

# Key Vote



Matt B. Kibbe, President

## KEY VOTE “NO” on Extending the Transaction Account Guarantee Program

December 10, 2012

Dear FreedomWorks member,

As one of our millions of FreedomWorks members nationwide, I urge you to contact your senators and urge them to vote against S. 3637, the bill to extend the Transaction Account Guarantee (TAG) program. Introduced by Senator Harry Reid (D-NV), this bill would extend full loan guarantees to all bank accounts that do not earn interest.

The usual bank account insurance provided by the Federal Deposit Insurance Corporation (FDIC) is full coverage up to \$250,000, but during the financial crisis the FDIC created the TAG program, eliminating the \$250,000 cap for any deposit accounts that earned no interest.

Fully insuring these accounts is bad economic sense. It puts every taxpayer at risk for insuring the assets of the wealthiest account holders (after all, most people don't have over \$250,000 to just stick in a static account). Worse, in an economic environment that already punishes wealthy investors with high taxes, the TAG program provides a further incentive for them to hide their assets in safe, taxpayer-backed accounts rather than risking their money in economically productive investments.

As it stands, TAG is set to expire on January 1, 2013. Yet, under pressure from the banking industry, Congress is moving to extend this unnecessary program by another two years.

Investors who have the means to leave over \$250,000 in a no-growth account have access to other means of protecting their assets, and do not need to be bailed out with taxpayer dollars. Congress should just let TAG expire as planned.

I urge you to call your senators and ask them to vote NO on S. 3637 or any amendment to extend the Transaction Account Guarantee program. We may count any vote on this bill as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2012. The Economic Freedom Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,

A handwritten signature of Matt Kibbe in blue ink.

Matt Kibbe  
President and CEO  
FreedomWorks



FreedomWorks

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