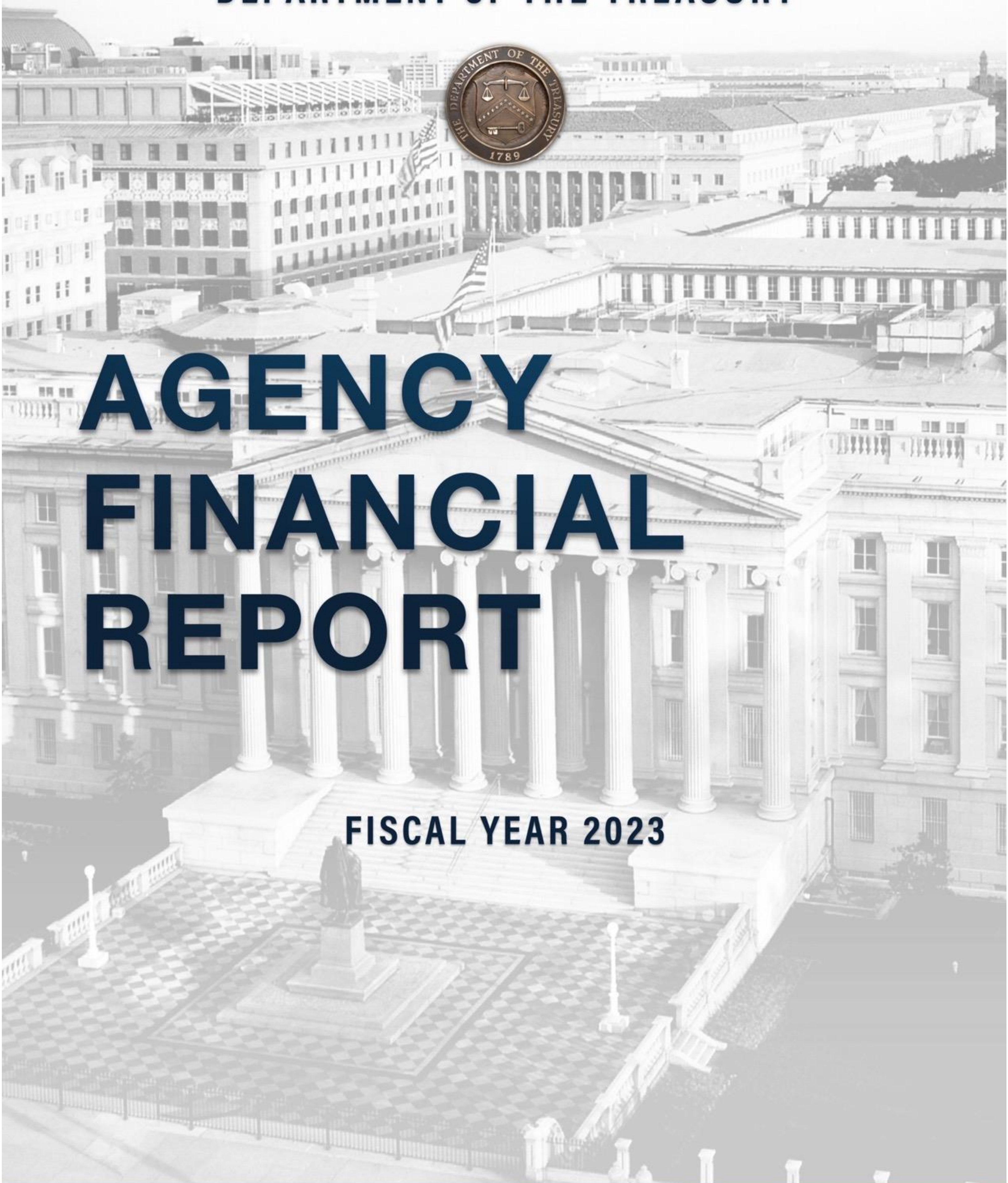
DEPARTMENT OF THE TREASURY

AGENCY FINANCIAL REPORT

OFFICE OF FINANCIAL STABILITY TROUBLED ASSET RELIEF PROGRAM

FISCAL YEAR 2023

DEPARTMENT OF THE TREASURY



AGENCY FINANCIAL REPORT

FISCAL YEAR 2023

TABLE OF CONTENTS

For the online version of this Report see home.treasury.gov/data/troubled-assets-relief-program
and search on Reports by Frequency, Yearly

