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BY
SECRETARY OF THE TREASURY TIMOTHY GEITHNER

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SECRETARY GEITHNER: Thanks for coming. Nice to see you. Obviously we're announcing this morning the next stage of our broad plan to help repair the financial system. But I want to start by stepping back, putting this in broader context.

Just to state again the start proposition that to get this economy back on track we need to get this very powerful stimulus program in place as quickly as possible. It will help get millions of Americans back to work, help support and stimulate private investment. But for that to work, we need to move very aggressively to get our financial system back to the point where it's providing the credit necessary for recovery.

That agenda, the financial agenda, which is such a critical complement of recovery, has several critical parts. And let me just walk through these first before I get to the details of today's announcement.

First, we have put in place a series of very powerful targeted programs to help address the housing crisis, to help catalyze small business lending. We are moving to start a - you saw last week - a broad-based program to get the secondary markets working again, too. Those markets, as you know, are very critical to the capacity of auto financed markets to work, muni markets, student lending markets, consumer credit markets, also small business markets. And you saw last week that in the first stage of this new fed Treasury program $9 billion in issuance, four times the level of -- more than the last four months alone. And that will make a material difference in bringing interest rates down.

We announced as the first step in our broad framework a plan to make sure that banks have enough capital to survive a deeper recession. We're going through this very carefully designed capital assessment process, that's designed to bring a more consistent, more conservative, more forward-looking view of the scale of losses banks may face in a deeper recession. But the critical part of that program is to make it clear that they will be able to raise capital from the government if they can't raise in the markets so that they can get through a deeper recession. That will help reduce the odds of a deeper recession, help make sure, again, they can provide a level of lending that will be necessary to support recovery.

I just want to start with those three things before I go into today's announcement again, and go through them again to make you understand how important they are.

First, targeted programs to help address the housing crisis which have already helped bring interest rates down, will help millions of Americans be able to refinance, take advantage of lower rates, reduce monthly payments, help reduce foreclosure risk. Targeted program directly at the constraints on small business lending; very strong broad-based program that will help get securitization in markets going again. You saw its first initial launch last week. And a program of insurance -- you could call it capital insurance for the banking system so that banks have the cushion of capital necessary to lend and expand even if the economy goes through a broader -- a deeper recession.

Now, today -- today we're announcing a innovative plan for helping to provide a market for the legacy assets that are a core of this basic problem in our financial system. Right now, you know, banks are still holding on to a large amount of loans that were made before the recession, during the four years in the run-up to the peak of the boom.

Because there's no financing available to the markets, because there's huge uncertainty about the path of the recession, because there's a lot of uncertainty about how to value these assets, these markets are stuck. And to help unfreeze these markets, provide a mechanism for working through these problems, we're announcing today a two-part program.

One piece is a financing mechanism to allow banks to sell pools of loans. One piece is a financing mechanism for investors to sell and purchase securities. Structures are similar, and let me walk through the basic parts of the structures. In each case we're going to put capital alongside capital from private investors with financing from the government. So private investors will share the risk alongside with the taxpayer, and the taxpayer will share returns alongside private investors.

Used as a market mechanism for establishing pricing and value, that will help protect the government from overpaying for these assets and taking risks greater than we should. And it will help bring professional management to these things, and again, all with the objective of reducing risk to the taxpayer, improving our capacity - have the market work with us to help get out of this.

As you see in the proposals, we expect to put enough capital on the table initially to help leverage or generate between 500 and perhaps up to a million of purchasing power for these programs.

Now, if you think about this alongside the capital program, this will help banks clean up their balance sheets; it will make it easier for them to help raise private capital; it will help provide a market for these legacy assets that will help reduce these liquidity risk premium markets, help reduce the risk that people see further downward spirals in these asset prices, and overall, help increase the lending capacity of the financial system and reduce credit spreads and lending rates.

Now, like any plan, you've got to consider them against the alternatives. One alternative is just to let this dynamic we now see across the system continue. Our judgment is that would result in the risk of greater deleveraging, a deeper credit crunch, greater headwinds for the economy going forward, and a longer, deeper recession.

Another alternative is to have the government come in and purchase directly these assets and hold those, manage them, and sell them over time. That would involve the government assuming much more risk than under this program; create much greater challenges for managing these things sensibly over time; and again leave, in our judgment, the government more exposed, assuming more risk than it should, more exposed to loss over time, and in our judgment not a plausible, effective alternative.

