



For Immediate Release  
Office of the Press Secretary  
October 7, 2008

## Fact Sheet: Taking Urgently Needed Action to Stabilize Our Markets

*President Bush Lays Out Steps The Federal Government Is Taking To Address The Financial Crisis*

[President Bush Discusses Emergency Economic Stabilization Act of 2008](#)

[In Focus: Economy](#)

[White House News](#)

**Today, President Bush visited Guernsey Office Products in Chantilly, Virginia, and discussed the Emergency Economic Stabilization legislation he signed last week in response to the financial crisis. As our markets begin to stabilize over time, it will help calm markets overseas.**

### **The Administration Is Taking A Series Of Steps To Help American Businesses And Families**

**These steps will help bring stability to our volatile markets, and help protect the value of Americans' retirement accounts and 401ks – but it will take time for them to have their full effect.** Thawing the freeze in the financial system will not happen overnight. It will be a process that unfolds over several stages:

- **The Treasury Department is now moving aggressively to implement the new authorities in the most effective way.** This legislation ensures that these authorities will be implemented in a responsible way that protects taxpayers. Meanwhile, the Federal Reserve and the FDIC will continue using their powers to help stabilize the market.
- **This rescue plan will be a gradual process that will take time to have its full effect.** We expect it will begin to kick into gear a few weeks from now. As banks rebuild their capital, they will be able to increase lending to each other and begin approving new loans for families and businesses – but this will not happen all at once.
- **Eventually, we expect that much – if not all – of the tax dollars will be paid back.** As the banking sector and the market for troubled assets recover, the government will begin to recoup some of the taxpayer funds invested in this recovery effort.

**The financial rescue plan will provide the government a range of tools to help banks rebuild capital in order to get more credit flowing to consumers and businesses.** The bill also protects responsible, hardworking Americans by:

- Preventing failed executives from receiving massive bonuses or windfalls from taxpayer dollars;
- Establishing a board to oversee the plan's implementation; and
- Temporarily expanding Federal insurance for bank and credit union deposits from \$100,000 to \$250,000 – this is a safeguard for consumers and small businesses.

**President Bush has remained in close contact with European leaders to ensure that our actions are closely coordinated.** Finance Ministers and Central Bank Governors from the G-7 and other leading nations will be meeting this weekend.

### **In Addition To The Financial Crisis, We Must Address All Challenges Of Our Economy**

**President Bush has proposed targeted and practical steps for the Federal government to help our economy through this difficult period.** Although the passage of the financial rescue legislation is helpful, the

economy continues to face several additional challenges.

- **To address the high cost of energy, the Administration has dramatically expanded funding for research into alternatives to oil and natural gas.** The financial rescue package the President signed last week extends tax incentives for alternative energy sources such as wind, solar, geothermal, and biomass, including a new tax credit for qualifying plug-in electric vehicles. This summer, Congress responded to the will of the American people by lifting the legislative ban on offshore energy exploration. The Interior Department is now exploring all options to bring these energy resources online as quickly and efficiently as possible.
- **President Bush has launched two initiatives to help responsible Americans keep their homes.** Hope Now brings together homeowners, lenders, mortgage service providers, and others to find ways to prevent foreclosures. The other initiative is aimed at making it easier for homeowners to refinance into affordable mortgages insured by the Federal Housing Administration. So far, these programs have helped more than two million American families stay in their homes.
- **President Bush calls on the next Congress to provide more certainty in the tax code and encourage more job creation by making all of our tax cuts permanent.** Last week, Congress took a step in the right direction by extending several key tax credits. Congress also acted to protect 26 million taxpayers from an average of \$2,200 in higher taxes as a result of the Alternative Minimum Tax.
- **Congress can level the playing field for American businesses and workers and provide a needed boost to our struggling economy by approving our pending free trade agreements with Colombia, Panama and South Korea.** Over the past year, exports have increased a remarkable 17 percent.

###

---

**Return to this article at:**

<http://www.whitehouse.gov/news/releases/2008/10/20081007-6.html>

 [CLICK HERE TO PRINT](#)