FOREWORD

The Office of Management and Budget (OMB) Circular A-136 provides agencies with the guidance for reporting financial and performance information to Congress, the President, and the American people on an annual basis. In lieu of the consolidated Performance and Accountability Report (PAR), the U.S. Department of the Treasury (Treasury) Office of Financial Stability (OFS) has chosen to prepare a series of separate reports to provide the fiscal year 2023 financial and performance information for the Troubled Asset Relief Program (TARP). The following Agency Financial Report (AFR) is the first in this series of reports, and includes the following components:

- **Message from the Agency Head**: A statement from the Deputy Assistant Secretary for Community and Economic Development providing his assessment of the reliability and completeness of the financial and performance data contained in the report, as well as a summary status of TARP programs.
- **Management's Discussion and Analysis**: This section contains summary information about the TARP mission and organizational structure of OFS; background and analysis of OFS programs, initiatives and operational goals; and analysis of financial statements, systems, controls, and legal compliance, including the Management's Statement of Assurance.
- **Financial Section**: This section provides the Independent Auditor's Report, the financial statements, the notes to the financial statements, and other statutory reporting.
- **Other Information**: This section includes additional TARP historical information and a glossary of terms.

In addition to this AFR, the performance section of the OFS fiscal year 2023 Congressional Budget Justification satisfies the reporting requirements of the following major legislation:

- Reports Consolidation Act of 2000;
- Government Performance and Results Act of 1993 (GPRA) and GPRA Modernization Act of 2010;
- Government Management Reform Act of 1994;
- Federal Managers' Financial Integrity Act of 1982 (FMFIA); and
- Federal Financial Management Improvement Act of 1996 (FFMIA).

These reports will be available on the OFS website at: OFS Financial Reports Archive.

MESSAGE FROM THE AGENCY HEAD FOR THE OFFICE OF FINANCIAL STABILITY

November 2, 2023

I am pleased to present the Office of Financial Stability (OFS) Agency Financial Report for Fiscal Year (FY) 2023. This report describes our financial and performance results for the 15th and final year of the Troubled Asset Relief Program (TARP). Within this report you will find the comparative fiscal years 2023 and 2022 financial statements for TARP, the U.S. Government Accountability Office (GAO) independent auditor's report with the audit opinion on these financial statements, an opinion from GAO on OFS's internal control over financial reporting for TARP, and the results of GAO's tests of OFS's compliance with selected provisions of laws, regulations, contracts, and agreements applicable to OFS.

The Emergency Economic Stabilization Act of 2008 (EESA) established OFS within the Office of Domestic Finance at the Department of the Treasury (Treasury) to implement TARP. The authority to make new commitments through TARP ended October 3, 2010, at which time Treasury shifted focus to the orderly wind-down of TARP. I am pleased to report, as of September 30, 2023, all TARP programs have closed and OFS is actively winding down all remaining administrative matters.

Over its lifetime, OFS collected 103 percent of the $412.1 billion in program funds that were disbursed under TARP investment programs, in addition to $17.5 billion in proceeds from Treasury's equity stake in American International Group, Inc. After considering the interest expense of $13.1 billion, the net gain on TARP investment programs was $0.3 billion. During FY 2023, the final remaining troubled assets in the Capital Purchase Program and Community Development Capital Initiative were repurchased, effectively closing the last two of the original ten investment programs.

OFS disbursed $31.4 billion in program funds under TARP housing programs since its inception. Making Home Affordable (MHA) closed to new applications in December 2016, as required by the Consolidated Appropriations Act, 2016, and completed its final funding activity during April 2023. With that, all housing programs closed. In total, more than 2.9 million homeowner assistance actions took place under the MHA program.

