Congressional Oversight Panel

March 16, 2011

Accounting for the Troubled Asset Relief Program

Excerpted from the Congressional Oversight Panel's March 2011 report, "The Final Report of the Congressional Oversight Panel."

Submitted under Section 125(b)(1) of Title 1 of the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343

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 March 8, 2011; and (2) an updated accounting of the full federal resource commitment as of March 8, 2011.

Figure 32 shows the current status of the government's investments for the 13 programs that have used TARP funds. This table only shows the status of principal invested by Treasury. Any dividends, interest payments, and other proceeds that may allow Treasury to earn a return on its TARP investments are accounted for separately in Figure 33.

The first five programs listed in Figure 32 – CPP, TIP, AGP, AIGIP, and CDCI – collectively represent the TARP's direct assistance to financial institutions. Out of $320 billion provided to these firms, about $92.3 billion remains outstanding, including $30.9 billion in the CPP and $60.9 billion to AIG. The Panel believes that the eventual losses in the CPP are likely to be relatively small. Consequently, most of Treasury's exposure to losses on its investments in financial institutions involves AIG. The outcome of the AIG investment will depend on the price that Treasury can eventually obtain for its common stock, including its Series C shares, which were not actually received as part of any TARP initiative.[1]

The next two programs listed in the table – AIFP and ASSP – represent the TARP's assistance to automotive companies.[2] About 60 percent of the $81.3 billion that Treasury provided to automotive companies remains outstanding, including large investments in GM, Chrysler, and GMAC/Ally Financial. There is still uncertainty about the outcome of each of those investments. The next three TARP programs listed in the table – TALF, PPIP, and the SBA 7(a) Securities Purchase Program – represent targeted efforts to revive lending. Though very little of this money has been repaid, the Panel expects losses on these programs to be minimal.

Finally, the last three programs listed in the table – HAMP, HHF, and the FHA Short Refinance Program – represent the TARP's foreclosure-prevention efforts. By design, all three of these programs will result in net losses to the TARP, since the funds are being used to provide financial incentives to prevent foreclosures, and are not meant to be repaid. So the size of the eventual losses will be negatively correlated with the success of the programs. In other words, the more foreclosures that the program prevents, the greater the losses to the TARP. The Panel

[1] The Series C shares were provided by AIG to the U.S. Treasury in consideration for FRBNY's $85 billion lending facility. This happened in September 2008, prior to the TARP investments in AIG.

[2] This category includes assistance to GMAC/Ally Financial, which Treasury chose to fund as part of AIFP due to the companies' interconnectedness to the future viability of the automotive manufacturers.

expects the eventual losses to be far smaller than the $45.6 billion allocated for the programs, because usage of the programs to date is far below initial projections.

Overall, Treasury has spent $419.9 billion of the $475 billion that it is currently authorized to spend. Of the total amount spent, $255.9 billion has been repaid. Roughly $6 billion in losses have been recorded. For particular TARP programs, those losses on principal may be partially or fully offset by dividends, interest payments, and other proceeds collected by Treasury. Since the TARP expired in October 2010, Treasury has no longer been able to make new funding commitments, but it can continue to provide funding for TARP programs for which it has existing contracts and previous legal commitments. As Figure 32 shows, $55.1 billion in TARP funding is still available to Treasury, reserved mostly for the three TARP foreclosure-prevention programs.

Figure 32: TARP Accounting (as of March 10, 2011) *(billions of dollars)*[i]

Program	Maximum Amount Allotted[ii]	Actual Funding	Total Repayments/ Reduced Exposure	Total Losses	Funding Currently Outstanding	Funding Available[iii]
Capital Purchase Program (CPP)	$204.9	$204.9	[iv]$(171.5)	[v]$(2.6)	$30.8	$0
Targeted Invest-ment Program (TIP)	40.0	40.0	(40.0)	0	0	0
Asset Guarantee Program (AGP)	5.0	[vi]5.0	[vii](5.0)	0	0	0
AIG Investment Program (AIGIP)	[viii]70.0	70.0	[ix](9.1)	0	60.9	0
Community Development Capital Initiative (CDCI)	0.6	[x]0.6	0	0	0.6	0
Auto Industry Financing Program (AIFP)	81.3	81.3	[xi](29.0)	[xii](3.4)	48.9	0
Auto Supplier Support Program (ASSP)[xiii]	0.4	0.4	(0.4)	0	0	0
Term Asset-Backed Securities Loan Facility (TALF)	[xiv]4.3	[xv]0.1	0	0	0.1	4.2
Public-Private Investment Program (PPIP)[xvi]	22.4	[xvii]15.9	[xviii](0.7)	0	15.2	6.5
SBA 7(a) Securities Purchase Program	0.4	[xix]0.4	[xx]0	0	0.4	0
Home Affordable Modification Program (HAMP)	29.9	[xxi]1.0	0	0	1.0	28.9

Hardest Hit Fund (HHF)	[xxii]7.6	[xxiii]0.1	0	0	0.1	7.5
FHA Short Refinance Program	8.1	[xxiv]0.1	0	0	0.1	8.1
Total	**$475.0**	**$419.9**	**$(255.8)**	**$(6.0)**	**$158.1**	**$55.1**

A quantitative assessment of the TARP must also include any profit earned or loss incurred on actual fund outlays. The terms of TARP transactions created the possibility for Treasury to profit from its investments after repayment, but Treasury has also suffered losses related to both investments that are unrecoverable and those never intended for repayment.

