

**Remarks by Senator Sherrod Brown
Senate Banking Committee Hearing
Emergency Economic Stabilization Act: One Year Later
September 24, 2009**

One year ago, the American economy was teetering on the verge of wholesale collapse. Credit had dried up for businesses, financial behemoths such as Lehman Brothers and Bear Stearns vanished, insurance giant AIG needed immediate rescue, and Fannie Mae and Freddie Mac imploded.

Congress and the President had no choice but to act quickly to stabilize the financial system. We did, and the Troubled Asset Relief Program (TARP) was the result.

We enacted TARP legislation not only to stabilize the financial system but also to preserve homeownership, promote jobs, and generate economic growth. Now that we are nearing the one-year anniversary of TARP's creation, we are taking a look at whether TARP has worked.

I agree with those who say TARP has staved off an even bigger financial catastrophe—a number of the big banks that have received TARP funds are starting to reap profits and have even begun to pay the government back.

However, TARP has not been a success for everyone. Before we pop the cork on the champagne, we need to consider what TARP has done for jobs, manufacturing, and the foreclosure rate.

Unemployment is still way too high. In Ohio the July unemployment rate was 10.8 percent, a full percentage point higher than the national average. That represents 641,000 people who will need unemployment benefits and other services just to make ends meet.

Small and medium-sized businesses in my home state of Ohio continue to struggle mightily to get access to credit.

Although the rate of foreclosures appears to be slowing down nationwide, there are still too many families losing their homes. According to RealtyTrac, in August 11,368 Ohio homes were in some stage of the foreclosure process. I applaud the Administration for creating the Home Affordable Modification Program, but we must work to improve it. Too many borrowers and housing counselors complain about administrative hurdles and delays in processing applications.

TARP has certainly staved off an even more damaging recession, but we have much more work to do to stabilize and strengthen our economy. And we need to do it now.