

Wall Street Bailout Talking Points

“The Wrong Deal for Main Street”

Help for Main Street

We believe that the current bailout legislation pending in Congress does not go far enough to meet the needs of Main Street Americans. This is the wrong deal for Main Street. Any proposed legislation must mandate stringent regulatory oversight, relief for homeowners, accountability for corporate executives and strong economic recovery measures for working Americans.

The massive government bailout being proposed for the nation's financial industry – along with the massive tax cuts proposed by Senate Republicans – will virtually bankrupt our government, making it difficult to pay for other priorities such as health care, education, infrastructure, alternative energy... and tax cuts for the middle class.

We are concerned that the Bush Administration and Congress appear determined to rush this corporate bailout legislation into law before it can be thoroughly reviewed. There has been a mountain of scare stories and misinformation circulated to push the bailout. A decision this critical cannot be decided by fear-mongering. We need to slow this process down, make the process more transparent to the public and consider alternative proposals to make sure we are getting this right.

While action must be taken to address the crisis in the financial markets, most Americans detest the idea that citizens should have to pay for the excesses of Wall Street while the needs of Main Street go neglected. Therefore, we call on Congress to address the concerns of ordinary American families and bring comprehensive financial reform to solve our current economic crisis.

Millions of families are being victimized by this foreclosure crisis – many who were misled by predatory lenders into taking mortgages that they didn't understand and couldn't afford. This bill must grant authority for bankruptcy judges to restructure mortgages and allow government to work with loan servicers on new mortgage terms, thereby providing stability and security for local communities and the economy as a whole.

The home foreclosure crisis has disproportionately hit Black and Latino families, causing a reverse transfer of wealth. Middle-class families who live in majority-minority neighborhoods have suffered tremendously from the sub-prime lending crisis, and the

loss of homes previously owned by people of color is speeding up gentrification rates to a degree that would have been unimaginable in the past.

The bailout does almost nothing to counter the drop in household consumption that is leading to a recession. As we address one part of the economic crisis, we need to enact a second economic stimulus that would immediately create jobs and put money in the pocket of middle class families and struggling state and local governments to prevent a worsening recession.

Reforming Wall Street

While we are reforming Wall Street, we must help Main Street. Any legislation must include a strong economic recovery package. This package should include investments in infrastructure transportation and school ; aid for states to offset cuts in education and health care; an increase in food stamps to address rising food costs; and an extension of unemployment benefits to help those whose benefits are on the brink of expiring.

Any legislation addressing the current crisis MUST more strictly regulate the financial sector, provide public transparency, limit executive compensation and eliminate golden parachutes. It also must discourage additional home foreclosures and help families stay in their homes.

The public's massive amount of investment in our financial institutions must be protected. Tough, independent oversight, transparency and an assurance of repayment from the financial service companies must be mandatory. Wall Street speculators must pay for this bailout. Future profits of participating companies must first be returned to taxpayers before any other expenditures are undertaken.