

In response to Kenneth Feinberg's report faulting TARP recipients that paid out questionable bonuses immediately after receiving taxpayer-funded bailouts, Rep. Peter Welch (D-Vt.) on Friday urged House colleagues to join him in sending a letter to the six Wall Street banks that have yet to repay taxpayer loans. The letter, which asks the banks to suspend executive bonuses until the taxpayer loans are repaid and to return to taxpayers the questionable bonuses identified by Mr. Feinberg, is being circulated among House Members today and will be sent on Monday.

The letter is copied below:

Dear (Chairman of the Board of Directors)

Why is it that, when it comes to Wall Street compensation, enough is never enough? Why is it that Wall Street remains tone deaf and blind to the struggles of working Americans? Why is it that Wall Street increases bonuses to executives while eliminating lending to small businesses?

We are extremely disappointed to learn that Kenneth Feinberg has identified your company as one of 17 troubled banks that paid out questionable bonuses immediately after accepting 2008 taxpayer assistance that helped prevent the failure of your institution. Further, it is our understanding that your bank may be preparing to again pay excessive bonuses to your executives in spite of the fact that you have not yet fully repaid the taxpayer.

This news hits at a time when the very taxpayers who threw a lifeline to your bank are struggling to stay afloat in an economy driven to the brink of collapse by the actions of Wall Street. And, small businesses are struggling to keep their doors open because they cannot get loans from the same Wall Street banks they helped bailout.

We urge you to:

- Stop all bonus compensation to your executives until you have completely repaid the taxpayer, with interest; and*

- *Return to the taxpayer the questionable bonuses identified by Mr. Feinberg that were made possible through taxpayer funded lifelines.*

It would be cynical in the extreme for you to thumb your nose at the American public by continuing excessive payouts while your company is in debt to the taxpayer. We expect you to take immediate action to address the issues we have raised in this letter and look forward to your timely response.

Sincerely,

*PETER WELCH
Member of Congress*

cc: Chief Executive Officer