



11/12/2008

Change of plans for \$700 billion bailout

Plans for the original \$700 billion bail out have changed. Henry Paulson announced Wednesday the Bush Administration's intentions for the remaining \$400 billion, which is to bring consumer debt, nonbank financial companies, and homeowners facing foreclosure to center stage; no longer allowing large-scale purchases of questionable mortgage-related securities, the original plan for the \$700 billion financial-rescue plan.

Mr. Paulson stated that the Treasury and Federal Reserve are "exploring" options in order to provide federal bailout funds to private investors willing to return to the troubled market, while simultaneously protecting "taxpayers' investments." Paulson is hoping similar efforts would support lending for commercial and residential real estate as well.