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NEWS RELEASE FROM BARNEY FRANK

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Frank Statement on TARP Provisions

Washington, DC

– House Financial Service Committee Chairman Barney Frank (D-MA) today released the following statement regarding provisions in TARP:

“I am deeply disappointed that a number of financial institutions are distorting the legislation that Congress passed at the President’s request to respond to the credit crisis by making funds available for increased lending. Any use of the these funds for any purpose other than lending—for bonuses, for severance pay, for dividends, for acquisitions of other institutions, etc.-- is a violation of the terms of the Act.

“I appreciate the fact that the Secretary of the Treasury has reemphasized that increased lending activity is the only legitimate purpose for taxpayer funding of these institutions. He must make it absolutely clear to any participating entity that the federal government will insist on compliance.

“On November 12th and November 18th the House Financial Services Committee will hold oversight hearings on legislation Congress has passed to cope with the financial crisis. It is very important if Congressional and public support for this program is to continue that we receive assurances at those hearings that the money being advanced will be used only for relending and for

no other purpose.”

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