Congress of the United States
Washington, DC 20515

October 1, 2008

The Honorable Harry Reid
Senate Majority Leader
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232, US Capitol Building
Washington, DC 20515

The Honorable Mitch McConnell
Senate Republican Leader
361-A Russell Senate Office Building
Washington, DC 20510

The Honorable John Boehner
House Republican Leader
1011 Longworth House Office Building
Washington, DC 20515

Dear Congressional Leaders:

Like you, we are very concerned about the economic prosperity of our nation. We are in difficult economic times, which will be compounded if the decisions we make today are wrong.

We opposed the Wall Street bailout plan, H.R. 3997, because we considered the legislation poorly conceived and unfair to our constituents.

Each of us fully appreciates the financial challenge confronting America, but we disapprove of the sense of panic instilled upon the American public by Secretary Paulson, Wall Street executives, and many of our nation's politicians.

Investors take risks. Sometimes the risks they take are reckless. Taxpayers should not be liable for Wall Street risk taking.

We have been told the $700 billion Wall Street bailout vote could determine whether or not there is a global "great depression." The gravity of the situation, then, is not lost upon us. Thus, none of us is suggesting that Congress should take no action and, in fact, we continue to support many of the provisions in the Senate package. However, we cannot support the core aspect of the plan which has remained largely unchanged since day one.

Our constituents do not buy the hype and they do not believe this boondoggle is our only option. We have all heard from our constituents and, yes, from Wall Street and the special interests. It's time to make a choice. Who will you listen to?

We hope that you will join us on behalf of the American taxpayer in sending the Treasury Secretary a strong message that his unfair $700 billion bailout plan is a non-starter with the American people.

In short, the Paulson bailout plan must be scrapped. Our simple concept, which has been proposed by numerous respected economists and market analysts, would be to give the Federal Reserve power to spend up to $250 billion dollars to shore up banks. This could be accomplished through a preferred equity with warrants arrangement to ensure that the U.S. government had security.

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An effort to shore up banks would make sense and be fair to the American people and would protect our nation's credit supply system.

The bottom line is that politics needs to be removed from the equation. This requires us to deny Secretary Paulson's request for sweeping new authority. The Federal Reserve should be placed in charge of shoring up our nation's financial institutions.

We urge you to incorporate this into the Senate package.

Best Regards,

DEVIN NUNES
Member of Congress

THADDEUS G. MCCOTTER
Member of Congress

LYNN WESTMORELAND
Member of Congress

JOHN SHIMKUS
Member of Congress

DARRELL ISSA
Member of Congress

TRENT FRANKS
Member of Congress

JOHN CARTER
Member of Congress

BILL SALI
Member of Congress

DAVID DAVIS
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JACK KINGSTON
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PAUL BROUN
Member of Congress

MARSHA BLACKBURN
Member of Congress