

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

**THE \$700 BILLION GOVERNMENT
BAILOUT IS NOT WORKING**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, in 2008, Wall Street's biggest banks got Congress to hand over to them \$700 billion of your taxpayer money. Now they want more.

Yesterday, Neel Kashkari, the Interim Assistant Secretary for Financial Stability, gave a speech at the Brookings Institution. He gave fancy sounding bureaucratic names to the \$175 billion that he has already forked over. He called it Capital Purchase Program, Asset Grant Guarantee Program, Targeted Investment Program. Essentially he was talking about the \$20 billion that went to Citigroup.

He asked rhetorically, when will we see the new banks making loans? Well, that is part of his job, to get them to make the loans. But he said as long as confidence remains low, banks will remain cautious about extending credit.

Oh, Mr. Kashkari, we know that well. The reason the auto industry is in trouble is because credit has dried up. Car loans can't be made.

So let me get this straight: He wants more money, because he has only given \$175 billion from the taxpayers' money out there in the country to the biggest banks that did the wrongdoing to begin with, and they are still reluctant to lend.

Let me give Mr. Kashkari a dose of reality. Your program isn't working, and it is not working for Main Streets across this country.

PNC Bank of Pittsburgh, Pennsylvania, one of the Nation's largest banks, now the fifth largest bank, has received \$7.5 billion from Mr. Kashkari.

□ 1415

And instead of providing additional lending capacity and loan workouts for those mortgages to help resolve the problem, PNC took the money. And you know what they did? They came across the border to Ohio and they bought National City Bank in Cleveland.

I see my dear colleague from the city of Cleveland, Congressman KUCINICH here this evening. He understands this well.

National City has been a headquartered institution in Ohio, headquartered in Cleveland since 1845.

Now, Treasury's money, the taxpayers' money, went to PNC and they came to Ohio and bought National City Bank, putting all those people out of work. And PNC became bigger. So what Mr. Kashkari did was take our money and give it to PNC, that hasn't worked down any of those loans, but they came to Ohio and bought out National City

Bank. So PNC gets bigger, our banking system gets more concentrated, and PNC becomes more powerful. Some say they actually have price control power on the western side of Pennsylvania.

So, PNC gets \$7.5 billion. Cleveland and Ohio lose a Fortune 500 company, and Ohio, where foreclosures are raging, gets nothing. We get nothing. We just get more foreclosures.

In 2008, Citigroup, one of the main culprits that caused the financial meltdown, was given \$25 billion. They got more than PNC. They got it from us, the taxpayer, and then they have foreclosed, just in my district, on another 235 families in Lucas County, Ohio.

Last November I found an advertisement in my local paper that said there was going to be an auction in my home county. I was surprised. I didn't know the company coming in, called Hudson and Marshall of Dallas, Texas. So I went.

Guess what? Citigroup was one of the banks selling properties. I attended and watched homes in my community sold for as little as \$7,900, a price so low that the original owners could have gone back into those homes. Not only was Citigroup auctioning homes that night, but so were TARP money recipients; those are the banks that got the money through the Treasury from us, Wells Fargo, US Bank, Deutsche Bank, ABN/Amro, Chase Home Finance, Fifth Third Bank, Standard Federal and LaSalle. They all got money.

It is clear that some of the recipients of the Treasury money are unwilling to craft real workouts. And so what happened in our region was people got kicked out of their homes. Wall Street hired the auction company from Dallas, Texas. They came to our region, they sold all those properties for very little money, and they're going to get big, huge tax losses written off on their IRS filings for the tax year of 2008.

But where are our families? Out on the street. Our people lost their homes.

I would like to invite Mr. Kashkari, Secretary Paulson and all the PNC executives to come to Ohio, and I want them to live in the neighborhoods that their actions have affected. We'll give them a little heater, Bunsen heater overnight so they don't get too cold in the houses; and we'd like them to experience the results of what they have done to the American people.

Last year, 4,100 homes in my region were foreclosed upon. In the last 2½ years, 10 percent of the properties in my home community have been foreclosed. 10 percent of the housing stock. And as foreclosure rates continue to rise in places like Ohio, it's pretty obvious that's what's happening here in Washington isn't connecting to Main Street.

Sadly, Hudson and Marshall, the auction house that Wall Street hired to sell all those homes in my community, are coming to your town too. This month alone they are slated to be in several cities in Michigan, Arizona, Connecticut, Massachusetts, Rhode Is-

land and New Jersey, and they're going to auction another 1,455 properties. They've now sold over 70,000 homes in the last few years, and expect another 30,000 in the year 2009.

Mr. Kashkari, your program isn't working.

Madam Speaker, I would like to place the additional remarks that I have in the RECORD.

What is happening is an outrage to the American people, and they're being asked to pay for it. There shouldn't be any more TARP bills clearing this Congress until hearings are held in the communities that have been affected. We need to use our power in order to go out to the voters that sent us here.

Equity is bleeding profusely from our communities. The sheer volume of the properties sold at auction is disturbing. Financial institutions which have been capitalized through the TARP Program have failed to do mortgage workouts—FDIC and SEC should do their jobs, and they are not—and must be required to do mortgage workouts, rather than foreclosing on homes and participating in auctions. Hudson & Marshall stated in a press release that they have made \$1.2 billion doing auctions.

The intent of the TARP was to help stabilize our financial system, which includes in large measure our housing industry. Yet, we financial institutions enriching themselves, merging, and yet foreclosing on families rather than working to stabilize families in their homes. A stable home permits people to focus on obtaining and maintaining employment, purchasing food, and contributing to society in positive ways rather than relying on social services funded by State and Federal dollars. Furthermore, we see communities falling apart. Community members and local banks are effectively locked out of the opportunity to reinvest in themselves because monies from the Department of Housing and Urban Development which would allow community banks and members to purchase foreclosed homes have not yet arrived.

No second round of TARP money should emerge from this Congress unless regular hearings are held and the victims of this crisis can have their voices heard in the deliberative process. The Committees should travel to the communities most affected. Why should we trust Wall Street Banks again as more families teeter on the edge.

The SPEAKER pro tempore (Mrs. GILLIBRAND). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. NEUGEBAUER) is recognized for 5 minutes.