Most of the TARP programs hold at least the potential for the taxpayers to make a profit. So far, those programs have earned a profit, net of losses, of $30.3 billion.[3] The losses to date include $2.6 billion from CPP investments and $3.4 billion from the AIFP. The CPP losses relate to the bankruptcies of CIT Group and Pacific Coast National Bank and the sales of the preferred stock (and any related warrants) of South Financial Group, TIB Financial Corporation, the Bank of Currituck, Treaty Oak Bancorp, and Cadence Financial Corporation. The AIFP losses were derived from a $1.9 billion settlement payment for Treasury's $3.5 billion loan to Chrysler Holding[4] and the net loss from the $1.9 billion debtor-in-possession loan provided to Old Chrysler.[5] Figure 33 shows the profits and losses for each TARP program. It is important to note that this table represents a snapshot in time, and shows only recorded profits and losses; the TARP's net profit or loss changes with the finalization of each transaction. Additional profits and losses are inevitable. As noted earlier, CBO currently estimates a final net loss of $25

[3] These figures do not include the amount currently outstanding of $157.9 billion. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf) (hereinafter "Treasury Transactions Report").

[4] 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); Treasury Transactions Report, *supra* note 3.

[5] Following the bankruptcy proceedings for Old Chrysler, which extinguished the $1.9 billion debtor-in-possession 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. As of March 8, 2011, Treasury had collected $48.1 million in proceeds from the sale of collateral. Treasury included these proceeds as part of the funds 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); Treasury Transactions Report, *supra* note 3.

billion, although this represents a discounted present value estimate rather than a simple accounting summation of net profits and losses as discussed here.[6]

Figure 33: TARP Profit and Loss *(millions of dollars)*

TARP Initiative[xxv]	Dividends[xxvi] (as of 2/28/2011)	Interest[xxvii] (as of 2/28/2011)	Warrant Disposition Proceeds[xxviii] (as of 3/8/2011)	Other Proceeds (as of 2/28/2011)	Losses[xxix] (as of 3/8/2011)	Total
Total	**$16,482**	**$1,256**	**$8,681**	**$10,014**	**($6,018)**	**$30,415**
CPP	10,570	68	7,069	[xxx]6,852	(2,578)	21,981
TIP	3,004	–	1,446	–	–	4,450
AIGIP	–	–	–	[xxxi]18	–	18
AIFP	2,461	1,061	[xxxii]99	[xxxiii]43	[xxxiv] (3,440)	224
ASSP	–	15	–	[xxxv]101	–	116
AGP	443	–	67	[xxxvi]2,246	–	2,756
PPIP	–	107	–	[xxxvii]477	–	583
SBA 7(a)	–	5	–	[xxxviii]0	–	5
Bank of America Guarantee	–	–	–	[xxxix]276	–	276
CDCI	3	2	–	–	–	5

Beyond the basic profit and loss calculation, an additional determination of the profitability of investments is the investment's return. As mentioned above, some TARP programs were not designed to create a return, and thus it would not make sense to calculate one for those expenditures. But for the other TARP programs, the return offers one way to assess their effectiveness. The Panel has consistently employed the IRR as a measure of profitability, as it incorporates cash outflows and inflows while taking into consideration the time value of money. Treasury, in contrast, has utilized several measures to assess the government's return on particular TARP programs as well as the TARP as a whole.[7]

For the warrants associated with the CPP investment, Treasury utilizes a non-annualized absolute return, which is calculated simply as money in divided by money out, without any

[6] Congressional Budget Office, *Report on the Troubled Asset Relief Program – November 2010*, at 5 (Nov. 29, 2010) (online at www.cbo.gov/ftpdocs/119xx/doc11980/11-29-TARP.pdf) ("CBO Report on TARP – November 2010").

[7] One criticism of the IRR approach is that it assumes reinvestment of the earnings and repaid principal at the same rate as that calculated for the overall IRR for the program. *See e.g.*, John S. Walker, Henry F. Check, and Karen L. Randall, *Does the Internal Rate of Return Calculation Require a Reinvestment Rate Assumption? – There Is Still No Consensus* (online at www.abe.sju.edu/check.pdf) (accessed Mar. 11, 2011). In the case of Treasury, the more appropriate assumption may be that Treasury's return covers only its cost of issuing new debt for the comparable period.

consideration for the timing of cash flows.[8] The Panel's calculation includes a consideration for the time value of money. Further, Treasury includes only CPP and TIP investments that have been fully repaid, and excludes investments lost due to bankruptcy or partial repayment. The Panel, however, includes all CPP and TIP investments that have been repaid or in which Treasury has concluded it will take a loss, ensuring that the total return is not inflated by exclusion of known losses. As of December 31, 2010, Treasury measured the return on CPP investments fully repaid to be 9.8 percent, including both dividends and warrants.[9] The Panel, by comparison, calculates a return of 8.4 percent on CPP investments as of January 3, 2011.[10]

Neither Treasury nor the Panel have calculated an overall rate of return for TARP as a whole, given the disparate nature of the separate programs involved – including housing programs for which no return was expected – and the fact that most have not been completely closed out. The only other TARP program for which Treasury calculates a rate of return is the PPIP, for which Treasury calculates a return on equity alone, excluding the debt portion.[11] While calculating a return on equity is standard industry practice in the private sector, for the purpose of a return on taxpayer dollars, this practice does not reflect the government's true financial exposure. While Treasury makes clear that its PPIP return is for equity only, and is useful for private investors in the program, the total return on debt and equity would be lower than the return on equity alone. Based on its method of calculating a return for PPIP, Treasury currently shows a return of 27.0 percent.[12] When calculated as a blended return on both equity and debt, the total return is only 9.7 percent.[13]

[8] Treasury notes that this method was chosen because at the time they first issued a CPP return, most of the investments and disposed warrants had only been held for a year or less, which would have inflated an annualized return. They have continued with this calculation for consistency. Treasury conversations with Panel staff (Mar. 7, 2011).

