Rep. Eshoo Votes for Passage of Economic Recovery Legislation

Friday, October 3, 2008

Washington, D.C. - Rep. Anna G. Eshoo (D – Palo Alto) today voted for legislation that will shore up the nation’s financial markets, protect taxpayers and address some of the nation’s most critical health and energy independence needs. The House passed the bill by a vote of 263-171.

The Emergency Economic Stabilization Act of 2008 gives Congress strict oversight over the purchase of mortgage-backed assets and institutes fiscally responsible reforms to ensure that taxpayers are first in line to be reimbursed once the plan begins to work. A similar bill failed to pass the House on September 29th by a vote of 205-228 and when it did the Dow Jones plunged by 777 points, the largest single drop in its history in one day.

“Following the vote I returned home and saw in my District the negative effects of our financial turmoil,” said Eshoo. “Community banks told me they are not loaning to small businesses, auto dealers told me they are having trouble moving their inventory because customers can’t negotiate loans, and school districts and counties have lost millions of dollars of retirement funds because the sound investments they held went down with failed institutions. Our commercial and consumer credit markets are drying up and if we continue to do nothing, the ability for my constituents to obtain home mortgages, car loans, student loans, loans for small businesses, or even credit cards will become highly difficult or impossible. Even more financial institutions and businesses could fail and millions could lose their pensions and retirement savings, thousands of jobs could be lost, and large parts of our economy could cease to function. The repercussions would be far greater than the cost of a financial rescue program.

“The vote I took earlier this week was as tough as any I’ve ever taken during my time in Congress and today’s vote was not any easier. I voted ‘yes’ because I believe it is in the best interest of my constituents and our country.”

On October 1st the Senate passed economic rescue legislation, adding to the bill renewable energy tax incentives which are critical to creating and saving half a million green jobs and helping us achieve energy independence, tax cuts for 20 million families who will be hit by the Alternative Minimum Tax, an extension of the research and development tax credit, disaster relief, mental health parity to end coverage discrimination, and other provisions.

The improved bill also importantly includes an increase in federal insurance coverage of bank deposits from $100,000 to $250,000, as well as Rep. Eshoo’s top priorities:

- Strong independent oversight, transparency, and accountability requiring Congressional review after the first $350 billion is disbursed; Limits on excessive compensation for CEOs and executives of participating financial institutions;

- Requiring a plan that would ensure taxpayers are repaid in full—or even make a profit; A $1000 tax break for 28 million American homeowners who don’t itemize and desperately need property tax relief;

- Requiring the government to steer mortgages in danger of foreclosure to loan workout programs to prevent the foreclosures that are driving down home values across America;

- Protection of school district and city/county investments.

“The greatest risk to our country in the face of this financial crisis is doing nothing. Last month employers dropped 159,000 jobs, the biggest decline in five years. Yesterday, Governor Schwarzenegger warned Secretary Paulson that California may have to seek an emergency loan of $7 billion so that the state government can continue day-to-day operations. It has become clear that this credit crisis affects all of us, from those on the verge of retirement to new parents starting a college savings account for their child. It’s not the bankers or Wall Street titans who need this bill, it is the every day Americans who are struggling with stagnant wages and rising mortgage, student loan and credit card payments. My ‘yes’ vote today is to help Americans struggling financially on Main Street and ensure that the financial rescue effort protects my constituents and the taxpayer.”

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