Congressional Oversight Panel

February 10, 2011

Accounting for the Troubled Asset Relief Program

Excerpted from the Congressional Oversight Panel's February 2011 report, "Executive Compensation Restrictions in the Troubled Asset Relief Program."

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TARP Accounting

Each month, the Panel summarizes the resources that the federal government has committed to the rescue and recovery of the financial system. The following financial update provides: (1) an updated accounting of the TARP, including a tally of income, repayments, and warrant dispositions that the program has received as of January 28, 2011; and (2) an updated accounting of the full federal resource commitment as of January 28, 2011.

1. The TARP

a. Program Updates[356]

Treasury's spending authority under the TARP officially expired on October 3, 2010. Though it can no longer make new funding commitments, Treasury can continue to provide funding for programs for which it has existing contracts and previous commitments. To date, $419.2 billion has been spent under the TARP's $475 billion ceiling.[357] Of the total amount disbursed, $240.4 billion has been repaid. Treasury has also incurred $6.1 billion in losses associated with its Capital Purchase Program (CPP) and Automotive Industry Financing Program (AIFP) investments. Over two-thirds of the $172.8 billion in TARP funds currently outstanding relates to Treasury's investments in AIG and assistance provided to the automotive industry. For further information, see Figure 21 below.

CPP Repayments

As of January 28, 2011, 135 of the 707 banks that participated in the CPP have fully redeemed their preferred shares either through capital repayment or exchanges for investments under the Community Development Capital Initiative (CDCI). During January 2011, Treasury received funds from the sale of the Citigroup warrants, adding an additional $312.2 million in profit onto the $6.9 billion in profit from the sale of shares, and fully ending Treasury's

[356] U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of December 31, 2010* (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/December%202010%20Dividends%20Interest%20Report.pdf) (hereinafter "Treasury Dividends, Interest and Distributions Report"); Treasury Transactions Report, *supra* note 5.

[357] The original $700 billion TARP ceiling was reduced by $1.26 billion as part of the Helping Families Save Their Homes Act of 2009. 12 U.S.C. § 5225(a)-(b); *Helping Families Save Their Homes Act of 2009*, Pub. L. No. 111-22 § 202(b) (2009). On June 30, 2010, the House-Senate Conference Committee agreed to reduce the amount authorized under the TARP from $700 billion to $475 billion as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act that was signed into law on July 21, 2010. *See Dodd-Frank Wall Street Reform and Consumer Protection Act*, Pub. L. No. 111-203 (2010); The White House, *Remarks by the President at Signing of Dodd-Frank Wall Street Reform and Consumer Protection Act* (July 21, 2010) (online at www.whitehouse.gov/the-press-office/remarks-president-signing-dodd-frank-wall-street-reform-and-consumer-protection-act).

investment in Citigroup.[358] An additional four banks fully repaid their remaining CPP capital during January 2011, returning $80.3 million in principal to Treasury. See Figure 20 below for repayment amounts.

Figure 20: Banks that Fully Repaid Their CPP Loans in January 2011[359]

Bank	Amount Repaid	Remaining Investment
Capital Bank Corporation	$41,279,000	None
BCSB Bancorp, Inc.	10,800,000	Warrants
Washington Banking Company	26,380,000	Warrants
American Premier Bancorp	1,800,000	None
Total	**$80,259,000**	

Additionally, during January 2011, Stockmens Financial Corporation made a partial repayment of $4 million. A total of $168.01 billion has been repaid under the program, leaving $34.35 billion in funds currently outstanding.[360]

b. Income: Dividends, Interest, and Warrant Sales

In conjunction with its preferred stock investments under the CPP and the Targeted Investment Program (TIP), Treasury generally received warrants to purchase common equity.[361] As of January 28, 2011, 50 institutions have repurchased their warrants from Treasury at an agreed-upon price. Treasury has also sold warrants for 16 other institutions at auction. To date, income from warrant dispositions totals $8.5 billion.[362]

In addition to warrant proceeds, Treasury also receives dividend payments on the preferred shares that it holds under the CPP, 5 percent per year for the first five years and 9

[358] This figure is comprised of the $4.2 billion in net proceeds from the sale of Citigroup common stock between April 26 and December 6, 2010 as well as $2.7 billion in proceeds from the December 6 equity underwriting.

[359] Treasury Transactions Report, *supra* note 5. Treasury received $90,000 from American Premier Bancorp for additional preferred stock, as the warrants in the company were immediately exercised at investment date.

[360] The $34.35 billion currently outstanding is net of the $2.6 billion in announced losses associated with the program. See Figure 22 for further details on losses associated with programs.

[361] For its CPP investments in privately held financial institutions, Treasury also received warrants to purchase additional shares of preferred stock, which it exercised immediately. Similarly, Treasury also received warrants to purchase additional subordinated debt that were immediately exercised along with its CPP investments in subchapter S corporations. Treasury Transactions Report, *supra* note 5, at 14.

[362] This total is only for the TIP and CPP programs and does not include the $67.2 million received pursuant to the AGP.

percent per year thereafter.[363] For preferred shares issued under the TIP, Treasury received a dividend of 8 percent per year.[364] In total, Treasury has received approximately $31.0 billion in net income from warrant repurchases, dividends, interest payments, profit from the sale of stock, and other proceeds deriving from TARP investments, after deducting losses.[365] For further information on TARP profit and loss, see Figure 22.

[363] U.S. Department of the Treasury, *Capital Purchase Program* (Oct. 3, 2010) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/cpp/Pages/capitalpurchaseprogram.aspx).

[364] Congressional Oversight Panel, Written Testimony of Herbert M. Allison, Jr., assistant secretary for financial stability, U.S. Department of the Treasury, *COP Hearing on Assistance Provided to Citigroup Under TARP* (Mar. 4, 2010) (online at cop.senate.gov/documents/testimony-030410-allison.pdf).

[365] Treasury Dividends, Interest and Distributions Report, *supra* note 356; Treasury Transactions Report, *supra* note 5. Treasury also received an additional $1.2 billion in participation fees from its Guarantee Program for Money Market Funds. U.S. Department of the Treasury, *Treasury Announces Expiration of Guarantee Program for Money Market Funds* (Sept. 18, 2009) (online at 205.168.45.55/latest/tg_09182009.html).

c. TARP Accounting

Figure 21: TARP Accounting (as of January 28, 2011) *(billions of dollars)*[i]

Program	Maximum Amount Allotted	Actual Funding	Total Repayments/ Reduced Exposure	Total Losses	Funding Currently Outstanding	Funding Available
Capital Purchase Program (CPP)	$204.9	$204.9	[ii]$(168.0)	[iii]$(2.6)	$34.4	$0
Targeted Investment Program (TIP)	40.0	40.0	(40.0)	0	0	0
Asset Guarantee Program (AGP)	5.0	[iv]5.0	[v](5.0)	0	0	0
AIG Investment Program (AIGIP)	70.0	[vi]70.0	0	0	70.0	0
Auto Industry Financing Program (AIFP)	81.3	81.3	(26.4)	[vii](3.4)	[viii]51.5	0
Auto Supplier Support Program (ASSP)[ix]	0.4	0.4	(0.4)	0	0	0
Term Asset-Backed Securities Loan Facility (TALF)	[x]4.3	[xi]0.1	0	0	0.1	4.2
Public-Private Investment Program (PPIP)[xii]	22.4	[xiii]15.6	[xiv](0.6)	0	15.0	6.8
SBA 7(a) Securities Purchase Program	0.4	[xv]0.4	0	0	0.4	[xvi]0
Home Affordable Modification Program (HAMP)	29.9	0.8	0	0	0.8	29.1
Hardest Hit Fund (HHF)	[xvii]7.6	[xviii]0.1	0	0	0.1	7.5
FHA Refinance Program	8.1	[xix]0.1	0	0	0.1	8.0
Community Development Capital Initiative (CDCI)	[xx]0.8	[xxi]0.6	0	0	0.6	0
Total	**$475.0**	**$419.2**	**$(240.4)**	**$(6.0)**	**$172.8**	**$55.7**

[i] Figures affected by rounding. Unless otherwise noted, data in this table are from the following sources: U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011* (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf) ; U.S. Department of the Treasury, *Troubled Assets Relief Program Monthly 105(a) Report – December 2010* (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/December105(a) report_FINAL_v4.pdf).

[ii] In June 2009, Treasury exchanged $25 billion in Citigroup preferred stock for 7.7 billion shares of the company's common stock at $3.25 per share. As of January 28, 2011, Treasury had sold the entirety of its Citigroup common shares for $31.85 billion in gross proceeds. The amount repaid under CPP includes $25 billion Treasury received as part of its sales of Citigroup common stock. The difference between these two numbers represents the $6.85 billion in net profit Treasury has received from the sale of Citigroup common stock.

