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United States Senate

WASHINGTON, DC 20510

October 29, 2008

The Honorable Neel Kashkari
Interim Assistant Secretary of the Treasury for Financial Stability
United States Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Assistant Secretary Kashkari:

I am writing to pose several questions raised by the shocking news that National City Bank was forced into a sale by the Treasury Department's decision to withhold support from the bank as you made funds available under the Emergency Economic Stabilization Act (EESA).

As a native of Ohio, I know you can appreciate how the people of my state find it incomprehensible that a program designed to help them has instead been used to eliminate an untold number of jobs and bring about the end of an institution that has served Ohioans for more than a century and a half. They deserve answers, and quickly.

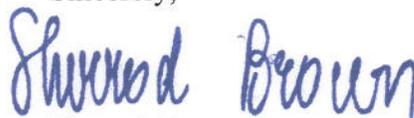
It appears that Treasury's decision to assist in the sale of National City Bank may not be an isolated incident. I am very troubled by evidence that many banks participating in the EESA capital purchase program intend to use taxpayer dollars to buy other banks.

When Secretary Paulson appeared before the Banking Committee on September 23rd to make the case for the EESA, he did not indicate that the nation suffered from too many banks. He argued that we faced a lending crisis. Congress took him at his word and provided an unprecedented sum of money, \$700 billion, to address that crisis.

In your testimony before the Banking Committee last week, you argued that freezing dividend levels and preventing stock buybacks will cause banks receiving capital injections to lend money. While those are sound steps, they are clearly not sufficient. Treasury must insist that banks not go on a buying spree, which would do nothing to address the crisis we face.

I appreciate that you have an enormous task before you and thank you for the work you are doing. I look forward to your prompt and complete responses.

Sincerely,



Sherrod Brown
United States Senate