believe the plan which the House rejected is the best our country can do to alleviate this financial crisis.

On paper, the bailout plan appears to be a better alternative to the \$700 billion the administration asked for. However, the administration would still have received \$700 billion to bail out the very people that created the problem without providing a clear answer as to how we will pay for this. I find it unacceptable that the plan would defer the decision on how to pay the bill to whoever is in charge of Congress in five years. This plan must have a clear outline of how Wall Street, not Main Street, will foot the bill.

I opposed this plan because America can do better. In the days leading up to the vote, many options were presented by other economists, including William Isaac who dealt with the Savings and Loan crisis of the 1980s. While this plan offers greater taxpayer protection, it was not considered. I am also part of a group that is seeking out alternative plans. We worked through the weekend and are continuing to work toward a solution. Whatever plan we go with, we must remember that there is more than one solution to solve this problem, and we are better served coming to an agreement on a plan that is acceptable rather than trying to force through a plan that puts taxpayers at risk of losing \$700 billion.

I know the uncertainty you face today. I know the apprehension we all feel as we watch what's happening on Wall Street. Rest assured that we are working diligently to create a plan to address this problem, and I will not rest until we have made sure that you no longer have to worry about your retirement, your house or your job. We will recover from this current crisis and our economy will again be strong.

CITY OF AUSTIN AWARDED DEFENSE EMPLOYER SUPPORT FREEDOM AWARD

I recently had the privilege of congratulating the City of Austin for being selected as one of the 15 recipients of the 2008 Secretary of Defense Employer Supporter Freedom Award.

It is an honor to recognize the City of Austin with this prestigious award. This award honors employers for their support of employees who serve in the National Guard and Reserve. With so many members of the National Guard and Reserve in Central Texas, it is no surprise that the good folks in Austin have been recognized for their outstanding support of our men and women in uniform. I am proud to represent them in Congress, and even prouder that as a city, they have continued to show their unrelenting support for America's bravest.

The Secretary of Defense Employer Support Freedom Award publicly recognizes employers, who were nominated by their employees, for exceptional support above the requirements of federal law. More information about the Freedom Award is available at www.FreedomAward.mil.

DEMS YIELD TO PRESSURE FROM REPUBLICANS LET BAN ON OFFSHORE DRILLING EXPIRE

This week the ban on energy exploration on the Outer Continental Shelf and the oil shale reserve in the western mountains expired. House Democrats have finally yielded to the needs of the American people and will not reinstate the ban.



After months of pressure from Republicans, Democrats are finally putting aside politics and listening to the call of the American people. For years, Republicans have brought forth common-sense, environmentally responsible energy policies that would provide our country with its own secure oil and gas supply, but those policies have consistently been road blocked by Democrats in Congress, the Senate and the White House.

Make no mistake, without the intense pressure put on their leadership by Republicans in Congress and the White House, they would have continued their strong stance to ban any new energy exploration off America's coastline.

This is no doubt a strong victory for the American people, however, this should be the first step in bringing a broader, 'all of the above' energy plan to the table.

HOUSE PASSES CONTINUING RESOLUTION INCLUDES DISASTER RELIEF FOR TEXAS ALLOWS OFFSHORE DRILLING BAN TO EXPIRE

Recently the House passed a Continuing Resolution package that will prevent a government shutdown and keep federal programs running at their current levels until March 6, 2009. The package also includes critical funding for our nation's military as well as homeland security and disaster relief for those areas impacted by natural disasters this year. The bill, H.R. 2638, also allows the ban on offshore drilling to expire.

Earlier this year, Democrats shut down the entire appropriations process because Republicans were working to end the ban on offshore drilling. Instead of compromising then, Chairman Obey halted all work on critical spending bills. Because of this inaction, Congress passed a massive spending bill to keep the government funded and prevent it from shutting down.

This bill is far from perfect, but it does include critical funds to our military and veterans. Additionally it contains \$22.8 billion for Texas and areas affected by hurricanes and other natural disasters.

CARTER OPPOSES BAILOUT

As many of you know, I strongly opposed the Wall Street Bailout bill that failed the House earlier this week. I was part of a small group of Members of Congress that met and produced a common sense alternative to the \$700 billion Bush/Paulson Bailout Plan. The plan would have mandated Wall Street fund the recovery of the economy rather than American taxpayers.

Now that the Paulson plan has failed, I am ready and willing to go back to the drawing board and come up with a plan that won't put taxpayers on the hook for another government bailout. I also think we should see the evidence from all sides of the issue, not solely the advice from the administration.

I want to thank the thousands of constituents who called and voiced their opinion. Rest assured that your voice was heard and will continue to be heard during the next round of negotiations.