

Agreement on Principles

1. Taxpayer Protection
 - a. Requires Treasury Secretary to set standards to prevent excessive or inappropriate executive compensation for participating companies
 - b. To minimize risk to the American taxpayer, requires that any transaction include equity sharing
 - c. Requires most profits to be used to reduce the national debt
2. Oversight and Transparency
 - a. Treasury Secretary is prohibited from acting in an arbitrary or capricious manner or in any way that is inconsistent with existing law
 - b. Establishes strong oversight board with cease and desist authority
 - c. Requires program transparency and public accountability through regular, detailed reports to Congress disclosing exercise of the Treasury Secretary's authority
 - d. Establishes an independent Inspector General to monitor the use of the Treasury Secretary's authority
 - e. Requires GAO audits to ensure proper use of funds, appropriate internal controls, and to prevent waste, fraud, and abuse
3. Homeownership Preservation
 - a. Maximize and coordinate efforts to modify mortgages for homeowners at risk of foreclosure
 - b. Requires loan modifications for mortgages owned or controlled by the Federal Government
 - c. Directs a percentage of future profits to the Affordable Housing Fund and the Capital Magnet Fund to meet America's housing needs
4. Funding Authority
 - a. Treasury Secretary's request for \$700 billion is authorized, with \$250 billion available immediately and an additional \$100 billion released upon his or her certification that funds are needed
 - b. The final \$350 billion is subject to a Congressional joint resolution of disapproval