[9] U.S. Department of the Treasury, *Warrant Disposition Report,* at 1 (Dec. 31, 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/other/DocumentsOther/TARP%20Warrant%20Disposition%20Report%2012.31.2010%20Update.pdf)

[10] The 8.4 percent return calculated by the Panel also includes the additional warrants received from Treasury's investment in Bank of America through the TIP. The Panel calculates a return of 10.0 percent on CPP investments as of March 9, 2011.

[11] According to Treasury, their rationale for using a return on only equity is because under the terms of the PPIP agreement, only the equity financing was truly at risk. Treasury conversations with Panel staff (Feb. 11, 2011). Also, the debt portion of the PPIP investment carries a financing rate of LIBOR plus 1 percent. U.S. Department of the Treasury, *Letter of Intent*, at Exhibit A (July 8, 2009) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/ppip/s-ppip/Documents/S-PPIP_LOI_Term-Sheets.pdf).

[12] 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-%2012-10%20vFinal.pdf).

[13] Ben Protess, *Bad Asset Purchase Program Turning a Profit*, The New York Times Dealbook Blog (Jan. 24, 2011) (online at dealbook.nytimes.com/2011/01/24/toxic-asset-purchase-program-turning-a-profit/).

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. The Panel calculates the total current value of these Treasury, FDIC, and Federal Reserve resources to be approximately $1.9 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. The $1.9 trillion total current value does not include Treasury's exposure to Fannie Mae and Freddie Mac, which the Panel consistently has treated as a separate issue. It also excludes efforts by the Federal Reserve that are primarily monetary policy initiatives, rather than financial stability efforts. These efforts are discussed separately below.

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.[14] In contrast, the Federal Reserve's liquidity programs, classified here as loans under "Other Federal Reserve Credit Expansion," 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.

[14] 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).

Figure 34: Federal Government Financial Stability Efforts (as of March 8, 2011)

Program *(billions of dollars)*	**Treasury (TARP)**	**Federal Reserve**	**FDIC**	**Total**
Total	**$213.2**	**$1,156.9**	**$558.3**	**$1,928.3**
Outlays[xl]	186.4	1,092.2	64.1	1,342.7
Loans[xli]	22.4	64.7	0	87.1
Guarantees[xlii]	4.3	0	494.2	498.5
AIG[xliii]	**60.9**	**24.8**	**0**	**85.7**
Outlays	[xliv]60.9	[xlv]0	0	60.9
Loans	0	[xlvi]24.8	0	24.8
Guarantees	0	0	0	0
Citigroup	**0**	**0**	**0**	**0**
Outlays	[xlvii]0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	0	0
Bank of America	**0**	**0**	**0**	**0**
Outlays	[xlviii]0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	0	0
Capital Purchase Program (Other)	**30.8**	**0**	**0**	**30.8**
Outlays	[xlix]30.8	0	0	30.8
Loans	0	0	0	0
Guarantees	0	0	0	0
Capital Assistance Program	**N/A**	**0**	**0**	[l]**N/A**
TALF	**4.3**	**15.9**	**0**	**20.2**
Outlays	0	0	0	0
Loans	0	[lii]15.9	0	15.9
Guarantees	[li]4.3	0	0	4.3
PPIP (Loans)[liii]	**0**	**0**	**0**	**0**
Outlays	0	0	0	0
Loans	0	0	0	0
Guarantees	0	0	0	0
PPIP (Securities)	[liv]**21.7**	**0**	**0**	**21.7**
Outlays	7.4	0	0	7.4
Loans	14.3	0	0	14.3
Guarantees	0	0	0	0
Making Home Affordable Program/ Foreclosure Mitigation	**45.6**	**0**	**0**	**45.6**
Outlays	[lv]45.6	0	0	45.6
Loans	0	0	0	0
Guarantees	0	0	0	0
Automotive Industry Financing Program	[lvi]**48.9**	**0**	**0**	**48.9**
Outlays	40.8	0	0	40.8
Loans	8.1	0	0	8.1
Guarantees	0	0	0	0

Automotive Supplier Support Program	**0**	**0**	**0**	**0**
Outlays	0	0	0	0
Loans	[lvii]0	0	0	0
Guarantees	0	0	0	0
SBA 7(a) Securities Purchase	[lviii]**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	[lix]**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	[lx]494.2	494.2
Deposit Insurance Fund	**0**	**0**	**64.1**	**64.1**
Outlays	0	0	[lxi]64.1	64.1
Loans	0	0	0	0
Guarantees	0	0	0	0
Other Federal Reserve Credit Expansion	**0**	**1,116.2**	**0**	**1,116.2**
Outlays	0	[lxii]1,092.2	0	1,092.2
Loans	0	[lxiii]24.0	0	24.0
Guarantees	0	0	0	0

Treasury's Exposure to Fannie Mae and Freddie Mac

In July 2008, the Federal Reserve and Treasury began to provide increased credit support to Fannie Mae and Freddie Mac. On September 7, 2008, the FHFA, using authority it had been provided through the Housing and Economic Recovery Act of 2008, placed Fannie Mae and Freddie Mac in conservatorship, thereby explicitly guaranteeing the $5.2 trillion in debt and MBS guaranteed by the GSEs in 2008.[15] As part of this action, Treasury initiated agreements to recapitalize the GSEs, and additionally established two programs to aid them: the Government Sponsored Enterprises' Mortgage Backed Securities Purchase Program (GSE MBS Purchase Program) and the GSE Credit Facility.

