

(Washington, D.C.) – Yesterday, the U.S. House of Representatives passed the TARP Reform and Accountability Act, legislation that includes Rep. Rush Holt’s amendment to help establish values for the liquidation of troubled or so-called “toxic” assets. Holt’s amendment would require the Treasury Department to facilitate a third-party auction of the troubled assets by soliciting bids from institutions that volunteer to participate. No taxpayer money would be used for the purchases. If the effort is not successful within three months, the Treasury Department would have to report to Congress as to why, and both Congress and the Treasury would be able to use the information to develop better-informed plans for addressing the issue going forward.

“A major problem with financial markets is that investment firms have been unable to value the toxic assets that are at the heart of our financial and credit meltdown,” Holt said. “Holding auctions would help us establish values for the troubled assets, liquidate them, and help to free up the credit markets without risking any taxpayer dollars.”

Holt supported the complete bill, the TARP Reform and Accountability Act, which revamped the financial rescue legislation to increase accountability and oversight, to require a minimum of \$40 billion in spending to help homeowners facing foreclosure and address the mortgage crisis, to require banks to report how government funds are being spent, and to limit executive bonuses for participating firms.

“The Treasury Department failed to follow the instructions of Congress, with billions of taxpayer dollars having been spent without restoring our credit and without benefitting directly taxpayers. These new provisions are intended to ensure that new funding is used properly.

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