The financial and performance data contained in this report are reliable and complete. For this, both the final and 15th consecutive year, OFS has earned unmodified opinions from the GAO on its financial statements for TARP and its internal control over financial reporting for TARP.

Sincerely,

Noel Poyo
Deputy Assistant Secretary for Community and Economic Development

EXECUTIVE SUMMARY

It was out of extraordinary circumstances nearly 15 years ago that TARP and OFS were created. Both were a central part of the emergency measures taken by the federal government pursuant to EESA. Collectively, TARP and the federal government's other emergency programs helped to prevent the collapse of the U.S. financial system and helped struggling homeowners avoid foreclosure. Through EESA, the federal government was able to limit the broader financial and economic damage caused by the crisis. These measures were critical to restarting economic growth and in restoring access to capital and credit.

The Management's Discussion & Analysis (MD&A) within this AFR describes the establishment of OFS, its background, mission, and organizational structure. OFS administered programs that fell into two major categories: Investments and Housing. In total, OFS had responsibility for 13 individual programs. Importantly, as of September 30, 2023, all TARP programs have been closed.

While the total amount disbursed for TARP programs was $443.5 billion, OFS collected $425.5 billion (or $443.1 billion if including the $17.5 billion in proceeds from the additional Treasury American International Group, Inc. [AIG] shares) through repayments, sales, dividends, interest, and other income. After considering the interest expense of $13.1 billion, the net cost of TARP programs was $31.1 billion.

Each year, OFS reported on Operational Goals, which were developed by management to achieve our strategic goal to transform government-wide financial stewardship.

These goals included:

1. Completing the wind-down of remaining TARP investment programs;
2. Continuing to help struggling homeowners avoid foreclosure;
3. Minimizing the cost of the TARP programs to the taxpayer; and
4. Operating with the highest standards of transparency, accountability, and integrity.

As of September 30, 2023, the first Operational Goal was completed with the wind-down of the remaining TARP investment programs, the CPP and CDCI.

Similarly, OFS's second Operational Goal was completed with the closure of the MHA program aimed to help struggling homeowners avoid foreclosure. Final MHA incentive payments were made in accordance with the program guidelines during April 2023.

Under the MHA program, approximately 1.7 million homeowners have had their mortgages modified permanently. HAMP had also set new standards and changed practices throughout the mortgage servicing industry in fundamental ways.

Another OFS housing program which closed in fiscal year 2022, HHF, provided funding to 18 states and the District of Columbia through each state's Housing Finance Agency (HFA) to provide assistance to struggling homeowners through locally-tailored programs. HFAs implemented many types of programs to help homeowners, including mortgage payment assistance, reinstatement, short sale/transition assistance, principal reduction, and modification assistance. As the housing recovery has evolved, HFAs undertook additional initiatives such as blight elimination and down payment assistance programs, which help prevent foreclosures by stabilizing neighborhoods and property values. As of September 30, 2022, all 19 HFAs had exited the program, completing their end-of-term requirements and returning a total of $329 million to Treasury in remaining drawn but unspent funds.

The third Operational Goal of OFS was to minimize the cost of the TARP programs to the taxpayer. OFS pursued this goal by carefully managing the timely exit of these investments to reduce taxpayers' exposure, returning TARP funds to reduce the federal debt, and continuing to replace government assistance with private capital in the financial system.

OFS's final Operational Goal was to continue operating with the highest possible standards of transparency, accountability, and integrity.

OFS posts a variety of reports online that provide taxpayers with regular and comprehensive information about how TARP funds are being spent, who has received them and on what terms, and how much has been collected to date. In addition to discussing program performance, the MD&A addresses OFS's financial performance in the Analysis of Fiscal Years 2023 and 2022 Financial Summary and Cumulative Net Income section. OFS provides an overview of its financial data and explains its fiscal year 2023 net cost from operations and related loans, equity investments, and other credit programs.

Finally, the Analysis of Systems, Controls, and Legal Compliance section of the MD&A provides a discussion of the actions OFS has taken to address its management control responsibilities. This section includes OFS's assurance related to FMFIA and FFMIA.

