

From: West, Christal
Sent: Wednesday, September 17, 2008 12:40:35 PM
To: Fromer, Kevin
Subject: Dodd

He just returned our call and is pressing VERY hard for him to come up there tomorrow with Bernanke... "very critical to spend an hour...." Hank was just very firm with him and said we're managing day-to-day.... Dodd said he "has people that will kill him if he doesn't come up" and HMP said than people will need to kill him. Dodd is saying he has a huge problem on his hands - tons of Members demanding it.... Still arguing

From: West, Christal <westc@ustreasury.com>
Sent: Thursday, September 18, 2008 5:14 PM
To: Fromer, Kevin <Kevin.Fromer@do.treas.gov>
Subject: RE: Would it help

thanks

From: Fromer, Kevin
Sent: Thursday, September 18, 2008 5:12 PM
To: West, Christal; Mueller, King; 'laricke.d.blanchard@frb.gov'
Subject: Fw: Would it help

From: Meyer, Daniel P.
To: Davis, Michele; Kaplan, Joel ; Fratto, Tony; Gillespie, Edward W. ; Perino, Dana M. ; Fromer, Kevin
Sent: Thu Sep 18 16:57:33 2008
Subject: RE: Would it help

We've scheduled a 7 PM meeting for Paulson, Bernanke and Cox to meet with the Speaker, 4 Leaders, 4 Whips and the 4 Banking Committee Chairs and Rankers. It will be in H-230, which is a conference room in the Speaker's office. I'm sure press will be swarming in the hallways.

From: Michele.Davis@do.treas.gov [mailto:Michele.Davis@do.treas.gov]
Sent: Thursday, September 18, 2008 4:55 PM
To: Kaplan, Joel; Fratto, Tony; Gillespie, Edward W.; Perino, Dana M.; Meyer, Daniel P.; Kevin.Fromer@do.treas.gov
Subject: RE: Would it help

You read that right.

From: Kaplan, Joel [mailto:Joel_D._Kaplan(b) (2)]
Sent: Thursday, September 18, 2008 4:50 PM
To: Davis, Michele; Fratto, Tony; Gillespie, Edward W.; Perino, Dana M.; Meyer, Daniel P.; Fromer, Kevin
Subject: RE: Would it help

(b) (5)

From: Michele.Davis@do.treas.gov [mailto:Michele.Davis@do.treas.gov]
Sent: Thursday, September 18, 2008 3:45 PM
To: Fratto, Tony; Gillespie, Edward W.; Perino, Dana M.; Meyer, Daniel P.; Kevin.Fromer@do.treas.gov; Kaplan, Joel
Subject: Re: Would it help

(b) (5)

----- Original Message -----

From: Fratto, Tony <Tony_Fratto(b) (2)>
To: Davis, Michele; Gillespie, Edward W. <Edward_W._Gillespie(b) (2)>; Perino, Dana M. <Dana_M._Perino(b) (2)>; Meyer, Daniel P. <Daniel_P._Meyer(b) (2)>; Fromer, Kevin; Kaplan, Joel <Joel_D._Kaplan(b) (2)>
Sent: Thu Sep 18 15:43:26 2008
Subject: Re: Would it help

(b) (5)

----- Original Message -----

From: Michele.Davis@do.treas.gov <Michele.Davis@do.treas.gov>

To: Gillespie, Edward W.; Perino, Dana M.; Fratto, Tony; Meyer, Daniel P.; Kevin.Fromer@do.treas.gov
<Kevin.Fromer@do.treas.gov>

Sent: Thu Sep 18 15:41:18 2008

Subject: Would it help

(b) (5)

From: West, Christal
Sent: Thursday, September 18, 2008 5:42:08 PM
To: McLaughlin, Brookly
Subject: RE: You know name of room that pelosi mtg is in?

H-230, but you're not giving that to press are you?

From: McLaughlin, Brookly
Sent: Thursday, September 18, 2008 5:41 PM
To: West, Christal
Subject: You know name of room that pelosi mtg is in?