Under the GSE MBS Purchase Program, Treasury purchased approximately $225 billion in GSE MBS by the time its authority expired.[16] As of February 2011, there was approximately

[15] Fannie Mae had $3.0 trillion of guaranteed debt on its books in 2008, and had $3.1 trillion in 2010. Freddie Mac had $2.2 trillion of MBS on its books in 2008 and had $2.2 trillion in 2010. Federal National Mortgage Association, *Form 10-K for the Fiscal Year Ended December 31, 2010*, at 74 (Feb. 24, 2011) (online at www.sec.gov/Archives/edgar/data/310522/000095012311017972/w81665e10vk.htm); Federal Home Loan Mortgage Corporation, *Form 10-K for the Fiscal Year Ended December 31, 2010*, at 81 (Feb. 24, 2011) (online at www.sec.gov/Archives/edgar/data/1026214/000102621411000005/f71542e10vk.htm).

[16] 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).

$136.3 billion in MBS still outstanding under this program.[17] No loans were needed or issued under the GSE Credit Facility.

On May 6, 2009, Treasury doubled its recapitalization (stock purchase) commitment to each enterprise. In December 2009, Treasury announced amendments to the Senior Preferred stock purchase agreements that removed any limits on such stock purchases of each GSE through the end of 2012. As of the end of fiscal year 2010, Treasury held $52.6 billion in preferred stock, a number that was predicted to fall to $47.5 billion in fiscal year 2011.[18]

Other Federal Reserve Actions

On November 3, 2010, the FOMC announced that it had directed FRBNY to begin purchasing $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.[19] 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.[20] As of March 9, 2011, the Federal Reserve held $1.27 trillion in Treasury securities.[21]

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[17] U.S. Department of the Treasury, *MBS Purchase Program: Portfolio by Month* (online at www.treasury.gov/resource-center/data-chart-center/Pages/mbs-purchase-program.aspx) (accessed Mar. 11, 2011). 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/Pages/mbs-purchase-program.aspx) (accessed Mar. 11, 2011).

[18] U.S. Department of the Treasury, *Housing Government Sponsored Enterprise Programs: Program Summary by Budget Activity* (Feb. 14, 2011) (online at www.treasury.gov/about/budget-performance/budget-in-brief/Documents/FY2012_GSE_508.pdf).

[19] 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).

[20] 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).

[21] Board of Governors of the Federal Reserve System, *Federal Reserve Statistical Release H.4.1: Factors Affecting Reserve Balances* (Mar. 10, 2011) (online at www.federalreserve.gov/releases/h41/20110310/).

Additional CPP Data

Figure 35 shows the number of CPP recipients that have missed dividend payments to Treasury by bank size, type of dividend owed, and number of payments missed.

Figure 35: CPP Missed Dividend Payments (as of February 28, 2011)[22]

Number of Missed Payments	1	2	3	4	5	6	7	8	9	Total
Cumulative Dividends										
Number of Banks, by asset size	26	18	26	20	17	13	8	3	0	131
Under $1B	16	11	19	17	13	8	5	1	0	90
$1B-$10B	9	7	6	3	4	5	3	2	0	39
Over $10B	1	0	1	0	0	0	0	0	0	2
Non-Cumulative Dividends										
Number of Banks, by asset size	3	5	2	6	6	1	3	3	1	30
Under $1B	2	5	2	6	5	1	3	3	1	28
$1B-$10B	1	0	0	0	1	0	0	0	0	2
Over $10B	0	0	0	0	0	0	0	0	0	0
Total Banks Missing Payments										**161**
Total Missed Payments										**596**

Figure 36 identifies CPP recipients to whose board meetings Treasury currently sends an observer, as a result of multiple missed dividend payments.

Figure 36: Institutions Where Treasury Observers Now Attend Board Meetings[23]

Institution	CPP Investment Amount	Non-Current Dividends/ Interest	No. of Missed Payments
Anchor BanCorp Wisconsin, Inc.	$110,000,000	$11,229,167	8
Blue Valley Ban Corp	21,750,000	2,175,000	8
Cascade Financial Corporation	38,970,000	2,922,750	6
Central Pacific Financial Corp.[24]	135,000,000	N/A	0

[22] Additionally, two banks in the CDCI program have missed one payment and one has missed two payments, as of February 28, 2011. All three banks have less than $1 billion in assets. U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of February 28, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/February%202011%20Dividends%20Interest%20Report.pdf) (hereinafter "Treasury's Dividends & Interest Report"). Data on total bank assets compiled using SNL Financial data service (accessed Mar. 11, 2011).

[23] Treasury's Dividends & Interest Report, *supra* note 22.

[24] On February 18, 2011, Treasury completed the exchange of its $135,000,000 of Preferred Stock (including accrued and unpaid dividends thereon) in Central Pacific Financial Corp. for 5,620,117 shares of common stock, pursuant to an exchange agreement dated February 17, 2011. Treasury's Dividends & Interest Report, *supra* note 22.

Centrue Financial Corporation	32,668,000	2,858,450	7
Citizens Bancorp	10,400,000	991,900	7
Citizens Commerce Bancshares, Inc.	6,300,000	515,025	6
Dickinson Financial Corporation II	146,053,000	13,929,860	7
FC Holdings, Inc.	21,042,000	1,720,170	6
First BanCorp (PR)[25]	400,000,000	12,077,176	3
First Banks, Inc.	295,400,000	28,173,775	7
Grand Mountain Bancshares, Inc.	3,076,000	286,885	7
Heritage Commerce Corp	40,000,000	3,000,000	6
Idaho Bancorp	6,900,000	658,088	7
Integra Bank Corporation	83,586,000	6,268,950	6
Northern States Financial Corporation	17,211,000	1,290,825	6
Pacific Capital Bancorp[26]	180,634,000	0	0
Pacific City Financial Corporation	16,200,000	1,545,075	7
Pathway Bancorp	3,727,000	304,635	6
Premierwest Bancorp	41,400,000	3,105,000	6
Ridgestone Financial Services, Inc.	10,900,000	891,075	6
Rogers Bancshares, Inc.	25,000,000	2,043,750	6
Royal Bancshares of Pennsylvania, Inc.	30,407,000	2,660,613	7
Seacoast Banking Corporation of Florida	50,000,000	5,000,000	8
Syringa Bancorp	8,000,000	654,000	6
Georgia Primary Bank	4,500,000	438,725	7
Lone Star Bank	3,072,000	339,107	8
One Georgia Bank	5,500,000	530,391	7
OneUnited Bank	12,063,000	1,206,300	8
Premier Service Bank	4,000,000	378,472	7
United American Bank	8,700,000	941,715	8
Total	**$1,772,459,000**	**$108,136,877**	**194**

Figure 37 details the losses to Treasury to date, both settled and unsettled, from the CPP.