Total CPP repayments also include amounts repaid by institutions that exchanged their CPP investments for investments under the CDCI, as well as proceeds earned from the sale of preferred stock issued by South Financial Group, Inc., TIB Financial Corp, and The Bank of Currituck. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, 2, 7, 13-15 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf); U.S. Department of the Treasury, *Troubled Asset Relief Program: Two-Year Retrospective*, at 25 (Oct. 2010) (online at www.financialstability.gov/docs/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf); U.S. Department of the Treasury, *Treasury Commences Plan to Sell Citigroup Common Stock* (Apr. 26, 2010) (online at ustreas.tpaq.treasury.gov/press/releases/tg660.htm).

[iii] In the TARP Transactions Report, Treasury has classified the investments it made in two institutions, CIT Group ($2.3 billion) and Pacific Coast National Bancorp ($4.1 million), as losses. In addition, Treasury sold its preferred ownership interests, along with warrants, in South Financial Group, Inc., TIB Financial Corp., and the Bank of Currituck to non-TARP participating institutions. These shares were sold at prices below the value of the original CPP investment, at respective losses of $217 million, $25 million, and $2.3 million. Therefore, Treasury's net current CPP investment is $34.4 billion due to the $2.6 billion in losses thus far. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 1-14 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[iv] The $5.0 billion AGP guarantee for Citigroup was unused since Treasury was not required to make any guarantee payments during the life of the program. U.S. Department of the Treasury, *Troubled Asset Relief Program: Two-Year Retrospective,* at 31 (Oct. 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/agency_reports/Documents/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf).

[v] Although this $5.0 billion is no longer exposed as part of the AGP, Treasury did not receive a repayment in the same sense as with other investments. Treasury did receive other income as consideration for the guarantee, which is not a repayment and is accounted for in Figure 22. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 20 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[vi] AIG has completely utilized the $40 billion that was made available on November 25, 2008, in exchange for the company's preferred stock. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf). It has also drawn down the entirety of the $30 billion made available on April 17, 2009. Of this $30 billion investment, $165 million was used for retention payments and the remainder was exchanged or used in the execution of AIG's recapitalization plan. In total $29.8 billion was drawn by AIG. The $7.5 billion that was outstanding under the

facility at the time AIG executed its recapitalization plan was converted to 167.6 million shares of AIG common stock. Upon the closing of the recapitalization plan, $16.9 billion of the funds drawn-down from the Series F TARP investment was exchanged for a corresponding liquidation preference of preferred stock in the AIA Aurora LLC, $3. 4 billion was exchanged for junior preferred stock interest in the ALICO Holdings LLC, and $2 billion was designated as Series G preferred stock, which provides AIG with an equity capital facility they can draw on for general corporate purposes. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf). This figure does not include $1.6 billion in accumulated but unpaid dividends owed by AIG to Treasury due to the restructuring of Treasury's investment from cumulative preferred shares to non-cumulative shares. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf); For a full discussion of AIG's recapitalization plan, see American International Group, Inc., *Form 8-K* (Jan. 14, 2011) (online at phx.corporate-ir.net/phoenix.zhtml?c=76115&p=irol-SECText&TEXT=aHR0cDovL2lyLmludC53ZXN0bGF3YnVzaW5lc3MuY29tL2RvY3VtZW50L3YxLzAwMDA5NTAxMjMtMTEtMDAzMDYxL3htbA%3d%3d).

[vii] On May 14, 2010, Treasury accepted a $1.9 billion settlement payment for its $3.5 billion loan to Chrysler Holding. The payment represented a $1.6 billion loss from the termination of the debt obligation. *See* U.S. Department of the Treasury, *Chrysler Financial Parent Company Repays $1.9 Billion in Settlement of Original Chrysler Loan* (May 17, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/tg700.aspx); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 18-19 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

Also, following the bankruptcy proceedings for Old Chrysler, which extinguished the $1.9 billion debtor-in-possession (DIP) loan provided to Old Chrysler, Treasury retained the right to recover the proceeds from the liquidation of specified collateral. Although Treasury does not expect a significant recovery from the liquidation proceeds, Treasury is not yet reporting this loan as a loss in the TARP Transactions Report. To date, Treasury has collected $48.1 million in proceeds from the sale of collateral. Treasury includes these proceeds as part of the $26.4 billion repaid under the AIFP. U.S. Department of the Treasury, *Troubled Assets Relief Program Monthly 105(a) Report – September 2010* (Oct. 12, 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/September%20105(a)%20report_FINAL.pdf); Treasury conversations with Panel staff (Aug. 19, 2010 and Nov. 29, 2010); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 18 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[viii] In the TARP Transactions Report, the $1.9 billion Chrysler debtor-in-possession loan, which was extinguished April 30, 2010, was deducted from Treasury's current AIFP investment amount. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 18 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf). *See* endnote vii, *supra*, for details on losses from Treasury's investment in Chrysler.

[ix] On April 5, 2010, Treasury terminated its commitment to lend to the GM special purpose vehicle (SPV) under the ASSP. On April 7, 2010, it terminated its commitment to lend to the Chrysler SPV. In total, Treasury received $413 million in repayments from loans provided by this program ($290 million from the GM SPV and $123 million from the Chrysler SPV). Further, Treasury received $101 million in proceeds from additional notes associated with this program. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 19 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[x] For the TALF, $1 of TARP funds was committed for every $10 of funds obligated by the Federal Reserve. The program was intended to be a $200 billion initiative, and the TARP was responsible for the first $20 billion in loan-losses, if any were incurred. The loan was incrementally funded. When the program closed in June 2010, a total of $43 billion in loans was outstanding under the TALF, and the TARP's commitments constituted $4.3 billion. The Federal Reserve Board of Governors agreed that it was appropriate for Treasury to reduce TALF credit protection from the TARP to $4.3 billion. Board of Governors of the Federal Reserve System, *Federal Reserve Announces Agreement with the Treasury Department Regarding a Reduction of Credit Protection Provided for the Term Asset-Backed Securities Loan Facility (TALF)* (July 20, 2010) (online at www.federalreserve.gov/newsevents/press/monetary/20100720a.htm).

[xi] As of February 3, 2011, Treasury had provided $106 million to TALF LLC. This total is net of accrued interest payable to Treasury. Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2010) (online at www.federalreserve.gov/releases/h41/20110203/).

[xii] As of September 30, 2010, the total value of securities held by the PPIP fund managers was $19.3 billion. Non-agency residential mortgage-backed securities represented 82 percent of the total; commercial mortgage-backed securities represented the balance. U.S. Department of the Treasury, *Legacy Securities Public-Private Investment Program, Program Update – Quarter Ended September 30, 2010*, at 4 (Oct. 20, 2010) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/ppip/s-ppip/Documents/ppip-%2012-10%20vFinal.pdf).

[xiii] U.S. Department of the Treasury, *Troubled Assets Relief Program Monthly 105(a) Report – December 2010*, at 3 (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/December105(a) report_FINAL_v4.pdf).

[xiv] As of January 28, 2011, Treasury has received $620 million in capital repayments from two PPIP fund managers. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 24 (Feb. 1, 2011) (online at financialstability.gov/docs/transaction-reports/12-30-10%20Transactions%20Report%20as%20of%2012-30-10.pdf).

[xv] As of January 28, 2011, Treasury's purchases under the SBA 7(a) Securities Purchase Program totaled $368.1 million. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 23 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xvi] Treasury will not make additional purchases pursuant to the expiration of its purchasing authority under EESA. U.S. Department of the Treasury, *Troubled Asset Relief Program: Two-Year Retrospective*, at 43 (Oct. 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/agency_reports/Documents/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf).

[xvii] On June 23, 2010, $1.5 billion was allocated to mortgage assistance through the Hardest Hit Fund (HHF). Another $600 million was approved on August 3, 2010. U.S. Department of the Treasury, *Obama Administration Approves State Plans for $600 million of 'Hardest Hit Fund' Foreclosure Prevention Assistance* (Aug. 4, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/tg813.aspx). As part of its revisions to TARP allocations upon enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Treasury allocated an additional $2 billion in TARP funds to mortgage assistance for unemployed borrowers through the HHF. U.S. Department of the Treasury, *Obama Administration Announces Additional Support for Targeted Foreclosure-Prevention Programs to Help Homeowners Struggling with Unemployment* (Aug. 11, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/tg1042.aspx). In October 2010, another $3.5 billion was allocated among the 18 states and the District of Columbia currently participating in HHF. The amount each state received during this round of funding is proportional to its population. U.S. Department of the Treasury, *Troubled Asset Relief Program: Two Year Retrospective*, at 72 (Oct. 2010) (online at www.financialstability.gov/docs/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf).

