

October 1, 2008

Dear Senator:

We write on behalf of U.S. PIRG, the federation of state PIRGs, and our members across the country who are also concerned consumers and taxpayers to urge you to improve any emergency bailout legislation for consideration before adjournment and to speak out on the need for a financial security and stabilization package for Main Street in the first 100 days of the next Congress.

We urge all members of Congress to oppose any emergency bailout that fails to include the bankruptcy foreclosure modification provision demanded by all leading civil rights, consumer, labor and community organizations but not included in the bill defeated on the House floor Monday. Congress must provide assurances to taxpayers that their neighbors will given a chance to keep paying their mortgages and stay in their homes. This will protect local property values and reduce the overall cost of the bailout. Protecting taxpayers by protecting homeowners is a necessary part of any Wall Street bailout, if one must be considered.

We also believe that the hastily written bailout proposal, while somewhat ameliorated by Congressional negotiators, needs amendments, including improvements to its executive compensation limits and more assurances to taxpayers that their \$700 billion participation is a secondary backstop, not the first-in slush fund for a bailout of industry players whose reckless actions have exacerbated the crisis.

**We also urge you to make floor statements in support of action on a comprehensive financial security and stabilization package for Main Street in the first 100 days of the next Congress.**

Attached please find examples of the kinds of reform necessary to put the country on more long term stable financial footing. Some of the changes include:

- Enact prudential reforms that place greater oversight over all parts of the financial industry, since the entire industry now appears to have access to government benefits. Further, dramatically improve Congressional oversight of the regulators themselves.
- Bring all players under regulation, including the largely unregulated hedge funds, buyout and private equity firms whose actions affect the regulated financial system as well as the entire economy.
- Establish a government chartered, non-profit Consumer and Shareholder Protection Association, as proposed by Senator Paul Wellstone as one of the last bills he filed in 2002.
- Restore the power of state attorneys general to protect consumers that was wrongly eliminated by previous actions.

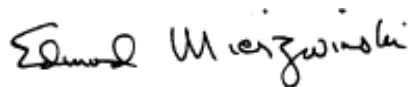
These steps and others, outlined in further detail in the following platform, will help restore market confidence and protect Main Street from paying again the price of the lax regulation that led to the current debacle.

As Congress moves forward with its response to the looming financial crisis, we urge you support homeowner protections today and to speak out on the need for a Financial Security and Stabilization Package for Main Street in the first 100 days of the next Congress.

Sincerely,



Gary Kalman  
Director, Federal Legislative Office



Edmund Mierzwinski  
Consumer Program Director

Attached: **U.S. PIRG's Main Street Financial Reform Platform**