Now, we're the United States of America. We are not Sweden. We have a very complicated financial system. Getting through this requires banks being strong enough again they can lend comfortably through a deep recession, but that's not enough. We have to complement this program to help strengthen the banking system with a range of approaches to help get these securities markets back to the point where they're working again.

So that again the basic mechanics that are so important to small business lending, large business borrowing, consumer borrowing, auto finance, student loans, et cetera -- that entire framework of mechanism is back to the point where it's working better for recovery. So our approach is designed to do both those two things.

Now, we are going through a very challenging environment now. There is deep skepticism across the country, deep anger and outrage, frustration about the point -- about the place we are in as a country, where people that were careful and prudent in their financial decisions, businesses that were conservative in how they chose how much leverage they took on, are facing substantial damage because of the actions of a range of institutions that took too much risk and brought our financial system and our economy to the point where we're facing such an acute, deep recession.

That anger and outrage is perfectly understandable and if we are going to get through this we have to engender more confidence in the American people that we're going to use taxpayer's money effectively and wisely to, again, help get credit flowing again, help reduce borrowing costs. And we want to make sure that our assistance is not going to reward failure, to benefit people who got us into this mess -- and that is critically important.

But as the President said, we also need to make it clear that our actions need to be guided by the basic objective of doing what is necessary to help get recovery back more quickly. And that requires that we have a better functioning financial system, where people are willing to come in and take risk.

The great risk we face now is that after a long period of irresponsibility and excessive risk-taking, that the system will not take enough risk now. And for these programs to work, investors have to be prepared to take risk. And for them to take risk, they have to be more confident than they are today that there's going to be a clear set of rules of the game applied consistently and enforced fairly going forward.

I'm happy to take any questions. Yes.

Q Sir, you mentioned the municipal market. Chairman Frank and about 25 other members of Congress sent you and Chairman Bernanke a letter to provide temporary relief to the short-term municipal debt market. I'm wondering if that's been considered by Treasury, if that's a possibility at all?

SECRETARY GEITHNER: We're taking a careful look at it.

Q Could you repeat the question?

SECRETARY GEITHNER: The question is -- I believe is, a number of members of Congress, governors, elected officials across the country, have encouraged us to explore ways to help bring about further improvements in the muni market. There has been some improvement in the muni market and we are looking at a range of options to see if we help reinforce those improvements, including the specific measures that Chairman Frank and others are considering.

Yes.

Q Tim, obviously you set out the structure and framework today, but for good reasons you haven't delved into the pricing. The pricing on which you make finance available to the private sector will obviously be crucial for understanding how this is likely to affect asset prices and, indeed, then the stock prices and capital needs of banks. Can you at least give us in conceptual terms some indication of what will guide the pricing decisions here on the loans?

SECRETARY GEITHNER: All right, two basic pricing things are at issue here. One is how the price for the assets is established. And the principal -- a principal virtue of this mechanism is to use the financial interests of investors to help set the price. Because they have money at risk, they're going to make better judgments about how to set the price of these assets than the government could hope to make.

There's a second issue about the terms of the financing the government makes available, and let me just establish a basic principle there too. As you see across the range of things that the Federal Reserve has done over the past two years, one basic principle that's important is to say that you establish the pricing so that as conditions normalize, the market will no longer want to or find it economic to rely on financing from the government.

Basic principle underpin all the things the Fed has done and that's why you see in some parts of the Fed programs, the Fed balance sheet is shrinking even though we have a financial system so under acute pressure.

Yes.

Q Have you gotten any interest from the private sector in getting involved in this program?

SECRETARY GEITHNER: We have seen and I expect to see a lot of interest from the private sector.

Q Can you give us any names?

SECRETARY GEITHNER: But, you know, just to say -- just to make a point. You're going to have people -- this is true of any financial crisis -- who want the government to take on much more risk. So there are people who say that we'd like the government to take more risk or a greater share of the losses than this program identifies or anticipates. But I think you're going to see a fair amount of interest in this.

Yes.

Q   Yes, on the executive pay parts of this, the plan is to have passive investors not subject to that. But what about the asset managers? Will they be subject to any pay restrictions?

SECRETARY GEITHNER: I'm going to answer this carefully. The basic answer is no. If you're already an institution that's received TARP assistance, then you would be covered by the conditions -- the range of conditions that will apply to people who receive capital from the government.

