



FOR IMMEDIATE RELEASE
March 4, 2009

PETERS AND MCCOTTER URGE ACTION TO PROVIDE GREATER LIQUIDITY IN AUTO MARKETS

*Chairman Frank and other House Financial Services Members Join in Calling on Fed and Treasury
to Provide Access to Credit for Auto Dealers*

Washington, D.C. – Congressmen Gary Peters and Thaddeus McCotter today called on the Federal Reserve and U.S. Treasury to act further to provide enhanced liquidity to promote domestic auto sales. In a letter to Federal Reserve Chairman Ben Bernanke and Treasury Secretary Timothy Geithner, Peters and McCotter said that while the effort to promote liquidity in consumer markets through the Term Asset-Backed Securities Loan Facility (TALF) was welcome, providing greater access to domestic auto dealers is also needed. The letter, authored by Congressman Peters and McCotter, was also signed by House Financial Services Committee Chairman Barney Frank and other Committee Members.

“If auto dealers can’t get financing, they can’t sell cars and our auto industry cannot recover,” said Congressman Peters. **“The international credit crisis has crippled all sectors of the auto industry around the world. To protect millions of American jobs, we need a comprehensive approach to help the industry weather the global credit crisis. That means not only providing support to the Big Three and their parts suppliers and allowing consumers access to car loans, but also providing credit for dealers to keep cars moving on and off showroom floors. Efforts to protect jobs by supporting parts of the domestic auto industry could prove unsuccessful if we do not address the challenges facing all sectors of the industry.”**

“As our American auto industry’s working families continue to endure a painful and perilous restructuring process, we look forward to working with the Federal Reserve and Treasury Department to help these working families and our auto industry survive and, one day, thrive,” said Rep. McCotter. **“If the American auto industry receives an enhanced bridge loan but cannot sell their cars, our communities will greatly suffer. I appreciate that Federal Reserve Chairman Bernanke is willing to revisit the issue and make sure our working families keep their jobs, their homes, and their dreams for their children. I hope both the Federal Reserve and Treasury Department speedily find a way to ensure adequate financing for auto dealers is available. We must forestall this credit crisis by keeping men and women working in the auto industry employed; thus, removing financing barriers for auto dealers is essential.”**

Yesterday, the Treasury Department and Federal Reserve announced the implementation of the TALF, through which up to \$200 billion would be loaned to eligible owners of AAA-rated securities backed by auto, credit card and student loans to allow lenders to make more of these loans. However, rating agencies appear reluctant to rate loans to auto dealers as AAA, shutting dealers out of the program.

Congress of the United States
Washington, DC 20515

March 4, 2009

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

Dear Chairman Bernanke,

As you know, the ongoing global financial crisis has had a particularly damaging effect on the American automobile industry. We applaud the joint efforts of the Federal Reserve Board and the Department of Treasury to promote liquidity in consumer loan markets through the Term Asset-Backed Securities Loan Facility (TALF). However, we are concerned that the program may not sufficiently address the problems facing the domestic automobile industry.

Unlike many other Federal Reserve facilities which allow any investment grade collateral to be pledged, the TALF program is currently limited to only AAA rated assets. In light of the uncertainty facing the automobile industry, it appears that the major rating agencies are reluctant to deem any portion of a loan to an auto dealer as AAA. Unfortunately, this means that the domestic auto finance companies are unable to use the TALF program to accommodate dealer floorplan financing. Similar problems exist in the markets for other domestically produced vehicles, such as recreational vehicles.

Adequate financing for dealer floorplans is a critical issue for the domestic automobile industry. We appreciate your recent statement that you are willing to revisit this issue. Given the urgent nature of the crisis in the motor vehicle industries we encourage you to consider finding a way to ensure adequate financing for dealer floorplans as soon as possible.

Sincerely,



Gary C. Peters, M.C.



Thaddeus McCotter, M.C.



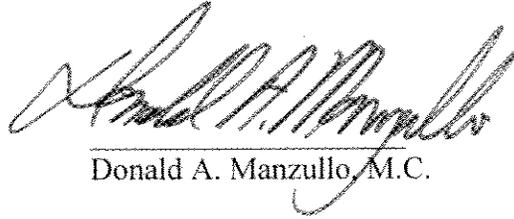
Barney Frank, M.C.



Paul E. Kanjorski, M.C.



Brad Miller, M.C.



Donald A. Manzullo, M.C.



Emmanuel Cleaver, M.C.



Ron Klein, M.C.



Mary Jo Kilroy, M.C.



Joe Donnelly, M.C.



André Carson, M.C.



Dan Maffei, M.C.



David Scott, M.C.

Congress of the United States
Washington, DC 20515

March 4, 2009

The Honorable Timothy Geithner
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner,

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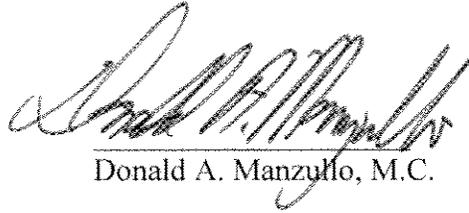
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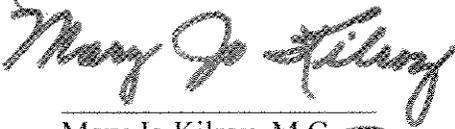
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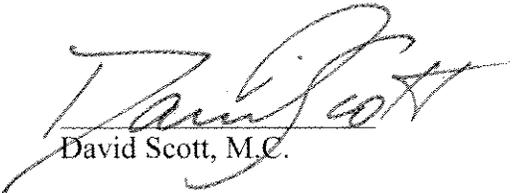
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