From: West, Christal
Sent: Thursday, September 18, 2008 5:43:32 PM
To: McLaughlin, Brookly
Subject: RE: You know name of room that pelosi mtg is in?

Ok, thanks. Just didn't want us to be responsible for it

From: McLaughlin, Brookly
Sent: Thursday, September 18, 2008 5:43 PM
To: West, Christal
Subject: RE: You know name of room that pelosi mtg is in?

Pelosi confirmed the meeting already with the press. Cameras will be swarming the place. Just want to tip off the 60 minutes folks so they can get the same.

From: West, Christal
Sent: Thursday, September 18, 2008 5:42 PM
To: McLaughlin, Brookly
Subject: RE: You know name of room that pelosi mtg is in?

H-230, but you're not giving that to press are you?

From: McLaughlin, Brookly
Sent: Thursday, September 18, 2008 5:41 PM
To: West, Christal
Subject: You know name of room that pelosi mtg is in?

From: West, Christal
Sent: Thursday, September 18, 2008 5:52:03 PM
To: Mayo, Courtney; Fromer, Kevin; Davis, Michele; Wilkinson, Jim; McLaughlin, Brookly
Subject: RE: Jaime from Speaker Pelosi's office called

Please see below from the Speaker's office

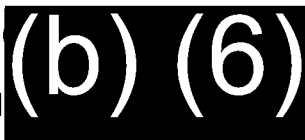
From: Mayo, Courtney
Sent: Thursday, September 18, 2008 5:50 PM
To: Fromer, Kevin
Cc: West, Christal
Subject: Jaime from Speaker Pelosi's office called

He just wanted me to let you know that there is going to be a brief press "spray" (is the term I believe he used) prior to the meeting. Jaime said it shouldn't last long, but wanted to call with the heads up.

From: West, Christal
Sent: Thursday, September 18, 2008 6:31:14 PM
To: Gathers, Shirley; Matera, Cheryl
Subject: RE: Could I please get the contact numbers for Speaker Pelosi and Sen. Chris Dodd? Thanks!

Dodd - cell

Pelosi - cell



From: Gathers, Shirley
Sent: Thursday, September 18, 2008 6:29 PM
To: West, Christal; Matera, Cheryl
Subject: Could I please get the contact numbers for Speaker Pelosi and Sen. Chris Dodd? Thanks!

From: McLaughlin, Brookly <Brookly.Mclaughlin@do.treas.gov>
Sent: Friday, September 19, 2008 10:06 AM
To: _DL_FYI <_DL_FYI@do.treas.gov>; _DL_Public Affairs
<PublicAffairs2@do.treas.gov>
Subject: Paulson Statement on Comprehensive Approach to Market Developments

U.S. Treasury Department Office of Public Affairs

Embargoed Until, 10 a.m. (EDT), September 19, 2008
Contact Brookly McLaughlin, (202) 622-2920

Statement by Secretary Henry M. Paulson, Jr.
on Comprehensive Approach to Market Developments

Washington, DC— Last night, Federal Reserve Chairman Ben Bernanke, SEC Chairman Chris Cox and I had a lengthy and productive working session with Congressional leaders. We began a substantive discussion on the need for a comprehensive approach to relieving the stresses on our financial institutions and markets.

We have acted on a case-by-case basis in recent weeks, addressing problems at Fannie Mae and Freddie Mac, working with market participants to prepare for the failure of Lehman Brothers, and lending to AIG so it can sell some of its assets in an orderly manner. And this morning we've taken a number of powerful tactical steps to increase confidence in the system, including the establishment of a temporary guaranty program for the U.S. money market mutual fund industry.

Despite these steps, more is needed. We must now take further, decisive action to fundamentally and comprehensively address the root cause of our financial system's stresses.

The underlying weakness in our financial system today is the illiquid mortgage assets that have lost value as the housing correction has proceeded. These illiquid assets are choking off the flow of credit that is so vitally important to our economy. When the financial system works as it should, money and capital flow to and from households and businesses to pay for home loans, school loans and investments that create jobs. As illiquid mortgage assets block the system, the clogging of our financial markets has the potential to have significant effects on our financial system and our economy.