[25] 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. Since that point, two additional dividend payments have been missed. Treasury's Dividends & Interest Report, *supra* note 22.

[26] On August 31, 2010, following the completion of the conditions related to Pacific Capital Bancorp's capital plan, Treasury exchanged its $180,634,000 of Preferred Stock in Pacific Capital for $195,045,000 of Mandatorily Convertible Preferred Stock, 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. No dividends have been missed since this point. Treasury's Dividends & Interest Report, *supra* note 22.

Figure 37: CPP Settled and Unsettled Losses[27]

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)	3/4/2011: Treasury completed the sale of the preferred stock and warrants issued by Cadence Financial to Community Bancorp LLC for $38 million plus accrued and unpaid dividends.
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. On Feb. 8, 2010, the contingent value rights 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.
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	347,000,000	130,179,219	$400,000	16,386,111	(216,820,781)	9/30/2010: Preferred stock and warrants sold

[27] Treasury Transactions Report, *supra* note 3, at 14. The asterisk ("*") denotes recognized losses on Treasury's Transactions Report.

Group*						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.
Treaty Oak Bancorp*	3,268,000	500,000		192,415	(2,768,000)	1/26/2011: Treaty Oak shareholders approve Carlile Bankshares' purchase plan.
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	**$3,176,787,000**	**$182,541,706**	**440,000**	**73,821,199**	**$(2,994,245,294)**	

Figure 38: Warrant Repurchases/Auctions for Financial Institutions that have fully Repaid CPP Funds (as of March 9, 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%
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 Finan-cial 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[383]	10/28/2008[384] 1/9/2009[385] 1/14/2009[386]	3/3/2010	1,566,210,714	1,006,416,684	1.533	6.5%
Washington Fed-eral Inc./Washing-ton 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%

[383] 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 Asset Relief Program Monthly 105(a) Report – December 2010*, at A-3 (Jan. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/December105(a)%20report_FINAL_v4.pdf).

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

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

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

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	9/1/2010	400,000	468,164	0.854	5.9%
Columbia Banking System, Inc.	11/21/2008	9/1/2010	3,301,647	3,291,329	1.003	7.3%
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[387]	10/25/2008[388] 12/31/2008[389]	1/25/2011	245,008,277	136,161,499	1.799	13.4%
Boston Private Financial Holdings, Inc.	11/21/2008	2/1/2011	6,352,500	10,150,607	0.626	7.4%
Sandy Spring Bancorp, Inc.	12/5/2008	2/23/2011	4,450,000	4,452,306	0.999	7.3%
Wintrust Financial Corporation	12/19/2008	2/8/2011	25,694,061	30,185,219	0.860	9.6%
Washington Banking Company	1/16/2009	3/2/2011	1,625,000	3,792,179	0.429	7.8%
Cadence Financial Corporation	1/9/2009	3/4/2011	–	881,230	–	(2.2)%
First Horizon National Corporation	11/14/2008	3/9/2011	79,700,000	43,387,200	1.837	8.9%
1st Source Corporation	1/13/2009	3/9/2011	3,750,000	4,494,175	0.834	6.5%
Total			**$8,585,404,069**	**$8,329,269,048**	**1.031**	**10.0%**

387 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 TLGP. As of March 11, 2011, the company and its subsidiaries had $58.2 billion in long-term debt outstanding, which is guaranteed under the TLGP. Treasury Transactions Report, *supra* note 3, at 20. Data on Citigroup debt guaranteed by the TLGP accessed through SNL Financial(Mar. 11, 2011).

388 Investment date for Citigroup in the CPP.

389 Investment date for Citigroup in the TIP.

Figure 39 shows the Panel's estimates of the value of Treasury's current holdings of warrants in CPP recipients as well as in AIG.

Figure 39: Valuation of Current Holdings of Warrants (as of March 3, 2011)

Financial Institutions with Warrants Outstanding	Warrant Valuation *(millions of dollars)*		
	Low Estimate	**High Estimate**	**Best Estimate**
SunTrust Banks, Inc.	$44.75	$305.37	$128.99
Regions Financial Corporation	13.62	203.30	111.40
Fifth Third Bancorp	134.47	427.64	189.77
KeyCorp	34.51	179.69	87.17
AIG	247.75	1,708.06	787.49
All Other Banks	554.97	1,371.69	964.56
Total	**$1,030.07**	**$4,195.74**	**$2,269.38**

Endnotes

[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 Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf); U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf).

[ii] Unless otherwise noted, figures reference the adjusted TARP commitments following the enactment of the Dodd-Frank Act. The automotive sector programs (AIFP and ASSP) as well as the housing programs (HAMP, HHF, FHA Short Refi) have been broken out in the above table in order to provide more detail. U.S. Department of the Treasury, *Troubled Assets Relief Program (TARP) Monthly 105(a) Report – July 2010*, at 5 (July 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/105/Documents105/July%202010%20105(a)%20Report_Final.pdf).