[xviii] As of December 31, 2010, a total of $103.6 million has been disbursed to 12 state Housing Finance Agencies (HFAs). Treasury conversations with Panel staff (Jan. 6, 2011).

[xix] This figure represents the amount Treasury disbursed to fund the advance purchase account of the Letter of Credit issued under the FHA Short Refinance Program. The $53.3 million in the FHA Short Refinance program is broken down as follows: $50 million for a deposit into an advance purchase account as collateral to the initial $50 million Letter of Credit, $2.9 million for the closing and funding of the Letter of Credit, $115,000 in trustee fees, $175,000 in claims processor fees, and $156,000 for an unused commitment fee for the Letter of Credit. Data provided by Treasury (Dec. 2, 2010).

[xx] U.S. Department of the Treasury, *Troubled Assets Relief Program Monthly 105(a) Report – November 2010*, at 4 (Dec. 10, 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/November%20105(a)%20FINAL.pdf).

[xxi] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 16-17 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf). Treasury closed the program on September 30, 2010, after investing $570 million in 84 CDFIs. U.S. Department of the Treasury, *Treasury Announces Special Financial Stabilization Initiative Investments of $570 Million in 84 Community Development Financial Institutions in Underserved Areas* (Sept. 30, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/tg885.aspx).

Figure 22: TARP Profit and Loss *(millions of dollars)*

TARP Initiative[xxii]	Dividends[xxiii] (as of 12/31/2010)	Interest[xxiv] (as of 12/31/2010)	Warrant Disposition Proceeds[xxv] (as of 1/28/2011)	Other Proceeds (as of 12/31/2010)	Losses[xxvi] (as of 1/28/2011)	Total
Total	**$16,013**	**$1,223**	**$8,476**	**$9,835**	**($6,018)**	**$29,530**
CPP	10,290	59	7,030	[xxvii]6,852	(2,578)	21,653
TIP	3,004	–	1,446	–	–	4,450
AIFP	2,274	1,061	–	[xxviii]15	(3,440)	(90)
ASSP	–	15	–	[xxix]101	–	116
AGP	443	–	–	[xxx]2,246	–	2,689
PPIP	–	85	–	[xxxi]345	–	430
SBA 7(a)	–	4	–	–	–	4
Bank of America Guarantee	–	–	–	[xxxii]276	–	276
CDCI	1	1				2

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xxii AIG is not listed in this table because no profit or loss has been recorded to date for AIG. Its missed dividends were capitalized as part of the issuance to Treasury of Series E preferred shares. Following the closing of AIG's recapitalization, the $1.6 billion in missed and capitalized dividends were exchanged along with the $40 billion Series E TARP preferred investment for 924.5 million AIG common stock shares. Therefore, no profit or loss has been realized on Treasury's AIG investment to date. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

HAMP is not listed in this table because HAMP is a 100 percent subsidy program, and no profit is expected.

xxiii U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of December 31, 2010* (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/December%202010%20Dividends%20Interest%20Report.pdf).

xxiv U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of December 31, 2010* (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/December%202010%20Dividends%20Interest%20Report.pdf).

xxv U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011* (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxvi] In the TARP Transactions Report, Treasury classified the investments it made in two institutions, CIT Group ($2.3 billion) and Pacific Coast National Bancorp ($4.1 million), as losses. Treasury has also sold its preferred ownership interests and warrants from South Financial Group, Inc., TIB Financial Corp, and the Bank of Currituck. This represents a $244.0 million loss on its CPP investments in these three banks. Two TARP recipients, UCBH Holdings, Inc. ($298.7 million) and a banking subsidiary of Midwest Banc Holdings, Inc. ($89.4 million), are currently in bankruptcy proceedings. As of January 28, 2011, three TARP recipients, Pierce County Bancorp, Sonoma Valley Bancorp, and Tifton Banking Company, had entered receivership. Cumulatively, these three had received $19.3 million in TARP funding. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011* (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxvii] This figure also reflects net proceeds to Treasury from the sale of Citigroup common stock to date. For details on Treasury's sales of Citigroup common stock, see endnote ii, *supra*. *See also* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 15 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxviii] Treasury received proceeds from an additional note connected with the loan made to Chrysler Financial on January 16, 2009. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 18 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxix] This represents the total proceeds from additional notes connected with Treasury's investments in GM Supplier Receivables LLC and Chrysler Receivables SPV LLC. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 19 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxx] As a fee for taking a second-loss position of up to $5 billion on a $301 billion pool of ring-fenced Citigroup assets as part of the AGP, Treasury received $4.03 billion in Citigroup preferred stock and warrants. Treasury exchanged these preferred stocks for trust preferred securities in June 2009. Following the early termination of the guarantee in December 2009, Treasury cancelled $1.8 billion of the trust preferred securities, leaving Treasury with $2.23 billion in Citigroup trust preferred securities. On September 30, 2010, Treasury sold these securities for $2.25 billion in total proceeds. At the end of Citigroup's participation in the FDIC's Temporary Liquidity Guarantee Program (TLGP), the FDIC may transfer $800 million of $3.02 billion in Citigroup Trust Preferred Securities it received in consideration for its role in the AGP to Treasury. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 20 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf); U.S. Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Citigroup Inc., *Termination Agreement*, at 1 (Dec. 23, 2009) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/agp/Documents/Citi%20AGP%20Termination%20Agreement%20-%20Fully%20Executed%20Version.pdf); U.S. Department of the Treasury, *Treasury Announces Further Sales of Citigroup Securities and Cumulative Return to Taxpayers of $41.6 Billion* (Sept. 30, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/tg887.aspx); Federal Deposit Insurance Corporation, *2009 Annual Report*, at 87 (June 30, 2010) (online at www.fdic.gov/about/strategic/report/2009annualreport/AR09final.pdf).

[xxxi] As of December 31, 2010 , Treasury has earned $324.0 million in membership interest distributions from the PPIP. Additionally, Treasury has earned $20.6 million in total proceeds following the termination of the TCW fund. *See* U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of December 31, 2010*, at 14 (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-

interest/DocumentsDividendsInterest/December%202010%20Dividends%20Interest%20Report.pdf); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 23 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xxxii] Although Treasury, the Federal Reserve, and the FDIC negotiated with Bank of America regarding a guarantee similar to that received by Citigroup through the AGP, the parties never reached an agreement. In September 2009, Bank of America agreed to pay each of the prospective guarantors a fee as though the guarantee had been in place during the negotiations period. This agreement resulted in payments of $276 million to Treasury, $57 million to the Federal Reserve, and $92 million to the FDIC. U.S. Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Bank of America Corporation, *Termination Agreement*, at 1-2 (Sept. 21, 2009) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/agp/Documents/BofA%20-%20Termination%20Agreement%20-%20executed.pdf).

d. CPP Unpaid Dividend and Interest Payments[366]

As of December 31, 2010, 140 institutions have missed at least one dividend payment on outstanding preferred stock issued under the CPP.[367] Among these institutions, 111 institutions are not current on cumulative dividends, amounting to $151.5 million in missed payments. Another 29 banks have not paid $9.5 million in non-cumulative dividends. Of the $34.4 billion currently outstanding in CPP funding, Treasury's investments in banks with non-current dividend payments total $4.1 billion. A majority of the banks that remain delinquent on dividend payments have under $1 billion in total assets on their balance sheets. Also, there are 21 institutions that no longer have outstanding unpaid dividends, after previously deferring their quarterly payments.[368]

Twelve banks have failed to make six dividend payments, six banks have missed seven quarterly payments, and one bank has missed all eight quarterly payments. These institutions have received a total of $897.2 million in CPP funding. Under the terms of the CPP, after a bank fails to pay dividends for six periods, Treasury has the right to elect two individuals to the company's board of directors.[369]

As of December 31, 2010, multiple institutions with missed dividends have agreed to have Treasury observers attend Board of Directors meetings.

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[366] Treasury Dividends, Interest and Distributions Report, *supra* note 356, at 20.

[367] This figure does not include banks with missed dividend payments that have either repaid all delinquent dividends, exited the TARP, gone into receivership, or filed for bankruptcy.

[368] Fifteen of these institutions made payments later. The 21 institutions also include those that have either (a) fully repaid their CPP investment and exited the program, or (b) entered bankruptcy or their subsidiary was placed into receivership. Treasury Dividends, Interest and Distributions Report, *supra* note 356, at 20.

