

July 17, 2009

The Honorable Timothy Geithner
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

As the U.S. and world economies struggle to recover from the most devastating recession in recent memory, we are writing to impress upon you the very severe ramifications that a CIT bankruptcy would have on more than one million small- and medium-sized businesses, their partners in the U.S. retail industry and the manufacturers and service providers that supply that sector. Our organizations represent thousands of these small- and medium-sized enterprises and their suppliers as well as the most significant retail operations in this country. We urge the government to reconsider every possible option to address the current stresses confronting CIT and to prevent further tightening of the credit markets.

With personal consumption at 70 percent of GDP, the revival of consumer purchasing is critical to our nation's economic recovery. Without CIT, thousands of retailers may be forced out of business because their suppliers will be put out of business. Such a ripple effect could set back the recovery of the manufacturing and retail sectors, and therefore the U.S. economy, by several years.

CIT is one of the leading factoring companies in the United States and is a vital source of financing for manufacturers as well as the small and medium-sized vendors who are the primary suppliers of merchandise sold in U.S. retail establishments. Because of CIT's primacy in this field, they have essentially become the banker to "Main Street", and as such, it is absolutely essential for the government to utilize every tool at its disposal to prevent a CIT bankruptcy.

Uncertainties over CIT have already provoked a credit squeeze that threatens payments and payrolls in thousands of businesses. As this uncertainty persists, and if CIT is forced to undertake a bankruptcy filing, the ripple effect will be felt in every city and state across this country as the further tightening of credit markets will make it incredibly difficult, if not impossible, for many of the companies who currently rely on CIT for financing to remain in business. The number of jobs that depend on the successful outcome of the CIT crisis is immeasurable.

We strongly urge you and your colleagues to thoroughly review the role that CIT plays in the financing of main street businesses and retail establishments and take appropriate action to ensure the ongoing viability of this company.

Sincerely,
American Apparel & Footwear Association (AAFA)
American Fiber Manufacturers Association
American Home Furnishings Alliance

American Manufacturing Trade Action Coalition
California Fashion Association (CFA)
Carpet and Rug Institute
Coalition for Affordable and Safe Childrenswear, Inc.
Council of Fashion Designers of America (CFDA)
Craft Yarn Council of America Fashion Accessories Shippers Association,
Inc.
Fashion Incubator Association
Footwear Distributors & Retailers of America (FDRA)
Gemini Shippers Association
Georgia Traditional Manufacturers Association
Illinois Retail Merchants Association
International Franchise Association
International Sleep Products Association
National Cotton Council
National Council of Chain Restaurants
National Council of Textile Organizations (NCTO)
National Retail Federation (NRF)
National Textile Association
Retail Industry Leaders Association (RILA)
Sewn Products Equipment & Suppliers of the Americas
Snowsports Industries America Inc.
Specialty Graphic Imaging Association (SGIA)
Sporting Goods Manufacturers Association
Southern Textile Association
The Connecticut Retail Merchant's Association
The Hosiery Association (THA)
U.S. Association of Importers of Textiles and Apparel (USA-ITA)
United States Industrial Fabrics Institute