

Administration of Barack H. Obama, 2009

Remarks Following an Economic Briefing and an Exchange With Reporters
March 23, 2009

The President. Well, good morning. As all of you know, we have been busy on a whole host of fronts over the last several weeks with the primary purpose of stabilizing the financial system so banks are lending again; so that the secondary markets are working again in order to make sure that families can get basic consumer loans, auto loans, student loans; that small businesses are able to finance themselves; and we can start getting this economy moving again.

As I've said before, there are a number of legs in the stool in the economic recovery. Step one was making sure that we had a stimulus package that was robust enough to fill the huge gap in demand that was created by the recession. Step two was making sure that we had a effective homeowners' plan to try to keep people in their homes and to stabilize the housing market. Because of the work that's already been done, you are starting to see glimmers of hope in the housing market that stabilization may be taking place. Mortgage rates are at a very, very low level, and you're starting to see some activity in the housing market.

We then took a series of steps to improve liquidity in what had been secondary markets that had been completely frozen. And we are now seeing activity in student loans and auto loans. We announced last week a small-business initiative that ensures that we have more activity and you start seeing small businesses being able to get credit again in order to sell products and services and make payroll.

And this morning Secretary Geithner announced the latest element in this multipronged approach. And that is a mechanism that he, in close consultation with the Federal Reserve and the FDIC, has initiated in order to allow banks to take some of their bad assets off their books, sell them into a market, but do so in a way that doesn't just obligate taxpayers to buy at whatever price they're willing to sell these assets; instead, involves a public-private partnership that allows market participants who have every interest in making a profit to accurately price these assets so that the taxpayers share in the upside as well as the downside.

And we believe that this is one more element that is going to be absolutely critical in getting credit flowing again. It's not going to happen overnight. There's still great fragility in the financial systems. But we think that we are moving in the right direction. And we are very confident that in coordination with the Federal Reserve and the FDIC, other relevant institutions, that we are going to be able to not only start unlocking these credit markets, but we're also going to be in a position to design the regulatory authorities that are necessary to prevent this kind of systemic crisis from happening again.

And I'm looking forward to traveling to the G-20 so that we ensure that the activities that we're doing here in the United States are effectively matched with comparable action in other countries. And Secretary Geithner has already traveled and met with the finance ministers of the G-20 states so that we can make sure that we're all moving on the same page.

So the good news is that we have one more critical element in our recovery. But we've still got a long way to go, and we've got a lot of work to do. But I'm very confident that, with the team that we've got assembled, we're going to be able to make it happen.

All right. Thank you guys.

Discussion of the National Economy

Q. Mr. President, can you offer any assurances to taxpayers who are skeptical?

The President. You know, I'll have a full press conference tomorrow night, and you guys are going to be able to go at it.

All right. Thank you, guys.

NOTE: The President spoke at 11:57 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Secretary of the Treasury Timothy F. Geithner.

Categories: Addresses and Remarks : Economic advisers, briefing; Interviews With the News Media : Exchanges with reporters :: White House.

Locations: Washington, DC.

Names: Geithner, Timothy F.

Subjects: Business and industry : Credit freeze situation; Business and industry : Small and minority businesses; Commerce, international : Global financial markets :: Stabilization efforts; Commerce, international : Group of Twenty (G-20) nations; Deposit Insurance Corporation, Federal; Economic Advisers, Council of; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Financial regulations, modernization efforts; Economy, national : Market volatility; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Housing : Mortgage refinancing regulations; Reserve System, Federal; Treasury, Department of the : Consumer and Business Lending Initiative; Treasury, Department of the : Secretary.

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