As we all know, lax lending practices earlier this decade led to irresponsible lending and irresponsible borrowing. This simply put too many families into mortgages they could not afford. We are seeing the impact on homeowners and neighborhoods, with 5 million homeowners now delinquent or in foreclosure. What began as a sub-prime lending problem has spread to other, less-risky mortgages, and contributed to excess home inventories that have pushed down home prices for responsible homeowners.

A similar scenario is playing out among the lenders who made those mortgages, the securitizers who bought, repackaged and resold them, and the investors who bought them. These troubled loans are now parked, or frozen, on the balance sheets of banks and other financial institutions, preventing them from financing productive loans. The inability to determine their worth has fostered uncertainty about mortgage assets, and even about the financial condition of the institutions that own them. The normal buying and selling of nearly all types of mortgage assets has become challenged.

These illiquid assets are clogging up our financial system, and undermining the strength of our otherwise sound financial institutions. As a result, Americans' personal savings are threatened, and the ability of consumers and businesses to borrow and finance spending, investment, and job creation has been disrupted.

To restore confidence in our markets and our financial institutions, so they can fuel continued growth and prosperity, we must address the underlying problem.

The federal government must implement a program to remove these illiquid assets that are weighing down our financial institutions and threatening our economy. This troubled asset relief program must be properly designed and sufficiently large to have maximum impact, while including features that protect the taxpayer to the maximum extent possible. The ultimate taxpayer protection will be the stability this troubled asset relief program provides to our financial system, even as it will involve a significant investment of taxpayer dollars. I am convinced that this bold approach will cost American families far less than the alternative – a continuing series of financial institution failures and frozen credit markets unable to fund economic expansion.

I believe many Members of Congress share my conviction. I will spend the weekend working with members of Congress of both parties to examine approaches to alleviate the pressure of these bad loans on our system, so credit can flow once again to American consumers and companies. Our economic health requires that we work together for prompt, bipartisan action.

2009-06-117 000008

As we work with the Congress to pass this legislation over the next week, other immediate actions will provide relief.

First, to provide critical additional funding to our mortgage markets, the GSEs Fannie Mae and Freddie Mac will increase their purchases of mortgage-backed securities (MBS). These two enterprises must carry out their mission to support the mortgage market.

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I look forward to working with Congress to pass necessary legislation to remove these troubled assets from our financial system. When we get through this difficult period, which we will, our next task must be to improve the financial regulatory structure so that these past excesses do not recur. This crisis demonstrates in vivid terms that our financial regulatory structure is sub-optimal, duplicative and outdated. I have put forward my ideas for a modernized financial oversight structure that matches our modern economy, and more closely links the regulatory structure to the reasons why we regulate. That is a critical debate for another day.

Right now, our focus is restoring the strength of our financial system so it can again finance economic growth. The financial security of all Americans – their retirement savings, their home values, their ability to borrow for college, and the opportunities for more and higher-paying jobs – depends on our ability to restore our financial institutions to a sound footing.

From: White House Economics - Keith Hennessey
<WhiteHouseEconomics@ (b) (2)>
Sent: Friday, September 19, 2008 10:26 AM
To: Nason, DavidDisabled <David.Nason@do.treas.gov>
Subject: Statement by Treasury Secretary Hank Paulson (note #2008-027)
Attach: image001.gif

If this message was forwarded to you and you'd like to subscribe to this list, send an email to WhiteHouseEconomics@ (b) (2). Please tell me what you do for a living.

I don't have a lot of time to write an explanation this morning, so I'll only have time to share our official documents. I'll follow up when I can with further explanation.

Here's the first – a statement that the President's Treasury Secretary, Hank Paulson, just gave.

The President will speak at 10:45 AM. I'll send his remarks soon after he has spoken. Here's what Secretary Paulson said shortly after 10 AM this morning.

Last night, Federal Reserve Chairman Ben Bernanke, SEC Chairman Chris Cox and I had a lengthy and productive working session with Congressional leaders. We began a substantive discussion on the need for a comprehensive approach to relieving the stresses on our financial institutions and markets.