[369] U.S. Department of the Treasury, *Fact Sheet Capital Purchase Program Nomination of Board Observers & Directors* (online at www.treasury.gov/initiatives/financial-stability/investment-programs/cpp/Documents/CPP%20Directors%20-%20Observer%20Fact%20Sheet.pdf) (accessed Feb. 8, 2011).

Figure 23: Institutions Where Treasury Observers Now Attend Board Meetings[xxxiii]

Institution	CPP Investment Amount	Non-Current Dividends/ Interest	No. of Missed Payments
Anchor BanCorp Wisconsin, Inc.	$110,000,000	9,854,167	7
Blue Valley Ban Corp	21,750,000	1,903,125	7
Central Pacific Financial Corp.	135,000,000	10,125,000	6
Centrue Financial Corporation	32,668,000	2,450,100	6
Citizens Bancorp	10,400,000	850,200	6
Citizens Commerce Bancshares, Inc.	6,300,000	429,188	5
Dickinson Financial Corporation II	146,053,000	11,939,880	6
First BanCorp (PR)[xxxiv]	400,000,000	6,775,001	2
First Banks, Inc.	295,400,000	24,148,950	6
Grand Mountain Bancshares, Inc.	3,076,000	244,970	6
Heritage Commerce Corp	40,000,000	2,500,000	5
Idaho Bancorp	6,900,000	564,075	6
Integra Bank Corporation	83,586,000	5,224,125	5
Pacific Capital Bancorp[xxxv]	180,634,000	–	0
Pacific City Financial Corporation	16,200,000	1,324,350	6
Pathway Bancorp	3,727,000	253,863	5
Premierwest Bancorp	41,400,000	2,587,500	5
Rogers Bancshares, Inc.	25,000,000	1,703,125	5
Royal Bancshares of Pennsylvania, Inc.	30,407,000	2,280,525	6
Seacoast Banking Corporation of Florida	50,000,000	4,375,000	7
Georgia Primary Bank	4,500,000	377,413	6
Lone Star Bank	3,072,000	297,242	7
One Georgia Bank	5,500,000	455,453	6
OneUnited Bank	12,063,000	1,055,513	7
Premier Service Bank	4,000,000	323,972	6
United American Bank	8,700,000	823,177	7
Total	**$1,676,336,000**	**$92,865,912**	**146**

[xxxiii] U.S. Department of the Treasury, *Cumulative Dividends, Interest, and Distributions Report as of January 31, 2010* (Feb. 10, 2011) (online at www.www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/January%202011%20Dividends%20Interest%20Report.pdf).

[xxxiv] On July 20, 2010, Treasury completed the exchange of its $400,000,000 of Preferred Stock in First BanCorp for $424,174,000 of Mandatorily Convertible Preferred Stock (MCP), which is equivalent to the initial investment amount of $400,000,000, plus $24,174,000 of capitalized previously accrued and unpaid dividends. Subject to the fulfillment by First BanCorp of certain conditions, including those related to its capital plan, the MCP may be converted to common stock. This institution has agreed to have Treasury observers attend board of directors meetings.

[xxxv] On August 31, 2010, following the completion of the conditions related to Pacific Capital Bancorp's (Pacific Capital) capital plan, Treasury exchanged its $180,634,000 of Preferred Stock in Pacific Capital for $195,045,000 of Mandatorily Convertible Preferred Stock (MCP), which is equivalent to the initial investment amount of $180,634,000, plus $14,411,000 of capitalized previously accrued and unpaid dividends. On September 27, 2010, following the completion of the conversion conditions set forth in the Certificate of Designations for the MCP, all of Treasury's MCP was converted into 360,833,250 shares of common stock of Pacific Capital. This institution has agreed to have Treasury observers attend board of directors meetings.

Figure 24 below provides further details on the distribution and the number of institutions that have missed dividend payments.

Figure 24: CPP Missed Dividend Payments (as of December 31, 2010)[370]

Number of Missed Payments	1	2	3	4	5	6	7	8	Total
Cumulative Dividends									
Number of Banks, by asset size	17	28	20	20	14	9	3	0	111
Under $1B	10	21	17	16	9	6	1	0	80
$1B-$10B	6	6	3	3	5	3	2	0	28
Over $10B	1	1	0	1	0	0	0	0	3
Non-Cumulative Dividends									
Number of Banks, by asset size	6	1	6	6	3	3	3	1	29
Under $1B	5	1	6	5	3	3	3	1	27
$1B-$10B	0	0	0	1	0	0	0	0	1
Over $10B	1	0	0	0	0	0	0	0	1
Total Banks Missing Payments									**140**
Total Missed Payments									**470**

In addition, eight CPP participants have missed at least one interest payment, representing $4.0 million in cumulative unpaid interest payments. Treasury's total investments in these non-public institutions represent less than $1 billion in CPP funding.

e. CPP Losses

As of January 28, 2011, Treasury has realized a total of $2.6 billion in losses from investments in five CPP participants. CIT Group Inc. and Pacific Coast National Bancorp have both completed bankruptcy proceedings and there was no monetary recovery to the TARP, and the preferred stock and warrants issued by the South Financial Group, TIB Financial Corp., and the Bank of Currituck were sold to third-party institutions at a discount. Excluded from Treasury's total losses are investments in institutions that have pending receivership or bankruptcy proceedings, as well as an institution that is currently the target of an acquisition.[371] Settlement of these transactions and proceedings would increase total losses in the CPP to $3.0 billion. Figure 25 below details settled and unsettled investment losses from CPP participants that have declared bankruptcy, been placed into receivership, or renegotiated the terms of their CPP contracts.

[370] Treasury Dividends, Interest and Distributions Report, *supra* note 356, at 17-20. Data on total bank assets compiled using SNL Financial data service (accessed Feb. 2, 2011).

[371] Treasury Transactions Report, *supra* note 5, at 13.

Figure 25: CPP Settled and Unsettled Losses[372]

Institution	Investment Amount	Investment Disposition Amount	Warrant Disposition Amount	Dividends & Interest	Possible Losses/ Reduced Exposure	Action
Cadence Financial Corporation	$44,000,000	$38,000,000	–	$2,970,000	$(6,000,000)	10/29/2010: Treasury agreed to sell preferred stock and warrants issued by Cadence Financial to Community Bancorp LLC for $38 million plus accrued and unpaid dividends. Completion of the sale subject to fulfillment of certain closing conditions.
CIT Group Inc.*	2,330,000,000	–	–	43,687,500	(2,330,000,000)	12/10/2009: Bankruptcy reorganization plan for CIT Group Inc. became effective. CPP preferred shares and warrants were extinguished and replaced with contingent value rights (CVR). On Feb. 8, 2010, the CVRs expired without value.
Midwest Banc Holdings, Inc.	89,388,000	–	–	824,289	(89,388,000)	5/14/2010: Midwest Banc Holdings, Inc. subsidiary, Midwest Bank and Trust, Co., placed into receivership. Midwest Banc Holdings is currently in bankruptcy proceedings.
Pacific Coast National Bancorp*	4,120,000	–	–	18,088	(4,120,000)	2/11/2010: Pacific Coast National Bancorp dismissed its bankruptcy proceedings without recovery to creditors or investors. Investments, including Treasury's CPP investments, were extinguished.
Pierce County Bancorp	6,800,000	–	–	207,948	(6,800,000)	11/5/2010: Pierce County Bancorp subsidiary, Pierce Commercial Bank, placed into receivership.

[372] Treasury Transactions Report, *supra* note 5, at 14. The asterisk ("*") denotes recognized losses on Treasury's Transactions Report.

