



July 15, 2009

Secretary Timothy F. Geithner
Department of Treasury
1500 Pennsylvania Ave, NW
Washington DC 20220

Dear Mr. Geithner:

As the national association representing the United States textile industry, NCTO is writing to advise you of the serious impact that the failure of CIT Group would have on the textile industry and its customers. The U.S. textile industry employs more than 300,000 workers in the United States and the overall textile sector (fibers, yarns, fabrics and apparel) employs over seven hundred thousand workers. Most of this employment is located in rural portions of the Southeast, including areas already among the hardest hit in the country. Unemployment rates in many rural counties in North and South Carolina, Georgia and Alabama are already at 15 percent or higher.

NCTO has surveyed its membership regarding their financial links to CIT and learned that a significant number of textile companies in the United States either depend on CIT to manage their account receivables or have customers and suppliers that do. In addition, many textile companies have significant revolving loans with CIT. Most textile mills are small or medium sized businesses and over the years have developed longstanding ties with CIT that cannot be replaced by other entities.

Our members have informed us that the failure of CIT could force many otherwise healthy U.S. textile companies or their suppliers out of business. This would be a tragedy, particularly for those U.S. textile mills which have seen dramatic sales drops over the last six months but have been successful in rationalizing their businesses until the economy improves.

We urge you to take into special account the enormous impact that the failure of CIT Group would have on small businesses in the U.S. manufacturing sector and ask that you take whatever steps necessary to make sure that CIT remains a viable concern.

Sincerely,

A handwritten signature in black ink, appearing to read "Cass Johnson", is written over the typed name and title.

Cass Johnson
President

Cc: Senator Jim Bunning, Senate Banking Committee
Senator Chris Dodd, Chairman, Senate Banking Committee

Senator Jim DeMint, Senate Banking Committee

Senator Richard Shelby, Ranking Member, Senate Banking Committee

Congressman Gresham Barrett, Financial Services Committee

Congressman Barney Frank, Financial Services Committee

Congressman Walter Jones, Financial Services Committee

Congressman Patrick McHenry, Financial Services Committee

Congressman Mike Michaud, Small Business Committee

Congressman Brad Miller, Financial Services Committee

Congressman Heath Shuler, Small Business Committee

Congressman John Spratt, Chairman, House Textile Caucus

Congressman Nydia Velazquez, Chairman, Small Business Committee

Congressman Randy Neugebauer, Financial Services Committee