[iii] Treasury will not make additional purchases pursuant to the expiration of its purchasing authority under EESA. Any funds still accounted for as available were committed to programs prior to the expiration of Treasury's purchasing authority. 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).

[iv] The total CPP repayment figure includes the principal repayment from the sale of Citigroup common stock as well as amounts repaid by institutions that exchanged their CPP investments for investments under the CDCI. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for Period Ending March 8, 2011*, at 2, 7, 13-15 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf); U.S. Department of the Treasury, *Troubled Asset Relief Program: Two-Year Retrospective*, at 25 (Oct. 2010) (online at www.treasury.gov/press-center/news/Documents/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 www.treasury.gov/press-center/press-releases/Pages/tg660.aspx).

[v] In the TARP Transactions Report, Treasury has classified the entirety of 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., the Bank of Currituck, Treaty Oak Bancorp, and Cadence Financial Corp. to non-TARP participating institutions. These shares were sold at prices below the value of the initial CPP investment, and represent losses of $252.7 million. Therefore, Treasury's net current CPP investment is $30.8 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 March 8, 2011*, at 1-14 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[vi] 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).

[vii] 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 32. *See* U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 20 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[viii] AIG completely utilized the $40 billion that was made available on November 25, 2008, in exchange for the company's preferred stock. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.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 a reduction of available funds 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 by AIG 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. 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. *Id*. at 21. For a full discussion of AIG's recapitalization plan, *see* American International Group, Inc., *Form 8-K for the Period Ending January 14, 2011* (Jan. 14, 2011) (online at www.sec.gov/Archives/edgar/data/5272/000095012311003061/y88987e8vk.htm).

[ix] As of March 8, 2011, Treasury received $9.1 billion in proceeds from its preferred interests in AIG-related SPVs. The funds used by AIG to redeem these preferred shares came from AIG asset sales. On February 14, 2011, AIG paid Treasury $2.2 billion using funds from the sale of AIG Star Life Insurance Co., Ltd. and AIG Edison Life Insurance Company. On March 8, 2011, Treasury received a further $6.9 billion pursuant to AIG's sales of the MetLife equity units it acquired when it sold its subsidiary, ALICO, to MetLife. This fully closes Treasury's stake in the ALICO SPV. Treasury's remaining investment is comprised of $11.2 billion in AIA Preferred Units, 92 percent of AIG's common stock, and $2.0 billion preferred stock credit facility for AIG's benefit (available but undrawn). AIG is also still required to pay the remaining $110 million it owes stemming from the $165 million reduction to the Series F TARP investment. These funds were used to pay AIGFP retention bonuses and, as of March 8, 2011, $55 million had been repaid. American International Group, Inc., *Form 8-K for the Period Ending February 8, 2011* (Feb. 9, 2011) (online at www.sec.gov/Archives/edgar/data/5272/000095012311010653/y89586e8vk.htm); U.S. Department of the Treasury, *Treasury: With $6.9 Billion Repayment Today from AIG, 70 Percent of TARP Disbursements Now Recovered* (Mar. 8, 2011) (online at www.treasury.gov/press-center/press-releases/Pages/tg1096.aspx); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf); Treasury conversations with Panel staff (Mar. 11, 2011).

[x] Treasury closed the program on September 30, 2010, after investing $570 million in 84 community development financial institutions. Including additional investments, $464 million of the CDCI program funds were provided to banks that previously received assistance under the TARP's Capital Purchase Program. 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); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 18-19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xi] This figure includes $2,540,000,000 of repayment Treasury received from the sale of GMAC\Ally Financial's TruPs. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 18-19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xii] 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 March 8, 2011*, at 18-19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

Also, following the bankruptcy proceedings for Old Chrysler, which extinguished the $1.9 billion 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 March 8, 2011*, at 18 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xiii] 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 March 8, 2011*, at 19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xiv] 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).

[xv] As of March 9, 2011, Treasury had provided $107 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)* (Mar. 10, 2010) (online at www.federalreserve.gov/releases/h41/20110310/).

[xvi] As of December 31, 2010, the total value of securities held by the PPIP fund managers was $21.5 billion. Non-agency residential mortgage-backed securities represented 81 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 December 31, 2010*, at 5 (Jan. 24, 2011) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/ppip/s-ppip/Documents/ppip-12-10 vFinal.pdf).

[xvii] This number is calculated as the sum of the disbursed equity and disbursed debt on the Daily Tarp Update. U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf).

[xviii] As of March 2, 2011, Treasury has received $713 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 March 8, 2011*, at 24 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xix] As of March 2, 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 March 8, 2011*, at 23 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xx] Treasury has received to date $12.2 million in principal repayments through this program. U.S. Department of the Treasury, *Cumulative Dividends, Interest, and Distributions Report as of February 28, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/February%202011%20Dividends%20Interest%20Report.pdf).

[xxi] As of March 10, 2011, $1.04 billion was disbursed under this program. U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf).

[xxii] 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 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.treasury.gov/press-center/news/Documents/TARP%20Two%20Year%20Retrospective_10%2005%2010_transmittal%20letter.pdf).

[xxiii] As of February 28, 2011, $125.1 million has been disbursed to fourteen states and the District of Columbia: Alabama ($8.0 million), Arizona ($6.3 million), California ($17.5 million), Florida ($10.5 million), Georgia ($8.5 million), Kentucky ($4.0 million), Michigan ($7.7 million), Nevada ($2.6 million), North Carolina ($15.0 million), Ohio ($11.6 million), Oregon ($15.5 million), Rhode Island ($3.0 million), South Carolina ($7.5 million), Tennessee ($6.3 million), and the District of Columbia ($1.1 million). Data provided by Treasury (Feb. 28, 2011).