We have acted on a case-by-case basis in recent weeks, addressing problems at Fannie Mae and Freddie Mac, working with market participants to prepare for the failure of Lehman Brothers, and lending to AIG so it can sell some of its assets in an orderly manner. And this morning we've taken a number of powerful tactical steps to increase confidence in the system, including the establishment of a temporary guaranty program for the U.S. money market mutual fund industry.

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otherwise sound financial institutions. As a result, Americans' personal savings are threatened, and the ability of consumers and businesses to borrow and finance spending, investment, and job creation has been disrupted.

To restore confidence in our markets and our financial institutions, so they can fuel continued growth and prosperity, we must address the underlying problem.

The federal government must implement a program to remove these illiquid assets that are weighing down our financial institutions and threatening our economy. This troubled asset relief program must be properly designed and sufficiently large to have maximum impact, while including features that protect the taxpayer to the maximum extent possible. The ultimate taxpayer protection will be the stability this troubled asset relief program provides to our financial system, even as it will involve a significant investment of taxpayer dollars. I am convinced that this bold approach will cost American families far less than the alternative – a continuing series of financial institution failures and frozen credit markets unable to fund economic expansion.

I believe many Members of Congress share my conviction. I will spend the weekend working with members of Congress of both parties to examine approaches to alleviate the pressure of these bad loans on our system, so credit can flow once again to American consumers and companies. Our economic health requires that we work together for prompt, bipartisan action.

As we work with the Congress to pass this legislation over the next week, other immediate actions will provide relief.


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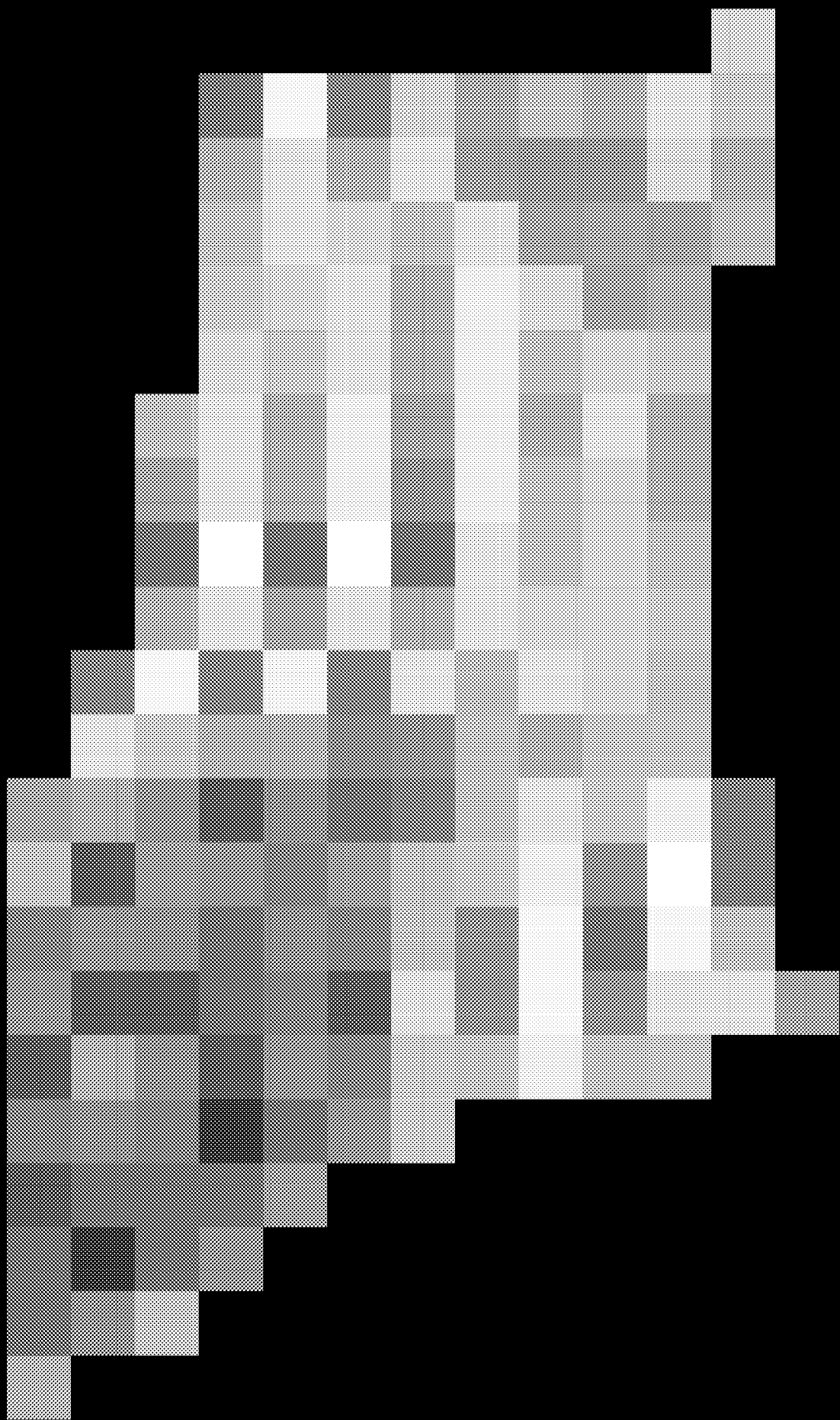
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-kbh 