Sonoma Valley Bancorp	8,653,000	–	–	347,164	(8,653,000)	8/20/2010: Sonoma Valley Bancorp subsidiary, Sonoma Valley Bank, placed into receivership.
South Financial Group*	347,000,000	130,179,219	$400,000	16,386,111	(216,820,781)	9/30/2010: Preferred stock and warrants sold to Toronto-Dominion Bank.
The Bank of Currituck*	4,021,000	1,742,850	–	169,834	(2,278,150)	12/3/2010: The Bank of Currituck completed its repurchase of all preferred stock (including preferred stock received upon exercise of warrants) issued to Treasury.
TIB Financial Corp.*	37,000,000	12,119,637	40,000	1,284,722	(24,880,363)	9/30/2010: Preferred stock and warrants sold to North American Financial Holdings.
Tifton Banking Company	3,800,000	–	–	223,208	(3,800,000)	11/12/2010: Tifton Banking Company placed into receivership.
UCBH Holdings, Inc.	298,737,000	–	–	7,509,920	(298,737,000)	11/6/2009: United Commercial Bank, a wholly owned subsidiary of UCBH Holdings, Inc., was placed into receivership. UCBH Holdings is currently in bankruptcy proceedings.
Total	**$3,173,519,000**	**$182,041,706**	**440,000**	**73,628,784**	**$(2,991,477,294)**	

f. Rate of Return

As of February 2, 2011, the average internal rate of return for all public financial institutions that participated in the CPP and fully repaid the U.S. government (including preferred shares, dividends, and warrants) rose to 10.1 percent.[373] During January 2011, Huntington Bancshares, First PacTrust Bancorp, Inc., East West Bancorp, and Susquehanna Bancshares, Inc repurchased their warrants, while Citigroup's warrants were sold at auction. The internal rate of return is the annualized effective compounded return rate that can be earned on invested capital.

g. Warrant Disposition

Figure 26: Warrant Repurchases/Auctions for Financial Institutions that have fully Repaid CPP and TIP Funds (as of February 2, 2011)

Institution	Investment Date	Warrant Repurchase Date	Warrant Repurchase/ Sale Amount	Panel's Best Valuation Estimate at Disposition Date	Price/ Estimate Ratio	IRR
Old National Bancorp	12/12/2008	5/8/2009	$1,200,000	$2,150,000	0.558	9.3%
Iberiabank Corporation	12/5/2008	5/20/2009	1,200,000	2,010,000	0.597	9.4%
Firstmerit Corporation	1/9/2009	5/27/2009	5,025,000	4,260,000	1.180	20.3%
Sun Bancorp, Inc.	1/9/2009	5/27/2009	2,100,000	5,580,000	0.376	15.3%
Independent Bank Corp.	1/9/2009	5/27/2009	2,200,000	3,870,000	0.568	15.6%
Alliance Financial Corporation	12/19/2008	6/17/2009	900,000	1,580,000	0.570	13.8%
First Niagara Financial Group	11/21/2008	6/24/2009	2,700,000	3,050,000	0.885	8.0%
Berkshire Hills Bancorp, Inc.	12/19/2008	6/24/2009	1,040,000	1,620,000	0.642	11.3%
Somerset Hills Bancorp	1/16/2009	6/24/2009	275,000	580,000	0.474	16.6%
SCBT Financial Corporation	1/16/2009	6/24/2009	1,400,000	2,290,000	0.611	11.7%

[373] Calculation of the internal rate of return (IRR) also includes CPP investments in public institutions not repaid in full (for reasons such as acquisition by another institution), such as The South Financial Group and TIB Financial Corporation. The Panel's total IRR calculation now includes CPP investments in public institutions recorded as a loss on the TARP Transactions Report due to bankruptcy, such as CIT Group Inc. Going forward, the Panel will continue to include losses due to bankruptcy when Treasury determines that any associated contingent value rights have expired without value. When excluding CPP investments that have resulted in losses from the calculation, the resulting IRR is 11.4 percent. Treasury Transactions Report, *supra* note 5.

HF Financial Corp.	11/21/2008	6/30/2009	650,000	1,240,000	0.524	10.1%
State Street	10/28/2008	7/8/2009	60,000,000	54,200,000	1.107	9.9%
U.S. Bancorp	11/14/2008	7/15/2009	139,000,000	135,100,000	1.029	8.7%
The Goldman Sachs Group, Inc.	10/28/2008	7/22/2009	1,100,000,000	1,128,400,000	0.975	22.8%
BB&T Corp.	11/14/2008	7/22/2009	67,010,402	68,200,000	0.983	8.7%
American Express Company	1/9/2009	7/29/2009	340,000,000	391,200,000	0.869	29.5%
Bank of New York Mellon Corp	10/28/2008	8/5/2009	136,000,000	155,700,000	0.873	12.3%
Morgan Stanley	10/28/2008	8/12/2009	950,000,000	1,039,800,000	0.914	20.2%
Northern Trust Corporation	11/14/2008	8/26/2009	87,000,000	89,800,000	0.969	14.5%
Old Line Bancshares Inc.	12/5/2008	9/2/2009	225,000	500,000	0.450	10.4%
Bancorp Rhode Island, Inc.	12/19/2008	9/30/2009	1,400,000	1,400,000	1.000	12.6%
Centerstate Banks of Florida Inc.	11/21/2008	10/28/2009	212,000	220,000	0.964	5.9%
Manhattan Bancorp	12/5/2008	10/14/2009	63,364	140,000	0.453	9.8%
CVB Financial Corp	12/5/2008	10/28/2009	1,307,000	3,522,198	0.371	6.4%
Bank of the Ozarks	12/12/2008	11/24/2009	2,650,000	3,500,000	0.757	9.0%
Capital One Financial	11/14/2008	12/3/2009	148,731,030	232,000,000	0.641	12.0%
JPMorgan Chase & Co.	10/28/2008	12/10/2009	950,318,243	1,006,587,697	0.944	10.9%
CIT Group Inc.	12/31/2008	–	–	562,541	–	(97.2)%
TCF Financial Corp	1/16/2009	12/16/2009	9,599,964	11,825,830	0.812	11.0%
LSB Corporation	12/12/2008	12/16/2009	560,000	535,202	1.046	9.0%
Wainwright Bank & Trust Company	12/19/2008	12/16/2009	568,700	1,071,494	0.531	7.8%
Wesbanco Bank, Inc.	12/5/2008	12/23/2009	950,000	2,387,617	0.398	6.7%
Union First Market Bankshares Corporation (Union Bankshares Corporation)	12/19/2008	12/23/2009	450,000	1,130,418	0.398	5.8%
Trustmark Corporation	11/21/2008	12/30/2009	10,000,000	11,573,699	0.864	9.4%
Flushing Financial Corporation	12/19/2008	12/30/2009	900,000	2,861,919	0.314	6.5%
OceanFirst Financial Corporation	1/16/2009	2/3/2010	430,797	279,359	1.542	6.2%
Monarch Financial Holdings, Inc.	12/19/2008	2/10/2010	260,000	623,434	0.417	6.7%

Bank of America[374]	10/28/2008[375] 1/9/2009[376] 1/14/2009[377]	3/3/2010	1,566,210,714	1,006,416,684	1.533	6.5%
Washington Federal Inc./Washington Federal Savings & Loan Association	11/14/2008	3/9/2010	15,623,222	10,166,404	1.537	18.6%
Signature Bank	12/12/2008	3/10/2010	11,320,751	11,458,577	0.988	32.4%
Texas Capital Bancshares, Inc.	1/16/2009	3/11/2010	6,709,061	8,316,604	0.807	30.1%
Umpqua Holdings Corp.	11/14/2008	3/31/2010	4,500,000	5,162,400	0.872	6.6%
City National Corporation	11/21/2008	4/7/2010	18,500,000	24,376,448	0.759	8.5%
First Litchfield Financial Corporation	12/12/2008	4/7/2010	1,488,046	1,863,158	0.799	15.9%
PNC Financial Services Group Inc.	12/31/2008	4/29/2010	324,195,686	346,800,388	0.935	8.7%
Comerica Inc.	11/14/2008	5/4/2010	183,673,472	276,426,071	0.664	10.8%
Valley National Bancorp	11/14/2008	5/18/2010	5,571,592	5,955,884	0.935	8.3%
Wells Fargo Bank	10/28/2008	5/20/2010	849,014,998	1,064,247,725	0.798	7.8%
First Financial Bancorp	12/23/2008	6/2/2010	3,116,284	3,051,431	1.021	8.2%
Sterling Bancshares, Inc./ Sterling Bank	12/12/2008	6/9/2010	3,007,891	5,287,665	0.569	10.8%
SVB Financial Group	12/12/2008	6/16/2010	6,820,000	7,884,633	0.865	7.7%
Discover Financial Services	3/13/2009	7/7/2010	172,000,000	166,182,652	1.035	17.1%
Bar Harbor Bancshares	1/16/2009	7/28/2010	250,000	518,511	0.482	6.2%
Citizens & Northern Corporation	1/16/2009	8/4/2010	400,000	468,164	0.854	5.9%
Columbia Banking System, Inc.	11/21/2008	8/11/2010	3,301,647	3,291,329	1.003	7.3%

[374] Calculation of the IRR for Bank of America does not include fees received by Treasury as part of an agreement to terminate that bank's participation under the AGP. U.S. Department of the Treasury, *Troubled Assets Relief Program Monthly 105(a) Report – December 2010*, at A-3 (Jan. 10, 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/December105(a)%20report_FINAL_v4.pdf).

[375] Investment date for Bank of America in the CPP.

