

For Immediate Release
Tuesday, September 23, 2008

Grassley seeks value of assets secured by taxpayers in April rescue of Bear Stearns

WASHINGTON --- Senator Chuck Grassley is asking the Treasury Secretary, the Federal Reserve Board Chairman, the New York Federal Reserve Bank President and CEO for information first requested two months ago about the current value of the assets managed by the Federal Reserve after the April purchase of Bear Stearns Companies Inc. by JPMorgan Chase & Co.

Grassley said the response would be relevant to the consideration this week by Congress of the plan proposed by the Treasury and Fed in response to the financial crisis and underscores the need for transparency in any new legislation. Grassley said he continues to want to know more about the contract with BlackRock Financial Management for the administration of the assets, including how BlackRock was selected and the terms of its compensation under the agreement.

The text of Grassley's letter of request is below.

September 23, 2008

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

The Honorable Henry M. Paulson, Jr.
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Mr. Timothy F. Geithner
President and Chief Executive Officer
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

Gentlemen:

On July 10, 2008, I wrote to you seeking further details regarding the Federal Reserve's actions in support of the purchase of Bear Stearns Companies Inc. (BSC) by JPMorgan Chase & Co. (JPM). I have received no response. My questions need to be answered in a more timely way, especially in light of (1) the continuing financial crisis where more transparency is being promised, (2) the current legislative proposals to authorize additional federal commitments that dwarf the BSC deal, and (3) the Finance Committee's oversight responsibilities with respect to the use of bonded debt of the United States.

In question number 6 of that letter I sought periodic updates on the current value of the assets managed by the Federal Reserve under the deal. Moreover, this question was posed again last week and there was no reply. Accordingly, what is the current value of those assets and when will I receive answers to the rest of my questions posed two-and-half months ago?

Please respond by the close of business on September 25, 2008. The answers and requested materials should be delivered to the Committee office and addressed to Jason Foster of the Senate Finance Committee. Please provide electronic copies of all responses, as well as, a log of any responsive documents being withheld, including a detailed description of the document and the reason for withholding it.

I appreciate your continued cooperation on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles E. Grassley
Ranking Member