

**News Center****Letter to Sec. Paulson from Sen. Voinovich**

October 30, 2008

**Please see the following letter -- attached and pasted below -- from Sen. George V. Voinovich (R-OH) to Treasury Sec. Henry Paulson concerning the lack of transparency in Treasury's implementation of the Emergency Economic Stabilization Act:**

October 30, 2008

Secretary Henry Paulson  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue  
Washington, D.C. 20220

Dear Secretary Paulson:

Thank you for taking the time to speak with me yesterday. I write as a follow-up to that conversation seeking additional clarity on the process the Treasury Department is currently using to determine which financial institutions qualify for the capital purchase program under the Emergency Economic Stabilization Act. Many of my constituents are concerned about the lack of transparency as to the criteria that determine participation in the Department's capital purchase program, and I share their concern.

Many Ohio banks have received capital from the Treasury. Specifically, Treasury made the following announcements of capital purchase on Monday: Fifth Third Bancorp \$3.4 billion, KeyCorp \$2.5 billion, and Huntington Bancshares \$1.4 billion. I have reviewed the guidelines Treasury has outlined for participation in the capital purchase program and I understand that the criteria are determined by the financial institution's regulator, but it is still unclear what factors, terms, and conditions Treasury and the various regulators are using to make capital investment decisions.

According to press reports, National City, a Cleveland, Ohio based bank, recently chose not to seek assistance from Treasury, but agreed to a deal with PNC Financial after its regulator discouraged their participation. Press reports indicate National City believed it would not receive Treasury assistance; therefore, it viewed a buy-out by PNC as its best option.

Congress entrusted the Treasury Department to work swiftly to implement the Emergency Economic Stabilization Act to best serve the needs of the financial markets and protect the taxpayer. A clear explanation of Treasury's actions to date and the factors shaping those actions is necessary for financial institutions, taxpayers, workers, and investors to understand the parameters of the capital assistance program. Otherwise, people start questioning whether Treasury officials are picking winners and losers. For the American people to have confidence in Treasury's actions, it must be clear how these decisions are being made.

I look forward to your prompt reply. As Treasury continues to work to stabilize the financial system, it is my hope that more transparency will be revealed for the credibility of the program. As you said last week, this capital purchase program is an investment, not an expenditure. This is an investment in Americans, in our community banks, credit unions, and Main Street banks. Transparency in your decision-making process will provide confidence in this investment.

Sincerely,

George V. Voinovich  
United States Senator

cc: Neel Kashkari  
Interim Assistant Secretary of the Treasury for Financial Stability and Assistant Secretary of the Treasury for International Economics and Development