

# Americans for Financial Reform

## Accountability, Fairness, Security

House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

November 18, 2009

Dear Chairman Frank, Ranking Member Bachus, and Members of the Committee,

As members of Americans for Financial Reform, a coalition of nearly 200 consumer, employee, investor, community and civil rights groups, we write you today to convey our strong support for the amendment to H.R. 3996, the Financial Stability Improvement Act of 2009, offered by Representatives Ron Paul and Alan Grayson.

This amendment subjects the Federal Reserve to an audit by the General Accountability Office within one year of enactment. This audit would shed light on questions the Fed has so far refused to answer, including the names of financial institutions that have received special loans and the conditions under which those loans were made. To shield policy discussions from political influence, the amendment exempts transcripts or minutes of meetings of the Board of Governors or of the Federal Open Market Committee. It also provides for delayed release of audit information dealing with individual market actions.

In responding to the financial crisis, the Federal Reserve has committed more than \$1 trillion to aid troubled financial institutions through loans and asset purchases – without any of the restrictions on such things as executive compensation that came with funding from the Treasury under the Troubled Asset Relief Program (TARP). Also, unlike the Treasury, which has posted all TARP transactions on its website, the Fed has kept most of the transactions secret.

In creating the Federal Reserve nearly 100 years ago, the Congress envisioned a central bank free from political pressure. But the structure that may have once ensured independence now appears to put the Fed much closer to the financial industry than the American people, who deserve to know who the beneficiaries are.

We strongly support transparency at the Federal Reserve and the Paul-Grayson Amendment.

Sincerely,

Americans for Financial Reform  
A New Way Forward  
AFL-CIO  
Accountable America  
Campaign for America's Future

Change to Win Investment Group  
Consumer Action  
Empire Justice Center  
International Brotherhood of Teamsters  
National Association of Consumer Advocates  
National Association of Investment Professionals  
Neighborhood Economic Development Advocacy Project (NEDAP)  
New Jersey Citizen Action  
Public Citizen  
US Action  
US PIRG