

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

To: Legislative Directors, Financial Services Legislative Assistants, and Policy Committees

My name is Abby McCloskey. I am the new (and first) Director of Research at the Financial Services Roundtable. From time to time, I will be sending you important facts about the financial services industry and our role in financing the economy. I promise that “Fast Facts” will be data-based and a quick read. Please note this report and its associated charts are also attached as a PDF.

Fast Facts: TARP

The following data is taken from Treasury's TARP 105(a) Monthly Report to Congress – June 2010, released on July 12, 2010.

MYTH: TARP was a “bank bailout” that cost American taxpayers \$700 billion.

FACT: As of June 2010, banks had repaid more than 75% of disbursed TARP funds to the Treasury. Certain programs, such as the Targeted Investment Program, have been 100% repaid.

FACT: Total TARP repayments, per the attached chart, are \$198.44 billion. In addition, the Treasury has received \$24.44 billion in profit from TARP investments, bringing bank repayments to \$222.88 billion.

FACT: The Treasury has decreased the projected cost of TARP to \$105.4 billion – less than one-third of the cost estimated by the Administration in August 2009. Currently, \$162.10 billion remains outstanding, if TARP profits are included.

FACT: Just last week, Fulton Financial repaid its \$379.58 million TARP injection.

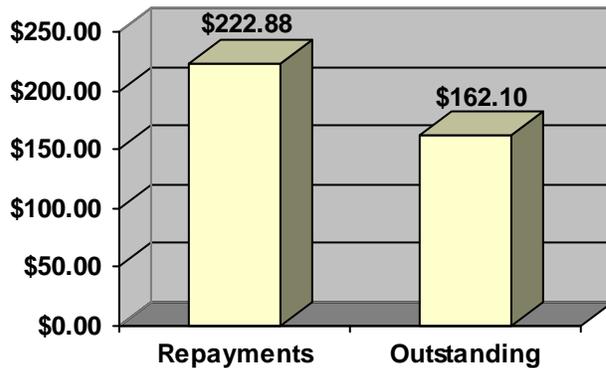
FACT: The Dodd-Frank Act limits TARP authorizations to \$475 billion and prevents the creation of new TARP programs.

P.S. Below is a short description of TARP programs for your convenience.

TARP Repayments (\$ billions)

| | Budgeted | Commitments | Disbursements | Repayments |
|--|-----------------|-----------------|-----------------|-----------------|
| Capital Purchase Program | \$204.89 | \$204.89 | \$204.89 | \$138.40 |
| Targeted Investment Program | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| Asset Guarantee Program | \$5.00 | \$0.00 | \$0.00 | \$0.00 |
| Consumer and Business Lending Initiative | \$52.00 | \$20.18 | \$0.19 | \$0.00 |
| Legacy Securities Public-Private Investment Program | \$30.00 | \$30.36 | \$12.41 | \$0.37 |
| AIG | \$69.84 | \$69.84 | \$47.54 | \$0.00 |
| Auto Industry Financing Program | \$84.84 | \$84.84 | \$79.69 | \$11.20 |
| Home Affordable Modification Program | \$50.00 | \$41.32 | \$0.25 | \$0.00 |
| Totals | \$536.58 | \$491.43 | \$384.98 | \$198.44 |
| <i>Including income from Dividends, Interest, etc.</i> | | | | \$24.44 |
| Total Recouped Funds for Taxpayers | | | | \$222.88 |

TARP Repayments vs. Outstanding (\$ billions) – Includes Profit from TARP Investments



Definitions: TARP PROGRAMS

Capital Purchase Program (CPP): Authorizes the Treasury to invest up to \$250 billion in U.S. banks that are healthy, but desire extra capital for stability or lending. Seventy-six banks have repaid in full.

Targeted Investment Program (TIP): Stabilizes institutions that are critical to the functioning of the financial system. Under TIP, Treasury purchased \$20 billion in preferred stock from Citigroup and Bank of America. In December 2009, these institutions repaid TIP in full.

Asset Guarantee Program (AGP): Commits \$5 billion as reserves to cover losses of assets for qualifying financial institution. The program was never drawn upon and is now closed.

Consumer and Business Lending Initiative: Supports the consumer and business credit markets, specifically by offering credit protection. It also limits purchases of AAA loans and expands research of commercial real estate.

Legacy Securities Public-Private Investment Program (S-PPIP): Cleanses bank balance sheets from illiquid mortgage-backed securities issued before the 2008 financial crisis. The price of these assets appreciated in the latter part of 2009, allowing the Treasury to proceed with S-PPIP on a much smaller scale.

Definitions and supporting information provided by the U.S. Department of Treasury and TARP 105(a) Monthly Report to Congress – June 2010. For further information about TARP programs, visit www.financialstability.gov.