United States Senate
WASHINGTON, DC 20510

September 18, 2009

The Honorable Timothy Geithner
Secretary
United States Department of Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Geithner:

As we approach the termination date for authority to spend federal funds allocated to the Troubled Asset Relief Program (TARP) through the Emergency Economic Stabilization Act of 2008 (EESA) (PL 110-343), we ask you to allow the authority to expire on December 31, 2009. As you know, the latest TARP report shows a significant amount of unobligated funds. Ending the authority for TARP would help improve the Federal debt going forward and reduce the need to increase the debt limit, which Congress has raised three times in the last 14 months.

When Congress passed EESA last October, the financial markets were in a downward spiral, and our country was facing an unprecedented credit crisis. Then Treasury Secretary Paulson requested $700 billion in federal funds to purchase toxic assets, which were at the heart of the financial crisis. Congress was told it was imperative to act quickly before the financial markets crashed, taking with it the pensions, savings and investments of hardworking, American taxpayers. As you know, the Senate passed EESA on a bipartisan basis, including the support of then-Senator Obama. Subsequent to the enactment of this legislation, however, TARP has been used by the federal government to acquire ownership stakes in banks, financial institutions, and automakers. This direct investment certainly was not the intention of Congress in passing this legislation. In fact, Congress explicitly rejected legislation to provide federal funds to bail out car manufacturers.

Based on your comments to the TARP Congressional Oversight Panel on September 10, 2009, it appears that you believe that our financial markets are recovering. In addition, borrowing costs are down for both business and consumer lending and banks are reporting stronger balance sheets. While we understand that our economy is still recovering, we believe it can function without added TARP funding. Additionally, the cost to the taxpayer if TARP authority was extended could be substantial. Already the taxpayer is expected to lose tens of billions of dollars on funding that was provided to GM, Chrysler and AIG.

As elected officials with the responsibility to the American public when it comes to overseeing taxpayer interests, we urge you not to extend TARP. To the extent you have concerns that allowing TARP to expire after this year would jeopardize the progress made in the recovery of our financial markets, we would remind you that Congress stands ready to work alongside the

Administration if future action is required. This program should expire on December 31, 2009, and all TARP repayments should be returned to the Treasury for debt reduction.

Sincerely,

Chuck Grassley

Jim Bunning

Sam Brownback

Olympia Snowe

John Barrasso

Kit Bond

Jon Kyl

Thad Cochran

J. Inhofe

Susan Collins

Jeff Sessions

Richard Shelby

Richard G. Lugar

Mark Begich