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Memo

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Date: September 29, 2008

To: Members of the U.S. Senate and House of Representatives

From: Edward L. Yingling, President and CEO
Floyd E. Stoner, Executive Vice President, Congressional Relations & Public Policy

RE: Support for the Emergency Economic Stabilization Act of 2008

I am writing on behalf of the entire banking industry to express our support for the compromise legislative package that Congress is considering to address the current financial crisis.

The crisis on Wall Street and in financial centers around the world has reached a point where extraordinary action is required. The proposal put forth by Treasury Secretary Henry Paulson and modified by Members on both sides of the aisle is a constructive solution to the crisis we face. It will provide the financial backstop needed to unfreeze the financial markets and provide for greater transparency and accountability for firms that participate in the program.

The action that Congress is taking is not one that the regulated banking industry sought, but is necessary to address this financial crisis to ensure that credit is available to consumers and businesses on Main Street. There can be no doubt that the freezing up of the world's credit markets and the loss of confidence we are seeing will, if left unchecked, dramatically impact consumers and businesses of all sizes.

While we support the basic construct of the compromise package, we are concerned about the provision that was added at the end of the process to have the President assess the final costs to the government, after five years, and make a legislative proposal on how to recoup those costs from the financial services industry, possibly through the assessment of a fee. As Secretary Paulson, Chairman Bernanke, and many Members of Congress have consistently pointed out, this crisis was the result of actions of unregulated mortgage brokers and failures on Wall Street, not of actions of regulated, FDIC-insured banks.

We support this compromise package because we recognize the impact that a failure to pass this legislation would have on the national economy