[376] Investment date for Merrill Lynch in the CPP.

[377] Investment date for Bank of America in the TIP.

Hartford Financial Services Group, Inc.	6/26/2009	9/21/2010	713,687,430	472,221,996	1.511	30.3%
Lincoln National Corporation	7/10/2009	9/16/2010	216,620,887	181,431,183	1.194	27.1%
Fulton Financial Corporation	12/23/2008	9/8/2010	10,800,000	15,616,013	0.692	6.7%
The Bancorp, Inc./ The Bancorp Bank	12/12/2008	9/8/2010	4,753,985	9,947,683	0.478	12.8%
South Financial Group, Inc./ Carolina First Bank	12/5/2008	9/30/2010	400,000	1,164,486	0.343	(34.2)%
TIB Financial Corp/TIB Bank	12/5/2008	9/30/2010	40,000	235,757	0.170	(38.0)%
Central Jersey Bancorp	12/23/2008	12/1/2010	319,659	1,554,457	0.206	6.3%
Huntington Bancshares	11/14/2008	1/19/2011	49,100,000	45,180,929	1.087	6.4%
First PacTrust Bancorp, Inc.	11/21/2008	1/5/2011	1,033,227	1,750,518	0.590	7.3%
East West Bancorp	12/5/2008	1/26/2011	14,500,000	32,726,663	0.443	7.0%
Susquehanna Bancshares, Inc	12/12/2008	1/19/2011	5,269,179	14,708,811	0.358	6.2%
Citigroup[378]	10/25/2008[379] 12/31/2008[380]	1/25/2011	245,008,277	136,161,499	1.799	13.4%
Total			**$8,463,562,508**	**$8,231,926,132**	**1.028**	**10.1%**

[378] Calculations for the IRR of Citigroup do not include dividends or warrant proceeds earned from the Asset Guarantee Program (AGP). This IRR also does not incorporate proceeds received from Treasury's sale of Citigroup's trust preferred securities, given as a premium for Treasury's guarantee under the AGP. It is important to note that subject to the AGP termination agreement with Citigroup, Treasury could receive $800 million in trust preferred securities held by the FDIC upon the company's exit from the FDIC's Temporary Liquidity Guarantee Program (TLGP). As of February 3, 2010, the company and its subsidiaries had $58.3 billion in long-term debt outstanding, which is guaranteed under the TLGP. Treasury Transactions Report, *supra* note 5, at 20. Data on Citigroup debt guaranteed by the TLGP accessed through SNL Financial Data Service.

[379] Investment date for Citigroup in the CPP.

[380] Investment date for Citigroup in the TIP.

Figure 27: Valuation of Current Holdings of Warrants (as of February 2, 2011)

Financial Institutions with Warrants Outstanding	Warrant Valuation *(millions of dollars)*		
	Low Estimate	**High Estimate**	**Best Estimate**
SunTrust Banks, Inc.	$57.98	$328.46	$149.21
Regions Financial Corporation	13.18	195.09	109.36
Fifth Third Bancorp	174.07	469.56	230.85
KeyCorp	36.57	180.59	90.27
AIG	384.03	1,892.92	973.39
All Other Banks	615.05	1421.37	1052.02
Total	**$1,280.88**	**$4,487.99**	**$2,605.10**

2. Federal Financial Stability Efforts

a. Federal Reserve and FDIC Programs

In addition to the direct expenditures Treasury has undertaken through the TARP, the federal government has engaged in a much broader program directed at stabilizing the U.S. financial system. Many of these initiatives explicitly augment funds allocated by Treasury under specific TARP initiatives, such as FDIC and Federal Reserve asset guarantees for Citigroup, or operate in tandem with Treasury programs. Other programs, like the Federal Reserve's extension of credit through its Section 13(3) facilities and special purpose vehicles (SPVs) and the FDIC's Temporary Liquidity Guarantee Program (TLGP), operate independently of the TARP.

b. Total Financial Stability Resources

Beginning in its April 2009 report, the Panel broadly classified the resources that the federal government has devoted to stabilizing the economy in the aftermath of the financial crisis through myriad programs and initiatives such as outlays, loans, or guarantees. With the reductions in funding for certain TARP programs, the Panel calculates the total value of these resources to be approximately $2.5 trillion. However, this would translate into the ultimate "cost" of the stabilization effort only if: (1) assets do not appreciate; (2) no dividends are received, no warrants are exercised, and no TARP funds are repaid; (3) all loans default and are written off; and (4) all guarantees are exercised and subsequently written off.

With respect to the FDIC and Federal Reserve programs, the risk of loss varies significantly across the programs considered here, as do the mechanisms providing protection for the taxpayer against such risk. As discussed in the Panel's November 2009 report, the FDIC assesses a premium of up to 100 basis points, or 1 percentage point, on TLGP debt guarantees.[381] In contrast, the Federal Reserve's liquidity programs are generally available only to borrowers with good credit, and the loans are over-collateralized and with recourse to other assets of the borrower. If the assets securing a Federal Reserve loan realize a decline in value greater than the "haircut," the Federal Reserve is able to demand more collateral from the borrower. Similarly, should a borrower default on a recourse loan, the Federal Reserve can turn to the borrower's other assets to make the Federal Reserve whole. In this way, the risk to the taxpayer on recourse loans only materializes if the borrower enters bankruptcy.

c. Mortgage Purchase Programs

On September 7, 2008, Treasury announced the GSE Mortgage Backed Securities Purchase (MBS) Program. The Housing and Economic Recovery Act of 2008 provided Treasury with the authority to purchase MBS guaranteed by government-sponsored enterprises (GSEs) through December 31, 2009. Treasury purchased approximately $225 billion in GSE MBS by the time its authority expired.[382] As of January 2011, there was approximately $139.6 billion in MBS still outstanding under this program.[383]

In March 2009, the Federal Reserve authorized purchases of $1.25 trillion MBS guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae, and $200 billion of agency debt securities from Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.[384] The intended purchase amount for agency debt securities was subsequently decreased to $175 billion.[385] All purchasing activity was completed on March 31, 2010. As of February 3, 2011, the Federal Reserve held $965 billion of agency MBS and $145 billion of agency debt.[386]

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[381] Congressional Oversight Panel, *November Oversight Report: Guarantees and Contingent Payments in TARP and Related Programs*, at 36 (Nov. 6, 2009) (online at cop.senate.gov/documents/cop-110609-report.pdf).

[382] U.S. Department of the Treasury, *FY2011 Budget in Brief*, at 138 (Feb. 2010) (online at www.treasury.gov/about/budget-performance/budget-in-brief/Documents/FY%202011%20BIB%20(2).pdf).

[383] U.S. Department of the Treasury, *MBS Purchase Program: Portfolio by Month* (online at www.treasury.gov/resource-center/data-chart-center/Documents/January%202011%20Portfolio%20by%20month.pdf). Treasury has received $80.7 billion in principal repayments and $16.2 billion in interest payments from these securities. *See* U.S. Department of the Treasury, *MBS Purchase Program Principal and Interest Received* (online at www.treasury.gov/resource-center/data-chart-center/Documents/January%202011%20MBS%20Principal%20and%20Interest%20Monthly%20Breakout.pdf).

[384] Board of Governors of the Federal Reserve System, *Federal Reserve System Monthly Report on Credit and Liquidity Programs and the Balance Sheet*, at 5 (Dec. 2010) (online at federalreserve.gov/monetarypolicy/files/monthlyclbsreport201012.pdf).

[385] *Id*. at 5.

[386] Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/) (hereinafter "Factors Affecting Reserve Balances (H.4.1)").

d. Federal Reserve Treasury Securities Purchases[387]

On November 3, 2010, the Federal Open Market Committee (FOMC) announced that it has directed the Federal Reserve Bank of New York (FRBNY) to begin purchasing an additional $600 billion in longer-term Treasury securities. In addition, FRBNY will reinvest $250 billion to $300 billion in principal payments from agency debt and agency MBS in Treasury securities.[388] The additional purchases and reinvestments will be conducted through the end of the second quarter of 2011, meaning the pace of purchases will be approximately $110 billion per month. In order to facilitate these purchases, FRBNY will temporarily lift its System Open Market Account per-issue limit, which prohibits the Federal Reserve's holdings of an individual security from surpassing 35 percent of the outstanding amount.[389] As of February 3, 2010, the Federal Reserve held $1.11 trillion in Treasury securities.[390]

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[387] Board of Governors of the Federal Reserve System, *Press Release – FOMC Statement* (Nov. 3, 2010) (online at www.federalreserve.gov/newsevents/press/monetary/20101103a.htm); Federal Reserve Bank of New York, *Statement Regarding Purchases of Treasury Securities* (Nov. 3, 2010) (online at www.federalreserve.gov/newsevents/press/monetary/monetary20101103a1.pdf).