To unsubscribe send a blank email to:

(b) (2)

2009-06-117 000011



From: Anne Canfield <Anne@**(b) (6)**>
Sent: Friday, September 19, 2008 10:31 AM
To:
Subject: STATEMENT BY SECRETARY HENRY M. PAULSON, JR. ON COMPREHENSIVE APPROACH TO MARKET DEVELOPMENTS

From: OPL@do.treas.gov [mailto:OPL@do.treas.gov]
Sent: Friday, September 19, 2008 10:28 AM
To: OPL@do.treas.gov
Cc: Jeb.Mason@do.treas.gov
Subject: STATEMENT BY SECRETARY HENRY M. PAULSON, JR. ON COMPREHENSIVE APPROACH TO MARKET DEVELOPMENTS

Sent on behalf of Jeb Mason:

U.S. Treasury Department Office of Public Affairs

Embargoed Until, 10 a.m. (EDT), September 19, 2008

Contact Brookly McLaughlin, (202) 622-2920

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regulatory structure to the reasons why we regulate. That is a critical debate for another day.

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From: McLaughlin, Brookly <Brookly.Mclaughlin@do.treas.gov>
Sent: Friday, September 19, 2008 11:51 AM
To: _DL_FYI <_DL_FYI@do.treas.gov>
Subject: TRANSCRIPT: Secretary Of The Treasury Henry M. Paulson Jr. Hol..., sked FINAL

TRANSCRIPT

September 19, 2008

NEWS CONFERENCE

SECRETARY OF THE TREASURY HENRY M. PAULSON JR.

WASHINGTON, D.C.

SECRETARY OF THE TREASURY HENRY M. PAULSON JR. HOLDS A NEWS
CONFERENCE

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SECRETARY PAULSON HOLDS A NEWS CONFERENCE

SEPTEMBER 19, 2008

SPEAKER: SECRETARY OF THE TREASURY HENRY M. PAULSON JR.

PAULSON: Good morning, everyone. Hope you got a lot of sleep
last night.

Now, last night the Federal Reserve chairman, Ben Bernanke, SEC
Chairman Chris Cox and I had a lengthy and productive working session
with congressional leaders. We began a substantive discussion on the
need for a comprehensive approach to relieving the stresses on our
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2009-06-117 000016

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PAULSON: The normal buying and selling of nearly all types of mortgage assets has become challenged. These illiquid assets are clogging up our financial system and undermining the strength of our otherwise sound financial institutions.

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PAULSON: The financial security of all Americans, their retirement savings, their home values, their ability to borrow for college, and the opportunities for more and higher-paying jobs depends on our ability to restore our financial institutions to sound footing.

Thank you. Now I'll take several questions.

QUESTION: Mr. Secretary, you said this needs to be -- you said this needs to be of significant size. Are we talking hundreds of billions, a trillion dollars?

