

Mr. CAMPBELL. Mr. Chairman, I would like to have a colloquy with the chairman of the committee.

Mr. Chairman, the Emergency Economic Stabilization Act was intended to apply to financial institutions, I believe, without regard to their form of ownership: public, private, mutual associations. Is that your understanding? Is that correct?

Mr. FRANK of Massachusetts. If the gentleman will yield, Mr. Chairman, he's absolutely correct. The form of ownership should have no relevance to the decision here.

Mr. CAMPBELL. But yet many mutual, bank, and insurance holding companies have been unable to even apply for TARP funds because of the Treasury's not coming out with a term sheet that would enable them to apply, even those that can issue nonpublic preferred stock. Would you agree that the Treasury should be encouraged to come out with those term sheets?

Mr. FRANK of Massachusetts. If the gentleman would yield, he understates my view when he says they should be encouraged. I believe I will be glad to join with him in insisting that they do that. And, frankly, we don't want any form to be disfavored and certainly not the mutual form, which has a great deal in terms of our history to commend it. So the gentleman is absolutely right, and I think on this one we can be pretty certain that, particularly if the House gives the kind of endorsement to it that I suspect that it will, we'll be able to accomplish that.

Mr. CAMPBELL. Thank you, Mr. Chairman.

On one other point, there are people who say that a financial collapse didn't happen, and, in fact, it didn't. You don't get credit for bad things that don't happen. I would argue that the financial collapse was imminent were it not for this bill and also for the extraordinary monetary actions of the Fed. But as we go forward with the additional \$350 billion, I would think that we should be leveraging. My concern is not that it's too much, that it's too little, and leveraging private funds by----

Mr. FRANK of Massachusetts. If the gentleman would yield, that's right. And I would say some of my colleagues understandably wanted to put very severe restrictions on the recipient institutions, and we put restrictions on them. But we don't want to be so restrictive that we drive

out private capital. This will only work if the public capital leverages and unlocks and reassures private capital.

Mr. CAMPBELL. Thank you, Mr. Chairman. We'll get a lot more benefit for this if it's more like matching funds and we encourage private capital to go in and the public capital comes with it.