



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

April 9, 2009

ASSISTANT SECRETARY

Mr. Pete Sepp  
Vice President  
National Taxpayers Union  
108 North Alfred Street  
Alexandria, VA 22314

Dear Mr. Sepp:

Thank you for your letter dated March 2, 2009, in which you requested that the Department of the Treasury oppose new lending by the Inter-American Development Bank and the International Monetary Fund ("IMF") to Argentina and Ecuador until they enact sound economic reforms and honor their debt obligations. We appreciate your interest in this issue.

The Department of the Treasury takes its oversight responsibilities with the international financial institutions ("IFIs") very seriously. The IMF, the World Bank and the regional development banks play an important role in fostering global monetary cooperation, securing financial stability, facilitating international trade, promoting sustainable economic growth, and reducing poverty. Continued IFI engagement with countries such as Argentina and Ecuador provides an opportunity to promote responsible economic practices. At the same time, it is important that the IFIs implement their established policies on lending into arrears to private sector creditors. As you may know, the IMF's lending into arrears policy, for instance, provides that a borrowing country should be pursuing sound policies and making a good faith effort to reach a collaborative agreement with its creditors.

Please be assured that the Department of the Treasury will continue to protect and support economic prosperity at home by encouraging financial stability and sound economic policies abroad. Please do not hesitate to contact me with any further questions or concerns you may have on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mark Sobel".

Mark Sobel  
Acting Assistant Secretary  
International Affairs