[388] On August 10, 2010, the Federal Reserve began reinvesting principal payments on agency debt and agency MBS holdings in longer-term Treasury securities in order to keep the amount of their securities holdings in their System Open Market Account portfolio at their then-current level. Board of Governors of the Federal Reserve System, *FOMC Statement* (Aug. 10, 2010) (online at www.federalreserve.gov/newsevents/press/monetary/20100810a.htm).

[389] Federal Reserve Bank of New York, *FAQs: Purchases of Longer-term Treasury Securities* (Nov. 3, 2010) (online at www.newyorkfed.org/markets/lttreas_faq.html).

[390] Factors Affecting Reserve Balances (H.4.1), *supra* note 386.

Figure 28: Federal Government Financial Stability Effort (as of January 28, 2011)[xxxvi]

Program *(billions of dollars)*	Treasury (TARP)	Federal Reserve	FDIC	Total
Total	**$475.1**	**$1,200.4**	**$683.1**	**$2,358.5**
Outlays[xxxvii]	201.5	1,109.7	188.9	1,500.1
Loans	23.2	90.7	0	113.9
Guarantees[xxxviii]	4.3	0	494.2	498.5
Repaid and Unavailable TARP Funds	246.0	0	0	246.0
AIG[xxxix]	**70.0**	**25.2**	**0**	**95.2**
Outlays	[xl]70.0	[xli]0	0	70.0
Loans	0	[xlii]25.2	0	25.2
Guarantees	0	0	0	0
Citigroup	**0**	**0**	**0**	**0**
Outlays	[xliii]0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	0	0
Capital Purchase Program (Other)	**34.4**	**0**	**0**	**34.4**
Outlays	[xliv]34.4	0	0	34.4
Loans	0	0	0	0
Guarantees	0	0	0	0
Capital Assistance Program	**N/A**	**0**	**0**	[xlv]**N/A**
TALF	**4.3**	**18.3**	**0**	**22.6**
Outlays	0	0	0	0
Loans	0	[xlvii]18.3	0	18.3
Guarantees	[xlvi]4.3	0	0	4.3
PPIP (Loans)[xlviii]	**0**	**0**	**0**	**0**
Outlays	0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	0	0
PPIP (Securities)	[xlix]**22.1**	**0**	**0**	**22.1**
Outlays	7.4	0	0	7.4
Loans	14.7	0	0	14.7
Guarantees	0	0	0	0
Making Home Affordable Program/ Foreclosure Mitigation	**45.6**	**0**	**0**	**45.6**
Outlays	[l]45.6	0	0	45.6
Loans	0	0	0	0
Guarantees	0	0	0	0
Automotive Industry Financing Program	[li]**51.4**	**0**	**0**	**51.4**
Outlays	43.3	0	0	43.3
Loans	8.1	0	0	8.1
Guarantees	0	0	0	0
Automotive Supplier Support Program	**0.4**	**0**	**0**	**0.4**
Outlays	0	0	0	0
Loans	[lii]0.4	0	0	0.4
Guarantees	0	0	0	0

SBA 7(a) Securities Purchase	[liii]**0.37**	**0**	**0**	**0.37**
Outlays	0.37	0	0	0.37
Loans	0	0	0	0
Guarantees	0	0	0	0
Community Development Capital Initiative	[liv]**0.57**	**0**	**0**	**0.57**
Outlays	0	0	0	0
Loans	0.57	0	0	0.57
Guarantees	0	0	0	0
Temporary Liquidity Guarantee Program	**0**	**0**	**494.2**	**494.2**
Outlays	0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	[lv]494.2	494.2
Deposit Insurance Fund	**0**	**0**	**188.9**	**188.9**
Outlays	0	0	[lvi]188.9	188.9
Loans	0	0	0	0
Guarantees	0	0	0	0
Other Federal Reserve Credit Expansion	**0**	**1,157.0**	**0**	**1,157.0**
Outlays	0	[lvii]1,109.7	0	1,109.7
Loans	0	[lviii]47.3	0	47.3
Guarantees	0	0	0	0

[xxxvi] Unless otherwise noted, all data in this figure are as of January 28, 2011.

[xxxvii] The term "outlays" is used here to describe the use of Treasury funds under the TARP, which are broadly classifiable as purchases of debt or equity securities (e.g., debentures, preferred stock, exercised warrants, etc.). These values were calculated using (1) Treasury's actual reported expenditures, and (2) Treasury's anticipated funding levels as estimated by a variety of sources, including Treasury statements and GAO estimates. Anticipated funding levels are set at Treasury's discretion, have changed from initial announcements, and are subject to further change. Outlays used here represent investment and asset purchases – as well as commitments to make investments and asset purchases – and are not the same as budget outlays, which under section 123 of EESA are recorded on a "credit reform" basis.

[xxxviii] Although many of the guarantees may never be exercised or will be exercised only partially, the guarantee figures included here represent the federal government's greatest possible financial exposure at this point in time.

[xxxix] U.S. Department of the Treasury, *Treasury Update on AIG Investment Valuation* (Nov. 1, 2010) (www.treasury.gov/press-center/press-releases/Pages/pr_11012010.aspx). AIG values exclude accrued interest payable to FRBNY on the Maiden Lane LLCs.

[xl] This number includes investments under the AIGIP/SSFI Program: a $40 billion investment made on November 25, 2008, and a $30 billion investment made on April 17, 2009 (less a reduction of $165 million representing bonuses paid to AIG Financial Products employees). As of January 28, 2011, AIG had utilized all $70 billion available under the AIGIP/SSFI in the recapitalization process. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xli] As part of the restructuring of the U.S. government's investment in AIG announced on March 2, 2009, the amount available to AIG through the Revolving Credit Facility was reduced by $25 billion in exchange for

preferred equity interests in two special purpose vehicles, AIA Aurora LLC and ALICO Holdings LLC. These SPVs were established to hold the common stock of two AIG subsidiaries: American International Assurance Company Ltd. (AIA) and American Life Insurance Company (ALICO). This interest was exchanged as part of the AIG recapitalization plan. Board of Governors of the Federal Reserve System, *Federal Reserve System Monthly Report on Credit and Liquidity Programs and the Balance Sheet*, at 18 (Nov. 2010) (online at www.federalreserve.gov/monetarypolicy/files/monthlyclbsreport201011.pdf).

Upon the completion of AIG's recapitalization plan, FRBNY no longer held an interest in the AIA and ALICO SPVs. The remaining holdings in these vehicles is consolidated under Treasury. Treasury, through TARP, currently holds $16.9 billion in liquidation preference of preferred stock in the AIA Aurora LLC and $3.8 billion in junior preferred stock interest in ALICO Holdings LLC. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 21 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xlii] This number represents the outstanding principal of the loans extended to the Maiden Lane II and III SPVs to buy AIG assets (as of February 3, 2011, $12.6 billion and $12.7 billion, respectively). Federal Reserve Bank of New York, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/); Board of Governors of the Federal Reserve System, *Federal Reserve System Monthly Report on Credit and Liquidity Programs and the Balance Sheet* (Nov. 2010) (online at www.federalreserve.gov/monetarypolicy/files/monthlyclbsreport201011.pdf). The amounts outstanding under the Maiden Lane II and III facilities do not reflect the accrued interest payable to FRBNY. Income from the purchased assets is used to pay down the loans to the SPVs, reducing the taxpayers' exposure to losses over time. Board of Governors of the Federal Reserve System, *Federal Reserve System Monthly Report on Credit and Liquidity Programs and the Balance Sheet*, at 15 (Nov. 2010) (online at www.federalreserve.gov/monetarypolicy/files/monthlyclbsreport201011.pdf).

[xliii] The final sale of Treasury's Citigroup common stock resulted in full repayment of Treasury's investment of $25 billion. *See* endnote ii, *supra*. For further details concerning the sales of Citigroup common stock, *see* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 15 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xliv] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 13 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[xlv] On November 9, 2009, Treasury announced the closing of the CAP and that only one institution, GMAC/Ally Financial, was in need of further capital. GMAC/Ally Financial, however, received further funding through the AIFP. U.S. Department of the Treasury, *Treasury Announcement Regarding the Capital Assistance Program* (Nov. 9, 2009) (online at www.treasury.gov/press-center/press-releases/Pages/tg359.aspx).

