

Congressman Joe Baca
Statement for Financial Services Committee Hearing of TARP
December 10, 2008

Mr. Chairman, I thank you for convening this hearing.

I am really disappointed that the Treasury Department has ignored Congressional intent and has run its own course with the TARP program.

First, it is not helping homeowners as the program was intended!

About 9,000 homeowners are foreclosing each day! We can't stabilize this economy until we address this foreclosure problem.

Many members of the Congressional Hispanic Caucus and Black Caucus came to support Treasury Bailout because it gave Treasury the distinct authority to purchase and modify whole loans and securities to help struggling homeowners.

We are very disappointed that the Treasury has not acted in good faith.

Second, I am troubled that the Treasury department has refused to purchase the troubled assets held by local governments even though the Economic Stabilization Act gives clear authority to do so.

Nineteen California counties and cities, including the city of Fontana in my district, recently wrote to Treasury asking for TARP Funds.

The catastrophic losses of these localities will result in massive job losses, termination of ongoing construction projects, and elimination or reduction in critical services.

We cannot afford to let this happen in our communities!

I am also concerned that the Treasury Department has decided to invest directly into banks but has excluded credit unions even though Congress specifically included Credit unions to be among the institutions eligible to receive capital infusions.

This type of selective assistance has to stop.

I look forward to learning more about Treasury's management of TARP money during this hearing.

Thank you, Mr. Chairman. I yield back the balance of my time.