



Congress of the United States
House of Representatives

October 29, 2008

The Honorable Henry Paulson
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson:

As the Treasury Department begins implementation of the economic rescue package passed by Congress earlier this month, I write to you today with concerns about how some of the funds allocated to financial institutions under the plan are being utilized.

During your meetings with me and other Members of Congress in September and October, you described the need for a financial package primarily intended to purchase illiquid assets from institutions to unlock our credit markets. In recent days, however, news reports indicate that various institutions are planning to use some funds provided under the Troubled Assets Relief Program (TARP) for other purposes never discussed with me or my colleagues in Congress.

Specifically, I read with great concern an *Associated Press* report from this past weekend indicating that PNC Financial Services Group Inc. is acquiring Ohio-based National City Corp. in part by using funds received from Treasury Department under TARP. A separate *Associated Press* report published in recent days also indicates some institutions have considered using TARP funds to “give employees a raise and executives a bonus.”

Mr. Secretary, funds made available under the economic rescue package should not be used to pay for bank acquisitions, raises, and executive bonuses. These are not the types of expenditures you described during your many discussions on Capitol Hill earlier this fall, and these certainly are not the types of expenditures Members of Congress envisioned when the plan was sent to the President earlier this month. With this in mind, I must first ask if the *Associated Press* reports cited above – and countless others like them – are accurate. If so, what does the Treasury Department intend to do to ensure these types of expenditures do not occur under TARP?

On behalf of the families, seniors, small businesses, and all taxpayers, the Treasury Department must ensure that the implementation of this rescue package is focused on its intended purpose: Helping Main Street get back on its feet during today’s economic turmoil. I thank you in advance for your response to my concerns.

Sincerely,

A handwritten signature in blue ink that reads "John A. Boehner".

John Boehner
Republican Leader