

## 1-15-10, Bachus Responds To Barney Frank Regarding AIG Hearing

January 15, 2010

WASHINGTON -Financial Services Committee Ranking Member Spencer Bachus made the following statement regarding his request for an AIG hearing:

"Since March 2009, I have repeatedly and in writing requested a hearing to investigate the inequitable treatment between AIG's foreign and domestic counterparties, and U.S. banks that are creditors. The Committee has a duty to determine the facts surrounding this situation.

"Contrary to Rep. Frank's claims, Secretary Geithner was not recused and in fact played a critical role in determining AIG's counterparty payments when he approved the decision to make counterparties whole. As the November report by the Special Inspector General of the TARP found:

'[senior] officials recommended to President Geithner that Maiden Lane III transactions go forward without haircuts because it would be impractical to obtain haircuts from all counterparties. Mr. Geithner concurred and it was decided that FRBNY would cease efforts to negotiate haircuts...'

"Mr. Geithner made the decision to pay the counter-parties one hundred cents on the dollar and it is he who should answer questions regarding this decision.

"It is time for the Committee to schedule a hearing and examine the disparity of treatment by AIG at the direction of the NY Fed."