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Congress of the United States
House of Representatives

October 24, 2008

Mr. Seth Wheeler
Deputy Assistant Secretary
Federal Finance
US Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Mr. Wheeler,

After the President signed the Emergency Economic Stabilization Act of 2008 on October 3, 2008, the Treasury moved quickly to establish the new Office of Financial Stability to implement the Troubled Asset Relief Program (TARP). Secretary Paulson recently proclaimed he was planning the organization of the office prior to the bills passage. Congress was asked by the Secretary to pass emergency legislation to help provide liquidity within the dry credit markets. Within days of Treasury adopting this new responsibility, public notices were released from the three divisions within the new Troubled Asset Relief Program (TARP), the Whole Loan Asset Management Services; Custodian, Accounting, Auction Management and other Infrastructure Services; and the Securities Asset Management Services; asking eligible financial institutions to submit applications for the limited asset managers positions. Financial institutions were given a short deadline due to the urgent need to implement TARP. All applications were due no later than October 8, 2008.

I am concerned that as of today, the Whole Loan Asset Management Services division of TARP has yet to hire any financial institutions to act as whole loan asset managers. I understand the need to evaluate the responses thoroughly to determine the best qualified applicants. However, I expected an announcement prior to today. Asset managers will be responsible for not only determining the fundamental loan value but also loan servicing. Loan Servicers, when appropriate, can be instrumental in helping American families work through rough periods and avoid foreclosure. Please move forward as soon as possible so that liquidity returns to the financial markets and credit is restored to small businesses, farms and families.

Sincerely,

Ed Perlmutter
Member of Congress