But these programs are different programs. These are generally available programs. They're designed -- like our housing plan, like the small business plan -- to get these broader markets working again. And for those reasons the comp conditions will not apply to the asset managers and investors in the program.

Q   Are you concerned about a backlash from AIG in making that decision?

SECRETARY GEITHNER: No, this was a judgment that -- that broad strategy approach has been at the core of our strategy from the beginning. It was clear in the proposals the President laid out on February 4th. It underpins the subsequent comp conditions that were passed as part of recovery too, and I think there's really broad support for that judgment.

Yes.

Q   Thank you. What happens if you go to all this trouble to figure out how much the FDIC is going to offer, in terms of leverage, and get all this together, have the auction, the price comes in, and the bank says, we don't like that price, we don't want to hand over?

SECRETARY GEITHNER: Well, again, you can't know for sure how much participation you're going to get, and people get a chance to sort of assess what the balance is for them. And the incentives banks face are very -- you know, right now, again, you don't really have a viable market in which to unload and sell these assets. But because you're holding on to them, it is harder for banks to generate greater confidence among their creditors and their investors; it's harder for them to raise capital privately.

So they face a balance. This will make it easier for them to raise capital privately because they'll have a cleaner balance sheet; there will be more confidence in the -- externally, people's capacity to evaluate their risk in that context. And that will help induce participation, as well.

But as I said, you know, in financial crises, people always want the government to take more risk, or try to put more of the losses on the balance sheet of the government. And we're trying to find a balance that's better for the taxpayer.

Q   How long do you think it'll take to get these things up and running? I mean, it seems like there's a lot of evaluation required by the FDIC and by the banks and by the investors before you could have an auction like this.

SECRETARY GEITHNER: Well, again, the full -- all the financial agencies that are relevant to this are going to work very hard to put it in place as quickly as possible.

One of the great virtues of this is it builds off an established mechanism. The FDIC has a lot of experience in operating and running, and they're optimistic that they can move quite quickly on this front, and we think we also moved quite quickly on the securities front, as well.

I've been going left. I want to go right.

Q What happens if you sent some of the assets they sell, they sell for a low price, and then some of the banks have to write down what they have and some of the new banks become insolvent?

SECRETARY GEITHNER: Well, I don't think you should be particularly worried about that risk in the way this is designed, this program is designed. Because, just to step back a little bit and look at the bank piece of it -- again, banks have a right to sell a pool of loans to a dedicated fund which will bring in private capital with government financing for that purpose, and that helps reduce that risk again.

But again, you should think about this in the context of a broader program where the government is going to provide a facility, in the form of capital, as insurance against the risk of a deeper recession. So you should think about these as complementary things.

In any case, you're going to see the -- remember, the government is -- what we're basically saying is we will make sure that there is sufficient capital in the system for these institutions to manage through -- comfortably manage through a deeper recession. The virtue of that, of course, is that with that confidence, you're going to have a greater lending capacity in the system, reduce risk of sort of progressive cycles of deleveraging, and that'll make it more likely that you get recovery back on track more quickly.

Yes.

Q On the -- Dr. Romer was making the rounds this morning on the program on the networks. And she said that across the programs on the issue of leverage net/net, she estimated that private investors would end up putting about seven to eight cents on the dollar into the programs across all of them at the end of the day. Can you comment on that, and if so, how do you get to that number?

SECRETARY GEITHNER: Well, without looking into exactly what they said, I don't want to comment on her particular thing, so let me just do the basic objectives and design thing.

Again, dollar of capital from the Treasury alongside dollar of capital from a private investor, there's financing available from the government on top of that. For that financing to be at risk, the private investor has to lose all its equity. Okay?

Now, again, you have to look at the structure against the alternatives. And the alternative structures all involve the government taking on much more risk with much less protection against the, you know, endemic problem that governments have in this context of overpaying adverse selection, getting stuck with a range of risks they don't understand and can't manage. So that's what this is designed against. But you're --

Q Do you have a ballpark number on -- at the end of the day, rough estimate where private investors be at risk, or generally maybe --

SECRETARY GEITHNER: The key thing is their capital would be at risk. That's the key thing. So that's the important benefit in that context. So rather than having the government assume all the risk in an asset purchase scheme, you're having substantial risk borne by private investors in this context, and that -- you know, we're not doing that for their benefit. We're doing it because we think that's the most effective way to get these markets working again, to get risk premium down, borrowing costs down, in ways that leave the taxpayer less exposed.

