

Congress of the United States
House of Representatives

DENNIS MOORE
Third District, Kansas
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May 11, 2010

THE HONORABLE TIMOTHY F. GEITHNER
SECRETARY
U.S. DEPARTMENT OF THE TREASURY
1500 PENNSYLVANIA AVENUE
WASHINGTON, DC 20220-0002

Dear Secretary Geithner:

Today, the Subcommittee on Oversight and Investigations (O&I) I chair is holding a hearing entitled "*TARP Oversight: An Update on Warrant Repurchases and Benefits to Taxpayers.*" We are pleased to have Mr. David Miller, Chief Investment Officer for Treasury's Office of Financial Stability, testify on the successes of the TARP warrants program, yielding over \$6 billion in additional proceeds for taxpayers with billions more expected.

I want to commend you, Assistant Secretary Herb Allison, Mr. Miller and other Treasury personnel who worked hard to make the TARP warrants program a success for taxpayers. I expect that today's hearing will shed additional light on further improvements that can be made so that our shared goal – taxpayers continuing to see a high degree of success and maximum returns for the duration of the TARP warrants program – is fully realized.

With respect to the status of TARP's effectiveness more broadly, I was pleased to hear from a Republican witness we had – Professor David A. Walker from Georgetown University – at an O&I subcommittee hearing last week when he said: "I believe that the TARP commitment was essential.... It is surely true that some of the TARP funds will never be repaid, but I believe the cost, compared to the potential cost of a single failure of a very large bank, had to be accepted. It was a short-term, not a long-term solution. It is my opinion that our economy would be rebounding much more slowly than it has if we had not implemented the TARP program." (*emphasis added*)

I agree with Professor Walker, as I believe that while no legislator preferred to vote for TARP – including me – it was necessary to make sure the economy did not go from bad to much, much worse. Congress turned the original three page \$700 billion proposal from the Bush Administration lacking strong taxpayer protections into a robust plan that authorized the use of warrants, created TARP-specific oversight entities such as the Special Inspector General for TARP (SIGTARP), and other features to fully protect taxpayers.

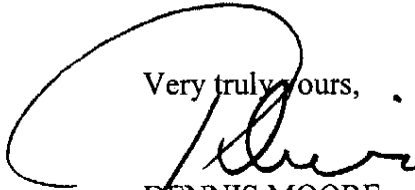
Turning to another important issue, I hope we can build on the successes of the TARP warrants program and see improvements in addressing the foreclosure crisis. While the worst of

the financial crisis has passed, just one foreclosure hurts the family living in that home as well as their neighbors who are able to keep up with their mortgage payments but who then see their neighborhood home values decline. We must do all we can to address this ongoing challenge.

In their recent audits and reports to Congress, SIGTARP and the Congressional Oversight Panel made helpful observations and recommendations to improve the Home Affordable Modification Program (HAMP) and other foreclosure mitigation efforts. I am pleased that Treasury has taken some of those recommendations into consideration with the most recent changes announced to the program, but I ask that Treasury redouble its efforts, under your leadership, in strengthening foreclosure mitigation efforts. If there are ways that Congress can support these efforts, or if there is anything I can do, please let me know.

Thank you, again, for your hard work and the work of all the dedicated public servants at Treasury in the past year and a half to stabilize our financial system, fully protect taxpayers and come to the aid of struggling homeowners in a fair and balanced manner. I look forward to continuing to work with you. Please let me know if there is anything I can do to be of assistance to you.

Very truly yours,



DENNIS MOORE
Member of Congress



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