



Congressional Oversight Panel

May 7,
2009

Metrics for the Troubled Asset Relief Program

Excerpted from the Congressional Oversight Panel's
May 2009 report, "Reviving Lending to Small
Businesses and Families and the Impact of the TALF."

TARP Metrics

The Panel's April oversight report highlighted a number of metrics that the Panel and others, including Treasury and the Financial Stability Oversight Board, consider useful in assessing the effectiveness of the Administration's efforts to restore financial stability and accomplish the goals of EESA. Data updates since the Panel's last report, published on April 7, 2009, indicate that some significant movement has occurred in a few of the indicators in recent months.

- **Credit Default Swaps.** Credit default swap spreads for several large banking firms widened during the first quarter of 2009, suggesting market unease concerning the soundness of these institutions.²²²
- **Mortgage Foreclosures/Defaults/Delinquencies.** Foreclosure filings increased 17 percent in March, likely the result of the expiration of industry moratoria.²²³
- **Overall Loan Originations.** Data for February showed a significant increase in first mortgage originations, reflecting refinancing activity.²²⁴ Loan originations for other consumer lending decreased by a median percentage of 47 percent from January to February.²²⁵
- **Commercial Paper Outstanding.** This rough measure of short-term business debt continued to decline in April, with total commercial paper outstanding declining again by more than ten percent on a seasonally adjusted basis.²²⁶
- **Spreads on Overnight Commercial Paper.** Reflecting the availability of the Federal Reserve Board's Commercial Paper Funding Facility, spreads on commercial paper fell to pre-crisis levels through the first quarter of 2009.²²⁷

²²² Financial Stability Oversight Board, *Quarterly Report to Congress Pursuant to Section 104(g) of the Emergency Economic Stabilization Act of 2008*, at 12 (Apr. 24, 2009) (hereinafter "FinSOB April Report").

²²³ RealtyTrac, *Foreclosure Activity Increases 9 Percent in First Quarter* (Apr. 16, 2009) (online at www.realtytrac.com/ContentManagement/PressRelease.aspx?channelid=9&ItemID=6180).

²²⁴ Treasury February Snapshot, *supra* note 64.

²²⁵ *Id.*

²²⁶ Board of Governors of the Federal Reserve System, *Federal Reserve Statistical Release: Commercial Paper Outstanding* (online at www.federalreserve.gov/releases/cp/outstandings.htm) (accessed May 5, 2009).

²²⁷ FinSOB April Report, *supra* note 218, at 12.