Q But the government will be taking the majority of the risk here once the -- if you're doing one-for-one losses --

SECRETARY GEITHNER: Look, there is no doubt the government is taking risk. You cannot solve a financial crisis without the government assuming risk. The only question is, how best to do it, and what's the best way to do it; what's the way to do it where you get the incentives better and you're maximizing the impact of a marginal dollar of taxpayer assistance. And that's what this is designed to do. And I am very confident this scheme dominates all the alternatives for trying to find that balance.

Yes.

Q The FDIC obviously is very involved here. I talked to individual investors, smaller investors, over the weekend, and some of the stuff that they're worried about is exactly what's going on with the FDIC: one, that the FDIC needed to get that $100 billion credit line; two, are they going to extend the size of deposit insurance, because people are worried about should I buy a $250,000 CD if the insurance is going to expire at the end of the year; and third, what about money markets? Does that -- does the money market insurance program need to expand past April -- the end of April?

SECRETARY GEITHNER: Well, I want to step back one sec, because this is a very important issue. Americans can be fully confident that their deposits in the banking system are fully safe and protected. The FDIC has proposed -- and we are very supportive of this -- a range of different measures to give them a little greater flexibility for managing through this, including, temporarily, through a larger credit line from the government than the Treasury. And I think that's a prudent, necessary step; we're perfectly comfortable about that -- perfectly supportive of that.

Now, it's also important that the FDIC has extended their temporary guarantee program for an additional surcharge, for -- that allows banks and bank holding companies to issue debt at longer maturities. And we've made it very clear that we want to make sure that the banking system has the ability to meet its broader commitments as we go through this challenging period, because that's important to make sure that we allow -- well, it's sort of -- it's just basically central to trying to make sure that, again, there's going to be enough credit and rates come down. So those things are all very important.

Money market guarantee fund is another complement to that. And again, very important for the American people to understand, that we're going to do what's necessary to protect the system, to prevent the kind of catastrophic failure that could cause greater damage to recovery and the financial fabric of the system as we work through this challenging period.

Q It's a very tough question. I mean, one of my friends asked me, should I be thinking about pulling my money out of the money market, you know, when we get to -- when we get to the middle of April?

SECRETARY GEITHNER: Absolutely not. And you see -- again, if you look at, across the system, about the basic response of investors and depositors, I think you see a appropriate degree of confidence that those resources are safe and comfortable.

Yes.

Q Looking at this program, it seems as if you're talking about the TALF, talking about the FDIC -- all of this seems to be designed without having to ask for additional congressional appropriations. Do you anticipate a scenario in which more funding would need to be allocated and appropriated?

SECRETARY GEITHNER: We have substantial resources already provided by the Congress that we're going to put to work in support of this broad program.

In the President's budget, we put a reserve fund in the budget against the possibility that we would judge that additional resources would be required to do this on a scale that would, again, help us get out of this more quickly, at least ultimate cost to the taxpayer. And we will work with the Congress to try to make sure that there are enough resources over time to do this right.

But the judgment about, you know, what's going to be required is a judgment that we don't need to make at this time and are not prepared to make at this time.

But the basic point I want to underscore is that we have substantial resources that we're going to deploy in support of these programs now, and we will work with the Congress over time to try to make sure that we're doing this in a way that has maximum impact on trying to get recovery established more quickly than would otherwise be the case.

And again, the basic lesson -- I'm sorry, you guys, just give me one sec -- basic lesson of financial crises is that you get -- recessions are shorter, they cause less damage, you get lower future deficits, you solve the crisis at least cost to the taxpayer, if you move more forcefully earlier.

Yes.

Q Sir, you need to win back the confidence of the markets and support for your program. You also need the confidence and support from your international partners. Would you say that after Horsham, after the meeting in Horsham, you've moved closer to that goal? And have you heard anything at Horsham that you really liked and thought useful and that you should implement?

SECRETARY GEITHNER: Horsham being, for those of you that don't know, where the U.K. government hosted the last meeting of G7 finance ministers and central bank governors. Am I right, that's what you're referring to? Okay.

Well, as I said, I think you saw very broad-based support around the table in that room among the world's major economies. Those people -- countries in the room represent I think roughly 85 percent of GDP across the globe. You saw very broad support for the basic strategy that you need to have strong, sustained, macroeconomic stimulus; aggressive efforts to help recapitalize, strengthen financial systems; very substantial support for the international financial institutions so that they can -- they can help counteract, respond to this big withdrawal of capital flows from emerging market economies. We want them to be able to deploy a larger amount of resources more quickly in targeted ways to help affect the countries -- to help the countries most affected by the crisis, all in a framework where we're all committing to avoid protectionist measures and reaffirm our commitment to openness to trade and investment.

