



# NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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## **Treasurer Lockyer Highlights Need to End Taxpayers' Second-Class Status on Eve of Congressional Hearing into Rating Agencies' Role in Economic Meltdown**

SACRAMENTO – State Treasurer Bill Lockyer today urged Congress to help end rating agencies' relegation of taxpayers to second-class status, as the U.S. House Committee on Oversight and Government Reform prepared to convene a hearing tomorrow on the agencies' role in the nation's economic crisis.

[In a letter to Committee Chairman Henry Waxman of California](#), Lockyer outlined the agencies' system that holds bonds issued by governmental entities to a higher standard than bonds issued by corporations. The double standard has cost taxpayers across the nation billions of dollars in higher interest rates and bond insurance premiums. It also misleads investors about the risk of buying municipal bonds.

Lockyer made the following comments on his letter:

“For far too long, the method for rating municipal bonds has produced profits for the agencies, bond insurers and investors, but bilked taxpayers. With state and local governments across the country struggling to cope with the contagion from our economic ills, now is the time for taxpayers to gain equal status with corporations. Unfortunately, the agencies are using the crisis they helped create as an excuse to delay reform. Taxpayers should have to wait no longer for simple fairness. Congress should not hesitate to act.”

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