This page intentionally left blank.

PART 1:

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

Program Background, Organization Structure, and TARP Wind-Down Initiatives

Program Background

TARP was created on October 3, 2008, pursuant to EESA. Treasury established OFS within the Office of Domestic Finance to carry out the authorities given to the Secretary of the Treasury to implement TARP. EESA authorized the Secretary of the Treasury to establish TARP to "purchase, and to make and fund commitments to purchase, troubled assets from any financial institution, on terms and conditions as are determined by the Secretary" to restore the liquidity and stability of the financial system. The terms "troubled assets" and "financial institution" were defined within EESA which can be found at: House Resolution 110-1424. In addition, Section 109 of EESA provided the authority to assist homeowners.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), signed into law in July 2010, reduced total TARP purchase authority from $700.0 billion to a cumulative $475.0 billion. OFS's authority to make new program commitments under TARP originally expired on October 3, 2010. The Consolidated Appropriations Act, 2016 (the Act), gave the Secretary of the Treasury the ability to commit an additional $2.0 billion in TARP funds to current HHF participants. The additional funding committed under the Act was obligated by Treasury as of June 2016. OFS does not have the authority to commit new program funds.

OFS Organization Structure

OFS is part of, and reports to, the Office of the Deputy Assistant Secretary for Community and Economic Development in the Office of the Assistant Secretary for Financial Institutions. OFS staff is responsible for TARP program management, compliance, finance and operations. Certain staff within the Treasury Office of General Counsel and the Treasury Office of Financial Agents also supported OFS, as well as other Treasury Departmental Offices.

OFS was not envisioned as a permanent organization, so to the extent possible when economically efficient and appropriate, OFS utilized private sector expertise to support the execution and liquidation of TARP programs. These firms assisted in the areas of custodial services, accounting and internal controls, administrative support, legal advisory, financial advisory, program compliance, and information technology.

TARP Wind-Down Initiatives

As of September 30, 2023, all 13 TARP programs are closed and have wound down. OFS is dissolving as an entity. Only administrative program closures, systems decommissioning, records retention and management, and final accounting and reporting initiatives remain. Throughout these initiatives, OFS was committed to the following:

- Implementing a structured planning approach for OFS personnel departures and transition of duties;
- Applying a risk-based approach to executing financial, operational and compliance processes and reporting; and
- Planning for the transfer of permanent records to appropriate Federal Records Centers at the National Archives.

OFS staff headcount continued to decrease commensurate with the orderly wind-down of the TARP programs. Despite this, OFS managers were responsible for identifying and proactively managing relevant program and administrative risks and ensuring that effective internal controls were continuously designed and maintained throughout the life of TARP.

TARP Programs

Bank Support Programs

OFS disbursed a total of $245.5 billion under the various TARP bank programs. As of September 30, 2023, OFS has collected more than $275.9 billion through repayments, dividends, interest, warrant sales, and other income, representing $30.5 billion in excess of disbursements. After considering the interest expense of $6.2 billion, the net gain on TARP bank support programs was $20.2 billion. OFS was focused on recovering TARP funds in a manner that continued to promote the nation's financial stability while maximizing returns on behalf of the taxpayers.

CPP

In fiscal year 2023, OFS completed the wind-down of CPP. Each dollar collected from CPP participants now represents additional collections in excess of disbursements on behalf of taxpayers. From inception of the program through September 30, 2023, OFS has received $199.7 billion in CPP repayments/sales, along with $12.1 billion in dividends and interest, and $15.0 billion of other proceeds in excess of cost, which totals $226.8 billion. After considering the interest expense of $5.6 billion, the net gain of CPP was $16.3 billion. As of September 30, 2023, no CPP investments remain outstanding.

During fiscal years 2023 and 2022, OFS collected a total of $2.5 million and $535 thousand, respectively, in recoveries from institutions in the CPP program.

Additional information on the CPP, including details on the program's purpose, overview, and status can be found at the following link: TARP: Capital Purchase Program.

