



*Congress of the United States  
House of Representatives  
Washington, D.C. 20515*

*Anna G. Eshoo  
Fourteenth District  
California*

November 17, 2009

The Honorable Timothy F. Geithner, Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Geithner,


On October 28<sup>th</sup> we had a productive discussion about efforts to resolve the financial hardships faced by local governments in the aftermath of the Lehman Brothers' bankruptcy. You and I were joined by my Colleagues, Representatives Speier, Farr, Miller and Perlmutter, and each of them eloquently detailed the severe cuts in critical services and programs that local governments are facing due to the Federal Reserve's decision in September 2008 to allow Lehman Brothers to fail.

While you agreed that reductions in services and projects at the local level were extremely harmful to the Administration's economic recovery efforts, you also expressed your concern that you did not have the legal authority to use TARP funds to assist localities that have been impacted by the Lehman bankruptcy or other major bank failures. As you know, I wrote language which was part of the TARP legislation to specifically give the Treasury Secretary the authority to address these troubled assets. During our discussion, however, you informed us that attorneys at the Treasury Department are not convinced that this language is sufficient to allow TARP funds to be used for this purpose.

Taking note of our resolve to find a remedy for this situation, you agreed to go back to your attorneys to clarify the legal issues and concerns and to recommend possible legislative remedies. You asked whether I was willing to give you two weeks to confer with your advisors and then return to us with the outcome of these discussions, and I was happy to do so.

It has now been more than two weeks and we are very eager to hear the results of your consultations, and I hope we can schedule a follow-up meeting as soon as possible. Please have your staff contact my Executive Assistant Jena Gross at (202) 225-8104 at their earliest convenience to arrange a time for us to meet again.

Most gratefully,

  
Anna G. Eshoo  
Members of Congress

cc: The Honorable Jackie Speier  
The Honorable Sam Farr  
The Honorable George Miller  
The Honorable Ed Perlmutter