PAULSON: We're talking hundreds of billions. This needs to be big enough to make a real difference and get at the heart of the problem.

QUESTION: What specifically will you be asking Congress for? Have you brought them a proposed legislative package?

PAULSON: We are going to be coming to them with a proposed legislative package and then working with them to flesh out the details through the weekend. And we're going to be asking them to take action on legislation next week.

QUESTION: Mr. Secretary, what is the alternative here? What is the dire picture you painted for members of Congress last night to try and convince them to support this effort? What is the alternative?

PAULSON: This is what we need to do. Because for some time we've been saying that the root cause of the problems in our economy and our financial system is housing, and until we get stability in the housing market we are not going to get stability in our financial markets.

We've worked with Congress on a number of the steps, all of which were important, leading up to this. But this is the way we stabilize the system and get at the root cause.

Thank you all very much. Thanks.

END

Sep 19, 2008 10:22 ET
.EOF

Provider ID: 00140393
-0- Sep/19/2008 14:25 GMT

From: Via, Stafford <Stafford.Via@do.treas.gov>
Sent: Thursday, September 18, 2008 7:23 PM
To: Ryan, Tony <Tony.Ryan@do.treas.gov>
Subject: Fw: Documents
Attach: (b) (5)

From: Via, Stafford
To: Jester, Dan (Contractor); Norton, Jeremiah
Cc: Stoltzfoos, Jeffrey
Sent: Thu Sep 18 18:55:20 2008
Subject: Documents

(b) (5)

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From: Davis, Michele
Sent: Thursday, September 18, 2008 7:32:12 PM
To: Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Wilkinson, Jim; Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
CC: McLaughlin, Brookly; Carlson, Stacy
Subject: 9 19 08 fin system statement.doc

Attachments: (b) (5)

(b) (5)

Attached is a rough draft - please chop away... Will need to show Hank first thing in the morning

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(b) (5)

From: Wilkinson, Jim
Sent: Thursday, September 18, 2008 7:48:24 PM
To: Davis, Michele; Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
CC: McLaughlin, Brookly; Carlson, Stacy
Subject: RE: 9 19 08 fin system statement.doc

Attachments: (b) (5)

(b) (5)

From: Davis, Michele
Sent: Thursday, September 18, 2008 7:32 PM
To: Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Wilkinson, Jim; Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
Cc: McLaughlin, Brookly; Carlson, Stacy
Subject: 9 19 08 fin system statement.doc

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From: Sirri, Erik R. <SirriE@sec.gov>
Sent: Thursday, September 18, 2008 8:32 PM
To: Ryan, TonyDisabled <Tony.Ryan@do.treas.gov>
Subject: Re: Pls give me a call.

At Hill mtg. Will call when return to SEC.

=====
Erik R. Sirri
SEC, Div. of Trading and Markets
sirrie@sec.gov (202) 551-5500

From: Tony.Ryan@do.treas.gov
To: Sirri, Erik R.
Sent: Thu Sep 18 20:26:05 2008
Subject: Pls give me a call.

(b) (6)

From: Via, Stafford
Sent: Thursday, September 18, 2008 8:32:21 PM
To: Wilkinson, Jim; Davis, Michele; Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
CC: McLaughlin, Brookly; Carlson, Stacy; Via, Stafford
Subject: RE: 9 19 08 fin system statement.doc

Attachments: (b) (5)

Please find attached additional edits from Tony.
Thanks.

From: Wilkinson, Jim
Sent: Thursday, September 18, 2008 7:48 PM
To: Davis, Michele; Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
Cc: McLaughlin, Brookly; Carlson, Stacy
Subject: RE: 9 19 08 fin system statement.doc

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From: Davis, Michele
Sent: Thursday, September 18, 2008 7:32 PM
To: Ryan, Tony; Norton, Jeremiah; Jester, Dan (Contractor); Wilkinson, Jim; Hoyt, Robert; Fromer, Kevin; Kashkari, Neel
Cc: McLaughlin, Brookly; Carlson, Stacy
Subject: 9 19 08 fin system statement.doc

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