

Letter to President Obama on Proposed Bad Bank
Date: January 30, 2009

Dear President Obama,

I am opposed to the so-called "bad bank" as described in numerous recent press and media stories. The federal government should not purchase bad assets from giant badly run banks. Those banks that are insolvent should be shut down or reorganized and the bad loans written off in such a way to protect depositors as guaranteed by the FDIC, ordinary employees where feasible, and ordinary homeowners. In general, mortgages should be modified in some way to enable families to remain in their primary residence under reasonable terms without an undeserved windfall. I urge you to seek broader advice and counsel on financial policy including economists such as Dean Baker and Nouriel Roubini who anticipated the current financial situation as well as citizens not affiliated with the banking industry and Wall Street.

Sincerely,

John McGowan