

For Immediate Release  
October 2, 2008

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## **ZIMMER CONDEMNS LAUTENBERG VOTE ON BAILOUT**

**Trenton, NJ** – At a press conference U.S. Senate candidate Dick Zimmer today condemned the multi-billion dollar bailout of the nation's financial system passed by the Senate.

Zimmer released the following statement:

*"Yesterday taxpayers across the country were asked to hold their noses, reach into their pockets and pony up \$700 billion or more to bailout Wall Street. This on top of \$200 to \$300 billion to bailout Fannie Mae and Freddie Mac.*

*"We are at this point because our elected officials in Washington -- including Senator Frank Lautenberg -- did not provide effective oversight of the marketplace.*

*"These elected officials created a system of private profit and socialized risk and allowed Wall Street to run wild. Now, thanks to politicians in Washington, Main Street is bailing out Wall Street.*

*"Senator Lautenberg had 24 years to protect us against this crisis. During those 24 years he did nothing to avert it. In fact, he helped bring it about. In a job that requires leadership and good sense, he demonstrated neither.*

*"It's time for a change. As your Senator, I will work to bring transparency and accountability to Wall Street and Washington so we can avoid similar financial catastrophes in the future.*

*"There is no question that urgent and decisive federal action is needed to keep the current financial crisis from triggering a wider economic downturn, but the bill passed last night by the Senate is the wrong remedy.*

*-- It calls for taxpayers to pay 700 billion dollars for toxic securities worth less than their purchase price. It bails out the same corporate executives who made bad bets and cooked the books, as well as the stockholders and bondholders who financed them. This is corporate welfare, plain and simple.*

*--It gives the Treasury Secretary nearly complete discretion to engage in arbitrary transactions rife with conflicts of interest and cozy relationships.*

*--It does not effectively limit lavish salaries and golden parachutes for executives of companies that are bailed out.*

*--It makes the U.S. Treasury partially responsible for managing mortgages on homes throughout the country*

*-- It does nothing to close the regulatory loopholes that gave rise to this crisis.*

*--And it does nothing to help credit-worthy homeowners renegotiate their mortgages to avoid foreclosure.*

*“A better plan would have required financial institutions to give real value for taxpayer dollars, in the form of secured debt, preferred stock with warrants or risk-based insurance premiums. It would not have rewarded the very people who caused this mess. It would have done much more to help homeowners who played by the rules. And it would have taken significant steps to assure that never again would Main Street be forced to bail out Wall Street.*

*“There are good provisions in the bailout bill, such as the expansion of FDIC insurance coverage to \$250,000 per account. And I support most of the so-called tax extenders, including a year-long continuation of partial relief from the Alternative Minimum Tax. However, these extenders have become an annual occurrence in Congress and would have been passed in any event before the tax benefits lapsed. It’s always a sign of the inherent weakness of a bill when it has to be supplemented with sweeteners or linked to must-pass legislation in order to get the necessary votes. And you can be sure a bill has major defects when the strongest argument for passing it is that it is better than doing nothing.*

*“Not only did Senator Lautenberg fail to speak out as this financial storm was gathering; he helped bring it about. In 1992, Frank Lautenberg voted for a bill that allowed Fannie Mae and Freddie Mac to dominate the secondary mortgage market by giving them preferential treatment and establishing a weak regulator, low capital standards and the freedom to engage in speculative activity that would endanger their financial well-being and the well-being of the global economy. I was one of only 37 members of Congress to vote no on that bill.*

*“In subsequent years, Frank Lautenberg never spoke out against the regulatory changes that resulted in Fannie, Freddie and other institutions buying, guaranteeing and packaging huge amounts on mortgage loans made to borrowers who simply could not afford to repay them.*

*“In 1999 Frank Lautenberg voted for the Financial Services Modernization Act without demanding reforms in the oversight of the hybrid financial institutions authorized by that legislation.*

*“In 2000 Frank Lautenberg voted for legislation that created the Enron loophole and ended effective regulation of credit default swaps, which figured prominently in the demise of AIG.*

*“And in this decade Frank Lautenberg did nothing to assist those who tried to reform Fannie and Freddie before they collapsed at a cost to the taxpayers of hundreds of billions of dollars.*

*“For Senator Lautenberg, this bill is the capstone for a career devoted to excessive spending, government bailouts and corporate welfare. It makes the Bridge to Nowhere look like a Tinkertoy. New Jerseyans will, as always, pay more than their fair share of the tab.*

*“Frank Lautenberg and I have starkly different records and philosophies on this issue. New Jerseyans have a right to hear Frank Lautenberg defend his actions and his beliefs. But during this entire crisis he was almost completely silent, making only the most perfunctory and partisan public statements and not participating in the debate in committee, on the floor of the Senate or in any public forum. Today I call on Frank Lautenberg to meet me next week at a time and place of his choosing to debate this, the most important issue confronting New Jersey and America, before the TV cameras from which he has hidden all year. New Jerseyans deserve no less.”*

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Paid for by Zimmer for Senate