And alongside that, of course, we want to shape a strong consensus on reform of the architecture of the financial system to help make sure a crisis like this doesn't happen again. And there is very broad support, very broad consensus, across those countries -- countries with very diverse conditions, very diverse financial systems -- on the core elements of a very ambitious set of financial reforms.

So, as I said after that meeting, I think there is a very broad-based consensus, very strong support about those -- about that basic strategy. And I think you see the world really moving with us on this, and I think that will continue, because I think there's broad appreciation across the -- across the world as a whole about the scale of the challenges this crisis presents.

Q Are you saying there is support, there is agreement around American program, that there are no disagreements, the reports about disagreements were incorrect?

SECRETARY GEITHNER: Well, there are -- you know, we all have slightly different financial systems, so the precise mix of tools that we're going to employ domestically will differ. In our system, as I said, you know, banks are a critical role of our system, but we have a very complicated capital market that complements our banking system, and so to get our system through this, we're going to have to do things that other countries don't need to do.

But if you look at the core elements of the program, they all involve a mix of guarantees, funding assurances, capital from the government so you're recapitalizing parts of the system that need to be recapitalized, and where it's necessary, targeted programs. You're seeing many countries follow the lead of the United States in this context -- in the U.K., in Japan, and even other countries -- to provide direct supports for the credit markets as a complement for interventions in the banking system.

So in the precise mix of plans countries will adopt, will vary, of course, as it should, because our systems are different, but on the basic premise that you want to move aggressively, alongside fiscal stimulus to make sure financial systems are working better, there's broad support for that.

Yes.

Q On the pricing question again, sir, you've said the (inaudible) securities are the core of the problem, and moving them is --

SECRETARY GEITHNER: Loans and securities.

Q   Loans and securities, critical. Can you tell us just a little bit about the lack of clarity? Is it because -- on the pricing -- is it because you haven't quite --

SECRETARY GEITHNER: You mean the features of what the exact price is?

Q   Well, the --

SECRETARY GEITHNER: We're using a -- let's just step back for a sec. What we're using is a market mechanism to establish the price. So people will have to compete for the ability to take advantage of the financing program and the capital in order to do that.

So, you know, until you see that process work, you won't know where the market will clear.

Q   The point is, they -- the potential investors -- can't tell how much it's going to cost them from the documents you've put out because the terms of the loans are still not --

SECRETARY GEITHNER: We're using a established framework we used for laying out all these programs, where we put out broad details of terms, people have a chance to react, those evolve so we figure out what's the best mix for the interests of the taxpayer. We're using the same basic approach.

And the mechanism here, again, on the loan side is based on an established mechanism. The FDIC has a lot of experience in operating and running auctions in these process. And I think that, you know, again, you're going to find a lot of people who will say that we'd like the government taking on more risk, or they'd like us to provide -- put more risk on the table in this context.

But I think that this is a -- you know, we're laying out enough details on broad terms that we can get this process to the point where we're operational relatively quickly.

Q   Just to follow up. So what you're saying is you have enough detail in hand to do these deals on a case-by-case basis, is that it, rather than having a full set of terms that you roll out for everybody to look at all at once, is that it?

SECRETARY GEITHNER: No, we're laying out enough detail on terms that we can get to the point where we can make these operational quickly. But, you know, you have to lay out a framework so you can have a little bit of iteration and flexibility, just as -- I mean, again, just to use other models, just as the FDIC does when it runs its basic programs; just as the Fed does when it designs its basic programs; just like we did on the term asset-backed securities lending facility that was launched last week. You know, there's just a -- there has to be a bit of iteration on terms to make sure that we're getting the balance basically right.

Yes.

Q   Mr. Secretary, how will you know this is working, on the loans and securities? And more importantly, how will the taxpayers know it is working? What's the metrics you've developed here or all developing?

SECRETARY GEITHNER: The best metric is to watch what happens to the capacity of people to borrow, and the price of credit and the price of these assets. That's the ultimate test.

