

Washington D.C. - Today, in response to news reports that recipients of TARP funds may be able to pay those funds back, Congressman Kevin McCarthy, and other members of Congress sent a letter to Treasury Secretary Geithner urging those repaid TARP funds go directly towards paying down the national debt, and for Treasury to forgo the use of TARP funds as a revolving fund for more spending.

Congressman McCarthy introduced H.R. 2119 earlier in April to ensure that repaid Troubled Asset Relief Program (TARP) funds pay off the taxpayer first and go directly towards paying down our national debt. If enacted, the bill would also ensure that each time a financial institution makes a repayment of assistance, the amount of purchase authority provided under TARP is reduced by a corresponding amount. Congressman McCarthy issued the following statement:

“From AIG bonuses to record deficits, hardworking American middle-class taxpayers were promised fiscal accountability with TARP, but just got more of the same. Congress should do better, and can help promote accountability by ensuring repaid TARP funds actually repay the ones footing the bill – the taxpayer. As opposed to using repaid TARP funds to take out a larger credit line for Washington spending, Congress can provide some relief to the American taxpayer who is on the hook for the record bailout borrowing.”

Related:

H.R. 2119 [text](#)

Letter text:

Dear Secretary Geithner:

We understand through media reports that the Department of the Treasury is poised to announce that some recipients of Troubled Asset Relief Program (TARP) funds will soon be

allowed to repay those funds. We strongly urge you to designate these repaid funds to pay down the national debt.

The government borrowed money to pay for the TARP program when it began, and the American taxpayer deserves to be the first one repaid on this debt. As you accept TARP funds repayment, we urge the Department to use those repaid TARP funds to pay down the national debt so that the American taxpayer is repaid. In addition, we urge you to ensure that the TARP program does not become a revolving fund that is unaccountable to the American taxpayer, by depositing the money in the treasury, instead of recycling it. As authors of legislation that would make these changes in law, we will continue to work hard in Congress to enact these reforms so that Americans have more confidence that taxpayer dollars are being used wisely.

We look forward to your timely response.