

**BOND-VOINOVICH PROPOSAL
TO PROVIDE EMERGENCY BRIDGE LOANS TO AUTO INDUSTRY**

- Creates a new program administered by the Secretary of Commerce to provide emergency bridge loans to auto industry.
- Emergency bridge loans made where necessary to avoid significant damage or disruption to the United States economy or a significant loss of U.S. jobs.
- Funding for the program comes from amounts appropriated in the 2009 Continuing Resolution for the Advanced Vehicle Manufacturing Incentive Program and thus do not represent new appropriations nor come from amounts available for the Troubled Asset Relief Program (TARP).
- Repaid loan funds, loan interest and proceeds from equity stakes or turnaround profits go first to restore Advanced Vehicle Manufacturing Incentive Program funding and then after loaned amounts are repaid, to reduce the public debt.
- Before receiving emergency bridge loan funds, applicants must show how funds requested will ensure financial viability of their company, enable their company to attain long-term competitiveness and profitability, detail any cost control measures required to achieve their financial viability plan, and include performance goals and milestones.
- Loan recipients are subject to strong taxpayer protections including limits on executive compensation, bonus limits golden parachutes and clawback provisions similar to those included in the TARP.
- Taxpayers are given a share of any turnaround profits or sales from the equity stake taken by the Government under the program.
- An oversight board specific to this auto industry emergency bridge loan program is created to oversee the actions of the program and loan recipients and inform the Congress and the public.
- Emergency bridge loan funds are available to automobile manufacturers or components suppliers who have operated manufacturing facilities in the United States for the last 20 years, regardless of ultimate country of ownership.
- Authority to make new loans under this program ends on December 31, 2009.