You won't be able to fully judge from participation because the existence of these facilities will affect behavior and incentives. You know, in some sense it operates like a backstop. So you can have a backstop facility have big effects on behavior and on the basic dynamics and markets, even if there's relatively limited use. The best thing to watch, again, is what's happening to issuance of securities -- just like you saw last week with the first funding of the TALF. Look what happened -- overall issuance -- look what's happening to risk -- credit risk in markets. That will be the ultimate test.

Q Do you have a goal --

SECRETARY GEITHNER: More important than me doing a target for what happens to credit -- no. I think again, if you -- you want to look at the overall pattern of availability, credit borrowing and in some ways the price -- it'll be the best measure. And, you know, there's some markets where you've seen very substantial changes -- best example is the mortgage markets now, where interest rates have come down very dramatically, you're seeing refinancing rates really surge. But other parts of the credit markets, too, you're seeing issuance start to increase and spreads start to come down. That's the best measure.

Yes.

Q Looking at the example you give in the fact sheet -- the first program -- you start with talking about $100 in bank loans, but the private investor only has to kick in $6 for -- seems to be on the hook for $6 at the end of the day, and the FDIC guarantees between there and whatever was paid for the bad loan.

Do you think a person outside this room, outside the Beltway, looking at that would feel like that's a -- you know, you've gotten a good deal by getting someone to kick in $6 for a loan that is valued at a $100, that's being purchased for $84.

SECRETARY GEITHNER: I'm very confident you and your colleagues will do a good job of framing this thing -- (laughter) -- but let me just come back to the basic point. Okay? The point is, relative to what? What our job is, is to try to fix this problem in our financial system at least cost to the taxpayer and ways to get the incentives right so we can have private capital come in and not have the government do all of it.

And the alternative strategies would have the government either taking on all that risk ourselves, having all those losses on our balance sheet -- or, sitting back and letting this process of deleveraging continue to weigh on the American economy, pushing viable businesses closer to the edge, where they have to shrink their businesses to get through this. And that's not an alternative we're prepared to support.

The key thing is, again, that you -- people have to compete for the right to get access to financing in this context and they have to put money at risk for it to work.

Yes.

Q   Can you clarify under both plans who is actually holding the assets at the end of the day, and explain to taxpayers what the upside is to all of that? How are they going to share in the upside of this program?

SECRETARY GEITHNER: These funds -- purchase assets -- they're managed by professionals who know how to do this for a living. If there is a return to these over time, which we expect there will be, taxpayers will share in that return. So taxpayers are getting to take the benefits of providing this financing to the market. Now, of course investors will share, too, in that return, as you would expect. That's the simplest way to describe it I think.

Q   Mr. Secretary, can I ask you, how concerned are you that if the AIG bonus tax passes Congress that it will deter private investors from participating because they'll fear rules can be changed retroactively? And would you advise the President not to sign the legislation, should it come to his desk?

SECRETARY GEITHNER: Let me just repeat what the President said. You know, we're going to have to work through this and find the right balance.

It is very important that we do things that ensure and raise confidence in the American people that compensation practice are not rewarding failure, that taxpayers' money is not being used to reward people who should not be rewarded, and that the resources we're providing are going to benefit the overall economy and the financial system by, again, getting credit flowing again and getting interest rates down.

We need to balance that basic objective that we not reward failure against the hugely important imperative that we get the financial system doing what it needs to do for recovery. And we'll find that balance. We'll get that balance. We'll work with Congress carefully to make sure we get to a point where we have an appropriate balance. I'm very confident that we'll work through this.

Q   And on this specific legislation?

SECRETARY GEITHNER: And on the specific legislation, like on any, we're going to look carefully at how this works through the Congress and try to make sure that we get this balance right.

Q   And your advice to the President?

SECRETARY GEITHNER: I have advice for the President on lots of things, but I'm not going to share that with you now.

Q   But just a follow-up on that, are you concerned that the private investor, seeing what's going on with AIG, with the potential to make very large returns under this program, multiples of the TALF, that there's capital appreciation, are going to be concerned that they're going to be hauled up before Congress and seen to be taking too large of a return for the risk they're taking?

SECRETARY GEITHNER: Again, the risk we face for the economy as a whole is after a period where there was just much too much risk-taking that right now the system is not going to be prepared to take enough risk to get through this. And so we have to find programs that make it possible for investors to take the risks they need that we get out of this sooner. And that will require confidence among investors that there's clearly established rules of the game consistently enforced going forward. And as I said, I'm confident we're going to work through this in a way that gets the right balance.

Nice to see you guys. Thank you very much.

END 9:36 A.M. EDT