Agreement on Principles

1. Taxpayer Protection
    a. Requires Treasury Secretary to set standards to prevent excessive or inappropriate executive compensation for participating companies
    b. To minimize risk to the American taxpayer, requires that any transaction include equity sharing
    c. Requires most profits to be used to reduce the national debt
2. Oversight and Transparency
    a. Treasury Secretary is prohibited from acting in an arbitrary or capricious manner or in any way that is inconsistent with existing law
    b. Establishes strong oversight board with cease and desist authority
    c. Requires program transparency and public accountability through regular, detailed reports to Congress disclosing exercise of the Treasury Secretary's authority
    d. Establishes an independent Inspector General to monitor the use of the Treasury Secretary's authority
    e. Requires GAO audits to ensure proper use of funds, appropriate internal controls, and to prevent waste, fraud, and abuse
3. Homeownership Preservation
    a. Maximize and coordinate efforts to modify mortgages for homeowners at risk of foreclosure
    b. Requires loan modifications for mortgages owned or controlled by the Federal Government
    c. Directs a percentage of future profits to the Affordable Housing Fund and the Capital Magnet Fund to meet America's housing needs
4. Funding Authority
    a. Treasury Secretary's request for $700 billion is authorized, with $250 billion available immediately and an additional $100 billion released upon his or her certification that funds are needed
    b. The final $350 billion is subject to a Congressional joint resolution of disapproval