

Congressman Rothman Votes to Reform TARP Program

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“Last
October, I voted against the Wall Street bailout because I was highly skeptical
of the Bush Administration’s intentions and ability to use our tax dollars in a
transparent, accountable and effective way. My judgment was right. The Bush
Administration’s Treasury Department severely mismanaged these funds and could
not account for how the first \$350 billion of Troubled Asset Relief Program
(TARP) money was spent.

“In
addition, too much money went to financial institutions and executives who
acted irresponsibly and not enough went to small business owners, homeowners on
the brink of foreclosure, and families hurt by devastating job losses.

“There
is no question that President Bush and his Treasury Secretary misused the tools
that Congress gave them to help our country get out of our financial mess. That
is why it is necessary to place new conditions and restrictions on the
expenditure of the second \$350 billion of the TARP program. With these changes,
I believe that President Obama and his economic advisors will use those tools
effectively.

“The
economic conditions that President Obama has inherited are extremely dire, and

it is crucial that he has the resources necessary, with these new restrictions, to stave off a potential economic catastrophe. In contrast to my lack of confidence in President Bush's ability to effectively utilize TARP funds, I am encouraged by the accountability and transparency guidelines we are providing in this bill, and that President Obama has accepted.

"Today, I voted in favor of H.R. 384, the TARP Reform and Accountability Act, which passed the U.S. House of Representatives by a vote of 260 to 166. This legislation modifies the Emergency Economic Stabilization Act of 2008—commonly referred to in the media as "the Bailout Bill"—to strengthen accountability, increase transparency, protect homeowners and close loopholes that have allowed some financial institutions to take advantage of the TARP Program for purposes other than what the Congress intended. H.R. 384 also severely restricts executive compensation for companies that participate in the TARP program. For financial institutions that require federal funding to stay afloat, the era of lavish bonuses and extravagant corporate vacations is over.

"I was proud to cast today's vote in support of accountability and economic security. However, getting our economy moving again will require far more than the TARP program. There is no doubt that additional immediate action is required to overcome our economic crisis. Now that President Obama has taken the oath of office, I look forward to working with him as well as my colleagues in Congress from both sides of the aisle to put together and pass a bold and far-reaching economic recovery package to get America's economy working for the people once again.

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For Immediate
Release: January 22, 2009

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