



Social Investment Forum

September 24, 2008

Dear Member of Congress:

As socially responsible investors, we encourage Congress to include in any bailout package several important provisions we understand are now under discussion, including Chapter 13 judicial modification relief for distressed homeowners, shareholder ability to nominate directors, shareholder votes on executive compensation, and transparent and accountable oversight of the bail out process.

The Social Investment Forum (SIF) is the national membership association dedicated to advancing the concept, practice, and growth of socially and environmentally responsible investing (SRI). Our members integrate economic, environmental, social and governance factors into their investment decisions. It is through this lens we provide our input into the bail out legislation.

First, this legislation must stand by Americans who have been targeted by the predatory lending practices that have decimated vulnerable communities. A core strategy of SRI is community investing, a practice that has for decades successfully served these same populations by using nontraditional lending practices to build communities. We strongly urge you to include Chapter 13 judicial modification relief in the bail out legislation. Simply purchasing subprime and Alt-A private securities will not provide the government with any legal ability to modify loans and keep families in their homes, an essential step in ending this crisis and taking the first step in repairing these communities.

Second, we support provisions that allow shareholders access to the proxy ballot in order to nominate and elect individuals to the board of directors of financial institutions that are bailed out by the American taxpayers. This is an important step in making boards of directors more accountable to investors committed to the long-term financial strength and success of these institutions.

Third, we support an annual nonbinding shareholder vote on the company's executive compensation plan in order to encourage sustainable growth and reward sensible leadership. Shareholders have demonstrated a strong desire for this kind of accountability. Already this year, more than 100 "Say on Pay" resolutions have been offered by shareholders.

Fourth, socially responsible investors are committed to good governance and transparency. We urge you to ensure that the agencies/agency ultimately tasked with carrying out this process undertake it with the accountability and transparency due to the American people. Several proposals reportedly have been advanced to provide greater accountability, including oversight either by the GAO or by a panel of respected financial leaders. Others have suggested that a separate corporation be created, along the lines of the Resolution Trust Corporation, and overseen by a board of reputable and knowledgeable individuals. What is essential is that some credible mechanism be included to ensure that the program operates efficiently, effectively, and in the public interest. This should include oversight to ensure that assets are appropriately valued when purchased by the government.

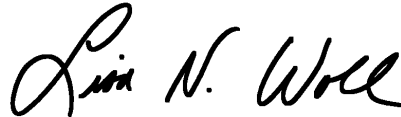
Finally, we urge that this bail out constitute only an initial step in creating a more responsible financial market. We, along with many of our colleague organizations, ask that Congress soon turn its attention to both a full review of the actions that brought our country to this point and to the changes necessary to avoid future mortgage and credit meltdowns.

Thank you for your consideration.

Sincerely,



Cheryl Smith
Board Chair



Lisa Woll
CEO



1612 K Street, N.W.
Suite 650
Washington, DC 20006

T 202 872 5361
F 202 463 5125
www.socialinvest.org