

Emergency Economic Stabilization Act of 2008 Fails in the House Rep. Davis Votes for the Legislation Davis States: "Emergency Bill Necessary but Not Sufficient to Resolve Financial Crisis"

Congressman Danny K. Davis (D-IL07) today voted in support of the Emergency Economic Stabilization Act of 2008 which was ultimately defeated by a vote of 228-205. The bill was the result of nine days of complex negotiation between Democrats and Republicans, the House and the Senate, the Congress and the President.

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Davis stated:

I am disappointed that the Emergency Economic Stabilization Act of 2008 failed to pass. This bill was far from perfect, but I remain convinced that urgent action by government is required if we are to avert a much larger economic crisis unfolding. Based on that conviction I pressed hard to get the best possible bill now, with the understanding that further legislation would be needed to remedy weaknesses in this bill. In short this bill was necessary, but not sufficient to resolve the crisis. We will also need urgent, additional stimulus legislation and a 21st century regime of financial regulation and I intend to continue pressing for all of these.

Based on my careful reading of the opinions of experts and listening to the advice offered by constituents I advocated for rewriting the proposal from Treasury Secretary Henry Paulson and Federal Reserve Chair Ben Bernanke based on several principles:

- Strong oversight, including review by the courts and the Congress, of any bailout to ensure transparency of all transactions, and that all transactions are conducted in accordance with other relevant laws
- Provisions to protect taxpayers and guarantee maximum recovery back to taxpayers
- Rules to cap Wall Street CEO pay in firms which receive bailout monies

- Modifications to keep homeowners facing foreclosure in their homes, prioritize stabilization of low and moderate income communities and troubled assets owned by local government

- Protections for the retirement savings of working families

- Standards for involving minority and women-owned businesses in contracts for asset management and other services

- Allow community banks to deduct losses from their investments in Fannie Mae and Freddie Mac stocks reducing the devastation of community banking

Although I do not sit on any of the relevant committees, and was not one of the negotiators on this package many of these points were on the table as a result of the work of several of my colleagues including Rep. Barney Frank and Senator Richard Durbin.

In the coming days I will continue to make resolution of the economic crisis my top priority.