Amendment to the Oversight Plan
Thursday, February 12, 2009

BIGGERT 4.01

OFFERED BY: Mrs. Biggert of Illinois, Mr. Lee of New York, Mr. Price of Georgia, Mr. Castle of Delaware, Mr. Paulsen of Minnesota, and Mr. Barrett of South Carolina

Troubled Asset Relief Program (TARP) Amendment [New Paragraph]

On Page 1, in the Financial Institutions section, strike the text following the heading entitled "Troubled Asset Relief Program (TARP) and other Initiatives to Stabilize the Financial System" and insert:

"The Committee will continue to examine closely the operation of the TARP program authorized by Emergency Economic Stabilization Act (EESA). This oversight will include working with the Government Accountability Office, the Congressional Oversight Panel, and the Special Inspector General for TARP in order to ensure that the program adequately protects taxpayer interests; that the program properly addresses the mortgage foreclosure crisis; and that the program's operations are properly transparent and accountable. The Committee will also ensure that the Treasury Department reports to the Committee on its progress in establishing a program to insure troubled assets as set forth in Section 102 of Public Law 110-343; and that Treasury regularly reports to the Committee on matters of lending, liquidity, and safety and soundness related to those financial institutions receiving TARP funds or guarantees. The Committee will look into trends related to financial fraud, including mortgage and securities fraud, as well as unsound lending practices of financial institutions and financial institutions affiliated with those that received TARP funds or guarantees, which contributed to the crises and lack of confidence in the U.S. financial industry and led to the creation of TARP.

The Committee will also carefully examine whether the recipients of TARP funds are spending the money appropriately, with special attention paid to any instances of waste, fraud, and abuse. And the Committee will concentrate on issues related to the distortion of TARP fund distribution caused by political pressure and interference rather than the judgment of the regulators. The Committee will carefully analyze the viability of any new TARP initiatives, such as the newly announced measures by the Treasury to create "bad banks" funded in part with taxpayer dollars, and assess whether TARP funding is deployed by recipient institutions in a manner consistent with Congressional priorities and with restoring liquidity and promoting the stability of the financial system. The Committee will also continue to examine non-TARP efforts by the Treasury, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and other agencies to stabilize the financial system and promote economic recovery.

The Committee also will examine the application by Federal regulators of the "too big to fail" doctrine and the designation of "systemically significant" institutions to determine if these are effective, fair or rational public policy distinctions. The Committee will ask if this doctrine means that other institutions are "too small to save" and if recent initiatives by the Treasury Department and Federal Reserve have prejudiced local and community banks and credit unions at the expense of institutions the regulators believe are "too big to fail." During this review, the Committee will study the ways that financial institutions have expanded and the incentives that drove them to grow. And the Committee will try to determine if it is possible to have a government regulator unwind a systemically important institution in an orderly fashion to prevent systemic disruptions."