[xlvi] This figure represents the $4.3 billion adjusted allocation to the TALF SPV. However, as of February 3, 2011, TALF LLC had drawn only $106 million of the available $4.3 billion. Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 8, 2011) (online at www.federalreserve.gov/releases/h41/20110203/); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 22 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf). On June 30, 2010, the Federal Reserve ceased issuing loans collateralized by newly issued CMBS. As of this date, investors had requested a total of $73.3 billion in TALF loans ($13.2 billion in CMBS and $60.1 billion in non-CMBS) and $71 billion in TALF loans had been settled ($12 billion in CMBS and $59 billion in non-CMBS). It ended its issues of loans collateralized by other TALF-eligible newly issued and legacy ABS (non-CMBS) on March 31, 2010. Federal Reserve Bank of New York, *Term Asset-Backed Securities Loan Facility: Terms and Conditions*

(online at www.newyorkfed.org/markets/talf_terms.html) (accessed Feb. 8, 2011); Federal Reserve Bank of New York, *Term Asset-Backed Securities Loan Facility: CMBS* (online at www.newyorkfed.org/markets/cmbs_operations.html) (accessed Feb. 8, 2011); Federal Reserve Bank of New York, *Term Asset-Backed Securities Loan Facility: CMBS* (online at www.newyorkfed.org/markets/CMBS_recent_operations.html) (accessed Feb. 8, 2011); Federal Reserve Bank of New York, *Term Asset-Backed Securities Loan Facility: non-CMBS* (online at www.newyorkfed.org/markets/talf_operations.html) (accessed Feb. 8, 2011); Federal Reserve Bank of New York, *Term Asset-Backed Securities Loan Facility: non-CMBS* (online at www.newyorkfed.org/markets/TALF_recent_operations.html) (accessed Feb. 8, 2011).

[xlvii] This number is derived from the unofficial 1:10 ratio of the value of Treasury loan guarantees to the value of Federal Reserve loans under the TALF. U.S. Department of the Treasury, *Fact Sheet: Financial Stability Plan*, at 4 (Feb.10, 2009) (online at financialstability.gov/docs/fact-sheet.pdf). Since only $43 billion in TALF loans remained outstanding when the program closed, Treasury is currently responsible for reimbursing the Federal Reserve Board for only up to $4.3 billion in losses from these loans. Thus, since the outstanding TALF Federal Reserve loans currently total $22.6 billion, the Federal Reserve's maximum potential exposure under the TALF is $18.3 billion. *See* Board of Governors of the Federal Reserve System, *Federal Reserve Announces Agreement with Treasury Regarding Reduction of Credit Protection Provided for the Term Asset-Backed Securities Loan Facility (TALF)* (July 20, 2010) (online at www.federalreserve.gov/newsevents/press/monetary/20100720a.htm); Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/).

[xlviii] No TARP resources were expended under the PPIP Legacy Loans Program, a TARP program that was announced in March 2009 but never launched. Since no TARP funds were allocated for the program by the time the TARP expired in October 2010, this or a similar program cannot be implemented unless another source of funding is available.

[xlix] On January 24, 2011, Treasury released its fifth quarterly report on PPIP. The report indicates that as of December 31, 2010, all eight investment funds have realized an internal rate of return since inception (net of any management fees or expenses owed to Treasury) of at least 23 percent. Thus far, the highest performing fund is AG GECC PPIF Master Fund, L.P., which has a net internal rate of return of 59.7 percent. U.S. Department of the Treasury, *Legacy Securities Public-Private Investment Program: Program Update – Quarter Ended December 31, 2010*, at 8 (Jan. 24, 2011) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/ppip/s-ppip/Documents/ppip- 12-10 vFinal.pdf).

[l] As of January 28, 2011, the total amount of TARP funds committed to HAMP is $29.9 billion. However, as of January 28, 2011, only $840.1 million in non-GSE payments has been disbursed under HAMP. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 45 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[li] A substantial portion of the total $81.3 billion in debt instruments extended under the AIFP has since been converted to common equity and preferred shares in restructured companies. $8.1 billion has been retained as first-lien debt (with $1 billion committed to Old GM and $7.1 billion to Chrysler). This figure ($51.4 billion) represents Treasury's current obligation under the AIFP after repayments and losses. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011,* at 18 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[lii] This figure represents Treasury's total adjusted investment amount in the ASSP. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 19 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[liii] U.S. Department of the Treasury, *Troubled Asset Relief Program: Two Year Retrospective*, at 42-43 (Oct. 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-

room/reports/agency_reports/Documents/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf).

[liv] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending January 28, 2011*, at 17 (Feb. 1, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/2-1-11%20Transactions%20Report%20as%20of%201-28-11.pdf).

[lv] This figure represents the current maximum aggregate debt guarantees that could be made under the program, which is a function of the number and size of individual financial institutions participating. $267.1 billion of debt subject to the guarantee is currently outstanding, which represents approximately 54.0 percent of the current cap. Federal Deposit Insurance Corporation, *Monthly Reports Related to the Temporary Liquidity Guarantee Program: Debt Issuance Under Guarantee Program* (Dec. 31, 2010) (online at www.fdic.gov/regulations/resources/TLGP/total_issuance12-10.html). The FDIC has collected $10.4 billion in fees and surcharges from this program since its inception in the fourth quarter of 2008. Federal Deposit Insurance Corporation, *Monthly Reports Related to the Temporary Liquidity Guarantee Program: Fees Under Temporary Liquidity Guarantee Debt Program* (Dec. 31, 2010) (online at www.fdic.gov/regulations/resources/tlgp/fees.html).

[lvi] This figure represents the FDIC's provision for losses to its deposit insurance fund attributable to bank failures in the third and fourth quarters of 2008; the first, second, third, and fourth quarters of 2009; and the first, second, and third quarters of 2010. Federal Deposit Insurance Corporation, *Chief Financial Officer's (CFO) Report to the Board: DIF Income Statement – Third Quarter 2010* (Nov. 12, 2010) (online at www.fdic.gov/about/strategic/corporate/cfo_report_3rdqtr_10/income.html). For earlier reports, *see* Federal Deposit Insurance Corporation, *Chief Financial Officer's (CFO) Report to the Board* (Sept. 23, 2010) (online at www.fdic.gov/about/strategic/corporate/index.html). This figure includes the FDIC's estimates of its future losses under loss-sharing agreements that it has entered into with banks acquiring assets of insolvent banks during these eight quarters. Under a loss-sharing agreement, as a condition of an acquiring bank's agreement to purchase the assets of an insolvent bank, the FDIC typically agrees to cover 80 percent of an acquiring bank's future losses on an initial portion of these assets and 95 percent of losses on another portion of assets. *See, e.g.*, Federal Deposit Insurance Corporation, *Purchase and Assumption Agreement – Whole Bank, All Deposits – Among FDIC, Receiver of Guaranty Bank, Austin, Texas, Federal Deposit Insurance Corporation and Compass Bank,* at 65-66 (Aug. 21, 2009) (online at www.fdic.gov/bank/individual/failed/guaranty-tx_p_and_a_w_addendum.pdf).

[lvii] Outlays are comprised of the Federal Reserve Mortgage Related Facilities. The Federal Reserve balance sheet accounts for these facilities under federal agency debt securities and mortgage-backed securities held by the Federal Reserve. Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/ (accessed Feb. 8, 2011). Although the Federal Reserve does not employ the outlays, loans, and guarantees classification, its accounting clearly separates its mortgage-related purchasing programs from its liquidity programs. *See, e.g.*, Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)*, at 2 (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/ (accessed Feb. 8, 2011).

[lviii] Federal Reserve Liquidity Facilities classified in this table as loans include primary credit, secondary credit, central bank liquidity swaps, Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility, loans outstanding to Commercial Paper Funding Facility LLC, seasonal credit, term auction credit, the Term Asset-Backed Securities Loan Facility, and loans outstanding to Bear Stearns (Maiden Lane LLC). Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Feb. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110203/) (accessed Feb. 8, 2011). For further information, see the data that the Federal Reserve disclosed on these programs pursuant to its obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Board of Governors of the Federal Reserve System, *Credit and Liquidity Programs and the Balance Sheet: Overview* (May 11, 2010) (online at www.federalreserve.gov/monetarypolicy/bst.htm); Board of Governors of the Federal Reserve System, *Credit and Liquidity Programs and the Balance Sheet: Reports and Disclosures* (Aug. 24, 2010) (online at www.federalreserve.gov/monetarypolicy/bst_reports.htm); Board of Governors of the Federal Reserve System, *Usage of Federal Reserve Credit and Liquidity Facilities* (Dec. 3, 2010) (online at www.federalreserve.gov/newsevents/reform_transaction.htm).