

Congresswoman Anna G. Eshoo

Representing and Serving the 14th Congressional District of California

I'd like to update you on the unprecedented financial crisis in our country. Over 2,000 constituents have shared their views with me about the crisis and I certainly value yours.

As of today, negotiations between House and Senate, Democrats and Republicans, as well as Treasury Secretary Paulson are close to a resolution. As soon as the final bill is drafted, I will post it on [my website](#) with a summary, and I will of course let you know whether I vote for or against the final package.

Each of us is outraged about the circumstances that have brought our financial system to near collapse. In my view, the Administration has practiced "cowboy capitalism", saying the markets must be allowed to run free, but they instead let Wall Street run wild without accountability, without transparency and without enforcement or regulations to protect the American taxpayer.

The following describes what President Bush and Secretary Paulson presented to Congress on Monday, September 22nd.

- Requested Congress to approve a \$700 billion bailout, with the Treasury Secretary empowered to set the rules for all transactions
- No safeguards, No transparency, No accountability, and No oversight. The President's plan was rejected.

As I see it, there are three elements we need to build into legislation **#1 Reinvest** in troubled financial markets to stabilize our economy and insulate Main Street from Wall Street. **#2 Reimburse** the taxpayer through ownership shares and asset recovery as the plan begins to work. **#3 Reform** how business is done on Wall Street including the prohibition of golden parachutes.

The following are elements which I'm hopeful the legislation will include:

Ensure That Taxpayers Have an Equity Share in Any Profits

- Give taxpayers an ownership stake and profit sharing of participating companies.
- Put taxpayers first in line to recover assets if a participating company fails.
- Allow the government to purchase troubled assets from pension plans, local government, and small banks that serve low and middle-income families.

Strong Independent Oversight and Transparency

- Establish four separate independent oversight entities or processes to protect the taxpayer including:
 - Establishment of an independent bipartisan board to provide oversight, review and accountability of taxpayer funds. A Government Accountability Office presence at Treasury to oversee the program and conduct audits to ensure strong internal controls, and to prevent waste, fraud, and abuse.
 - An independent Inspector General to monitor the Treasury Secretary's decisions.
 - Have all transactions posted online for the public.

Staging of Funds

- Funding for the rescue program should occur in stages (not all up front) and condition future payments on Congressional review.

Limits on Golden Parachutes

- Restrict CEO and executive compensation for participating companies.
- No multi-million dollar golden parachutes
- Recover bonuses paid based on promised gains that later turned out to be false or inaccurate.

Home Foreclosures

- Allow the government to change the terms of mortgages to help reduce the 2 million projected foreclosures in the next year.

Protection of School District and City/County Investments

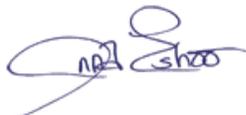
- Assist school districts, cities and counties who had investments in failed institutions.

As I continue my work representing you, I'm mindful of the profound responsibility I have to you and my solemn obligation to do my utmost to protect the taxpayer and help bring our country through the largest financial crisis in the history of the world.

I believe if we do nothing, our ability to obtain a home mortgage, a car loan, a loan for small businesses, or even a credit card will become highly difficult or impossible. Even more financial institutions could fail and millions could lose their savings, thousands of jobs could be lost, and large parts of our economy could cease to function. The repercussions would be far greater than the cost of a financial rescue program.

[Let me know what you think.](#) I value what my constituents say to me because I always benefit from your ideas.

Sincerely,



Anna G. Eshoo
Member of Congress