[xxiv] 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 $53.8 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, $11,500 for a letter of credit fee, and $663,472 for an unused commitment fee for the Letter of Credit. Data provided by Treasury (Feb. 28, 2011).

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

[xxvi] U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of February 28, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/February%202011%20Dividends%20Interest%20Report.pdf).

[xxvii] U.S. Department of the Treasury, *Cumulative Dividends, Interest and Distributions Report as of February 28, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/February%202011%20Dividends%20Interest%20Report.pdf).

[xxviii] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxix] 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 the Bank of Currituck, Treaty Oak Bancorp, and Cadence Financial Corp. This represents a $252.7 million loss on its CPP investments in these five banks. See Figure 37, CPP Settled and Unsettled Losses, for details on other banks likely to result in losses. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxx] This figure represents net proceeds to Treasury from the sale of Citigroup common stock to date. 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. Treasury completed the sale of its Citigroup common shares on December 6, 2010. The gross proceeds of the common stock sale were $31.85 billion and the amount repaid under CPP was $25 billion. The difference between these two numbers represents the $6.85 billion in net profit Treasury has received from the sale of Citigroup common stock.. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 15 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxi] On March 8, 2011, Treasury received full payment for its share of the ALICO Junior Preferred Interests, which resulted in an associated payment of $18.5 million of accrued preferred returns since the recapitalization date (Jan. 14, 2011) on this segment of the AIG investment. This payment reflects a profit on a particular portion of Treasury's remaining investment, and does not account for the remaining ownership positions in the company or related SPVs.

[xxxii] This represents the cash received for the warrants related to the GMAC/Ally sale of trust preferred securities that closed on March 7, 2011. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxiii] This represents a distribution fee of $28.2 million received in connection with the sale of GMAC/Ally trust preferred securities, as well as the additional note of $15.0 million received upon repayment of the Chrysler Financial investment. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxiv] Losses on the AIFP do not include projected losses on the GM stock sale as reported on the Daily TARP Update. U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-

report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf). See endnote xii above for further details on the AIFP losses.

[xxxv] 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 March 8, 2011*, at 19 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxvi] 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 March 8, 2011*, at 20 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.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).

[xxxvii] As of January 31, 2011, Treasury has earned $456.1 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 February 28, 2011*, at 14 (Mar. 10, 2010) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/dividends-interest/DocumentsDividendsInterest/February%202011%20Dividends%20Interest%20Report.pdf); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 24 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxviii] Treasury has received approximately $183,555 in proceeds from senior indebtedness instruments associated with its investments in SBA 7(a) securities. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xxxix] Although Treasury, the Federal Reserve, and the FDIC negotiated with Bank of America regarding a similar guarantee, 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).

[xl] 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 investments 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.

[xli] Figures affected by rounding. All figures are as of March 8, 2010 unless otherwise noted.

[xlii] 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.

[xliii] *See* U.S. Department of the Treasury, *Treasury Update on AIG Investment Valuation* (Nov. 1, 2010) (online at www.treasury.gov/press-center/press-releases/Pages/pr_11012010.aspx). AIG values exclude accrued dividends on preferred interests in the AIA and ALICO SPVs and accrued interest payable to FRBNY on the Maiden Lane LLCs.

[xliv] This number is comprised of the investments under the AIGIP/SSFI Program. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011,* at 21 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xlv] 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 SPVs, AIA Aurora LLC and ALICO Holdings LLC. These SPVs were established to hold the common stock of two AIG subsidiaries: AIA and ALICO. This interest was exchanged as part of the AIG recapitalization plan and is now consolidated under the Treasury holdings. Board of Governors of the Federal Reserve System, *Federal Reserve System Monthly Report on Credit and Liquidity Programs and the Balance Sheet*, at 18 (Dec. 2010) (online at www.federalreserve.gov/monetarypolicy/files/monthlyclbsreport201012.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 were consolidated under Treasury. After the March 2, 2011 sale of these MetLife equity units, Treasury, through the TARP, currently holds $11.3 billion in liquidation preference of preferred stock in the AIA Aurora LLC and no longer holds an interest in the ALICO SPV. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011,* at 21 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xlvi] This number represents the outstanding principal of the loans extended to the Maiden Lane II and III SPVs to buy AIG assets (as of March 10, 2011, $12.4 billion for each of the SPVs). Federal Reserve Bank of New York, *Factors Affecting Reserve Balances (H.4.1)* (Mar. 10, 2011) (online at www.federalreserve.gov/releases/h41/20110310/); 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 taxpayer's 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).

On March 11, 2011, FRBNY announced that AIG had formally offered to purchase the assets in Maiden Lane II. There was no further news regarding the offer at the time this report was published. Federal Reserve Bank of New York, *Statement Related to Offer by AIG to Purchase Maiden Lane II LLC* (Mar. 11, 2011) (online at www.newyorkfed.org/newsevents/news/markets/2011/an110311.html).

[xlvii] The final sale of Treasury's Citigroup common stock resulted in full repayment of Treasury's investment of $25 billion. *See* endnote xxx, *supra*, for further details of the sales of Citigroup common stock. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 1, 13 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xlviii] Bank of America repaid the $45 billion in assistance it had received through TARP programs on December 9, 2009. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 1 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[xlix] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 13 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[l] 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 from Treasury. GMAC/Ally Financial, however, received further funding through the AIFP. Therefore, the Panel considers the CAP unused. 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).

