

Key Vote “NO” on the Motion to Invoke Cloture on Dodd Amendment No. 3739

Dear Senator:

May 20, 2010

On behalf of hundreds of thousands of FreedomWorks members nationwide, I urge you to VOTE NO on the motion to invoke cloture on Dodd Amendment No. 3739 in the nature of a substitute to S.3217, the Restoring American Financial Stability Act of 2010. The bipartisan opposition that coalesced in the Senate yesterday was wise to vote to continue debate on this destructive and ineffective piece of legislation, and Members should do so again today.

The amendment process on this bill has not only failed to fix it, but has for the most part made it even worse, and the bill as a whole will create expensive long-term distortions to our economy that will cost us dearly.

Sections of the bill allow for a startling amount of data collection by the government that should concern anyone interested in privacy (Title I, Section 151-156). It gives broad authority to bureaucrats to seize private property without judicial review (Title II, Section 203). It makes permanent “too big to fail” (Section 113) and gives permanent bailout authority (Section 204). Even worse, the legislation fails utterly to address the well-known problems at Fannie Mae and Freddie Mac, the government sponsored enterprises that played a key role in the financial meltdown. In fact, efforts to reform these entities were specifically rejected.

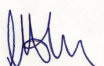
The list goes on and on and on. But just pulling out one or more of these dangerous pieces does not fix the bill—it still leaves a bill that completely fails to address the root of the problem and set the incentives right for the long haul.

Ultimately, this legislation further separates risk from reward by providing private firms with federal support should their investments sour, while they enjoy profits generated in good times. Rather than the “crackdown on Wall Street” proclaimed by the bill’s advocates, these rules further insulate the large firms from competition, reducing their cost of capital relative to their competitors. This sends the wrong signal that risky behavior will be subsidized while making it more difficult for consumers and businesses seeking access to credit. The

Restoring American Financial Responsibility Act would create changes whose effects will linger long into the future. The bill would severely distort the workings of the market while transferring the burden of risk to the taxpayer. This legislation does little to restore responsibility but instead chooses to absolve the big players on Wall Street from responsibility for their mistakes via access to a taxpayer-funded bailout. And this access comes at a steep price—broad new government controls over private markets that touch on virtually all aspects of the financial services sector.

We will count your vote on the cloture motion on Dodd Amendment No. 3739 to S.3217, the Restoring American Financial Responsibility Act as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2010. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Kibbe".

Matt Kibbe
President and CEO



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