

Bailout fund in proposed treasury budget

by UPI

WASHINGTON - The U.S. Treasury Department's proposed budget makes contingencies if the financial system needs further stabilization, the Obama administration said.

A \$250 billion contingent reserve was part of President Barack Obama's proposed budget for fiscal year 2010 presented to Congress Thursday.

"The reserve, which reflects a net cost to the government, would support \$750 billion in asset purchases," the document said. "The existence of this reserve in the budget does not represent a specific request."

The proposal also calls for transparency for the Troubled Assets Relief Program and its successors.

The proposed treasury allocation also would expand funding for effective IRS enforcement and would invest in high return-on-investment activities to generate better compliance and fairness. The budget document also said treasury officials would work to improve the "responsiveness and efficiency of taxpayer services to improve the accuracy of taxpayer filing" and improve taxpayers' experience when they contact the IRS.

The proposal also recommends doubling funding for the Community Development Financial Institutions Funds by expanding job-creating investments and access to credit in disadvantaged communities.

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