

November 20, 2008

Dear Colleague:

After yesterday's oversight hearing in the House Financial Services Committee regarding the Emergency Economic Stabilization Act signed in to law in October, I am further convinced Congress needs to take a step back and reassess how funds not yet committed should be used or whether those funds are needed.

While Treasury's decision to inject capital into financial institutions through equity purchases was a much better use of the funds than purchasing troubled assets and provides greater protection to taxpayers, it is clear the plans for using these funds have changed considerably from when this legislation was enacted and that plans are still being developed for further uses of these funds.

Under current law, Congress has 15 days to enact a resolution to disapprove of Treasury's plans for use of the second \$350 billion after such a plan is submitted. If Congress does nothing, Treasury can move forward.

I will introduce legislation today that requires Congress to grant direct approval of Treasury's plans for using the second \$350 billion. With this approach, no funds could be spent until after Congress passes a resolution that specifically approves of Treasury's plan. Congress should take an up or down vote.

Treasury Secretary Paulson testified yesterday that actions taken so far have helped avoid a collapse of our financial system. As capital continues to be disbursed under the initial plan, it will be important to fully assess the effects of this capital infusion before releasing more funds. This may take some time.

When Secretary Paulson and Chairman Bernanke first came to Congress to ask for this legislation, they stressed the immediate need to get a bill done and provide support to the financial system quickly. **Now that initial capital purchases are in the pipeline and additional plans are being developed, this sense of urgency has eased. It is time for us to exercise our responsibility to the taxpayers and shift more decision-making authority back to Congress for further use of these funds.**

If you believe Congress should take a more active role in deciding how the second \$350 billion are used or whether these funds are still needed, please join me in cosponsoring this legislation by contacting Kathy Bergren in my office at 5-4005.

Sincerely,

Randy Neugebauer