[li] This figure represents the $4.3 billion adjusted allocation to the TALF SPV. However, as of March 3, 2011, TALF LLC had drawn only $107 million of the available $4.3 billion. Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Mar. 10, 2011) (online at www.federalreserve.gov/releases/h41/20110310/); U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 22 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[lii] 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 banking.senate.gov/public/_files/GeithnerFINALfinancialstabilityfactsheet2.pdf) (describing the initial $20 billion Treasury contribution tied to $200 billion in Federal Reserve loans and announcing potential expansion to a $100 billion Treasury contribution tied to $1 trillion in Federal Reserve loans). Since only $43 billion in TALF loans remained outstanding when the program closed, Treasury is currently responsible for reimbursing the Federal Reserve Board only up to $4.3 billion in losses from these loans. Thus, since the outstanding TALF Federal Reserve loans currently total $20.2 billion, the Federal Reserve's maximum potential exposure under the TALF is $15.9 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)* (Instrument Used: Term Asset-Backed Securities Loan Facility, Wednesday Level) (Mar. 3, 2011) (online at www.federalreserve.gov/releases/h41/20110303/).

[liii] No TARP resources were expended under the PPIP Legacy Loans Program, a TARP program that was announced in March 2009 but never launched.

[liv] These numbers are a staff calculation, subtracting the amount repaid from the funds obligated to find the maximum current commitment. U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf). On January 24, 2010, Treasury released its fifth quarterly report on PPIP. The report indicates that as of December 31, 2010, all eight investment funds had realized an internal rate of return (on equity) since inception (net of any management fees or expenses owed to Treasury) of at least 27 percent. The highest performing fund, thus far, is AG GECC PPIF Master

Fund, L.P., which has a net internal rate of return (on equity) of 59.7 percent. These figures do not include the taxpayer's additional exposure under PPIP for credit extended to these investment funds. As noted in Section VIII.C of this report, when calculated as a (blended) return on both equity and debt, the total return is only 9.7 percent. U.S. Department of the Treasury, *Legacy Securities Public-Private Investment Program*, at 8 (Jan. 24, 2010) (online at www.treasury.gov/initiatives/financial-stability/investment-programs/ppip/s-ppip/Documents/ppip-12-10 vFinal.pdf).

[lv] The total amount of TARP funds committed to HAMP is $29.9 billion. 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/December105(a)%20report_FINAL_v4.pdf). However, as of March 4, 2011, only $1.04 billion in non-GSE payments have been disbursed under HAMP. U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf).

[lvi] 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). $48.8 billion represents Treasury's current obligation under the AIFP after accounting for repayments, an additional note payment, and losses. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 18 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[lvii] At its maximum, $400 million was outstanding under the ASSP. These funds were fully repaid and Treasury earned $101 million in proceeds from additional notes associated with the program. U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[lviii] U.S. Department of the Treasury, *Daily TARP Update* (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-daily-summary-report/TARP%20Cash%20Summary/Daily%20TARP%20Update%20-%2003.10.2011.pdf).

[lix] U.S. Department of the Treasury, *Troubled Asset Relief Program Transactions Report for the Period Ending March 8, 2011*, at 17 (Mar. 10, 2011) (online at www.treasury.gov/initiatives/financial-stability/briefing-room/reports/tarp-transactions/DocumentsTARPTransactions/3-10-11%20Transactions%20Report%20as%20of%203-8-11.pdf).

[lx] 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. $264.6 billion of debt subject to the guarantee is currently outstanding, which represents approximately 53.5 percent of the current cap. Federal Deposit Insurance Corporation, *Monthly Reports Related to the Temporary Liquidity Guarantee Program: Debt Issuance Under Guarantee Program* (Feb. 23, 2011) (online at www.fdic.gov/regulations/resources/TLGP/total_issuance01-11.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* (Feb. 23, 2011) (online at www.fdic.gov/regulations/resources/TLGP/fees.html).

[lxi] This figure represents the amount of funds on the FDIC's balance sheet at the end of the third quarter of 2010 dedicated to the resolution of bank failures. These metrics are "liabilities due to resolutions" as well as "contingent liabilities: future failures." As of Q3 2010, $42.8 billion was earmarked as "liabilities due to resolutions" and $21.3 billion was marked as "contingent liabilities: future failures." Federal Deposit Insurance Corporation, *Chief Financial Officer's (CFO) Report to the Board* (Instrument Used: DIF Balance Sheet, Third Quarter 2010) (online at www.fdic.gov/about/strategic/corporate/cfo_report_3rdqtr_10/balance.html) (accessed Mar. 11, 2011).

[lxii] Outlays are comprised of the Federal Reserve Mortgage Related Facilities. On November 25, 2008, the Federal Reserve announced that it would purchase $100 billion of debt and $500 billion of MBS guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Federal Housing Finance Agency, *Mortgage Market Note 10-1 (*Jan. 20, 2010) (online at www.fhfa.gov/webfiles/15362/MMNote_10-1_revision_of_MMN_09-1A_01192010.pdf). In March 2009, these amounts were increased to $1.25 trillion of 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. The intended purchase amount for agency debt securities was subsequently decreased to $175 billion. 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). As of March 2, 2011, the Federal Reserve held $949 billion of agency MBS and $143 billion of agency debt. Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Mar. 10, 2011) (online at www.federalreserve.gov/releases/h41/20110310/).

[lxiii] Federal Reserve Liquidity Facilities classified in this table as loans include primary credit, secondary credit, central bank liquidity swaps, loans outstanding to Commercial Paper Funding Facility LLC, seasonal credit, term auction credit, and loans outstanding to Bear Stearns (Maiden Lane LLC). Board of Governors of the Federal Reserve System, *Factors Affecting Reserve Balances (H.4.1)* (Mar. 10, 2011) (online at www.federalreserve.gov/releases/h41/20110310/) (accessed Mar. 4, 2011). For further information, see the data that the Federal Reserve recently disclosed on these programs pursuant to its obligations under the Dodd-Frank 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).