

111TH CONGRESS
1ST SESSION

S. 116

To require the Secretary of the Treasury to allocate \$10,000,000,000 of Troubled Asset Relief Program funds to local governments that have suffered significant losses due to highly-rated investments in failed financial institutions.

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Secretary of the Treasury to allocate \$10,000,000,000 of Troubled Asset Relief Program funds to local governments that have suffered significant losses due to highly-rated investments in failed financial institutions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “TARP Assistance for
5 Local Governments Act of 2009”.

1 **SEC. 2. ASSISTANCE TO LOCAL GOVERNMENTS.**

2 Section 101(a) of the Emergency Economic Stabiliza-
3 tion Act of 2008 (12 U.S.C. 5211(a)) is amended by add-
4 ing at the end the following:

5 “(4) ASSISTANCE TO LOCAL GOVERNMENTS.—

6 “(A) PURCHASE AUTHORITY.—The Sec-
7 retary shall use \$10,000,000,000 of funds made
8 available for the TARP to assist public instru-
9 mentalities, such as counties and cities, that
10 have suffered significant increased costs or
11 losses due to investments with failed financial
12 institutions, as described in subparagraph (B).

13 “(B) LIMITED TO HIGHLY RATED INVEST-
14 MENTS.—Assistance under this paragraph shall
15 be limited to public instrumentalities that have
16 suffered due to investments that the Secretary
17 determines were highly rated in any failed fi-
18 nancial institution, whether or not the financial
19 institution is assisted under this Act.”.

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