CDCI

In fiscal year 2023, OFS completed the wind-down of CDCI. From inception through September 30, 2023, OFS has received $527 million in CDCI repayment/sales, along with $67 million in dividends and interest. After considering the interest expense of $91 million, the net cost of CDCI was $68 million. As of September 30, 2023, no CDCI investments remain outstanding.

During fiscal years 2023 and 2022, OFS collected a total of $1.1 million and $95 thousand, respectively, in interest from institutions in the CDCI program.

Additional information on CDCI, including details on the program's purpose, overview, and status can be found at the following link:

TARP: Community Development Capital Initiative

Housing Programs

MHA

Consistent with OFS's goal of continuing to help struggling homeowners avoid foreclosure, OFS developed and implemented a process to seamlessly transition the program from an active program to steady state. During fiscal year 2023, Treasury continued to monitor servicer compliance with MHA guidelines that pertain to post-modification activities and which required remedial action. Final MHA incentive payments were made in accordance with the program guidelines during April 2023. As of September 30, 2023, OFS disbursed $22.3 billion since inception.

Additional information on MHA, including details on the program's purpose, overview, and status can be found at the following link: TARP: Making Home Affordable Program.

HHF

In addition to MHA, OFS operated the HHF until the program closed in fiscal year 2022, which allowed participating state HFAs in the nation's hardest hit states to design innovative, locally-tailored foreclosure prevention programs.

The 19 HFAs collectively drew approximately $9.5 billion (99 percent) of the $9.6 billion allocated under the program, with the last disbursement having been drawn during fiscal year 2022. States had until June 30, 2021 to finalize any decisions with respect to underwriting homeowner assistance actions or blight elimination projects, December 31, 2021 to expend all HHF program funding, and March 31, 2022 to expend all HHF administrative funding. Starting in fiscal year 2020 and continuing thereafter, states that reached their end-of-term are required to return any remaining drawn but unspent funds to Treasury. During fiscal year 2021, six states returned a total of $114 million, while the remaining 10 states and the District of Columbia returned a total of $124 million during fiscal year 2022.

OFS also published a Quarterly Performance Summary, a companion reference to the HFAs' Quarterly Performance Reports. The Summary contained performance data and trends, and brief program descriptions for each HFA. The Quarterly Performance Summary can be found at: TARP: Hardest Hit Fund - Quarterly Performance Summary.

Additional information on the HHF, including details on the program's purpose, overview, and status can be found at the following link: TARP: Hardest Hit Fund Program.

Federal Housing Administration Refinance Program

On March 26, 2010, the Federal Housing Administration (FHA) and OFS announced enhancements to the FHA Refinance Program, designed to make homeownership more affordable for borrowers whose homes were worth less than the remaining amounts on their mortgage loans (negative equity). The FHA program ended on December 31, 2022.

Operational Goals

Minimize Cost to Taxpayers

OFS managed TARP investments to minimize costs to taxpayers by ensuring the timely exit of these investments to reduce taxpayers' exposure, return TARP funds to reduce the federal debt, and continued to replace government assistance with private capital in the financial system. OFS has taken a number of steps during fiscal years 2023 and 2022 to dispose of OFS's outstanding investments in a manner that balances speed of exit with maximizing returns for taxpayers.

OFS took a disciplined portfolio approach – reviewing each investment and closely monitoring risk and performance. In addition to repayments by participants, OFS has disposed of investments to third parties through public and private offerings and auctions with approval from regulators.

Compliance

OFS monitored certain TARP-related statutory and contractual obligations of remaining TARP recipients. Historically, statutory obligations had included certification and disclosures related to executive compensation restrictions. For most of OFS's preferred stock investments, TARP recipients needed to comply with restrictions on payment of dividends and on repurchases of junior securities.

OFS also performed regular reviews of the HFAs participating in the HHF program to evaluate each HFA's ongoing compliance with their contractual agreement with OFS, as well as their compliance with HHF program terms and underwriting requirements.

In addition, all mortgage servicers participating in MHA were subjected to program guidelines that required the servicer to offer MHA assistance to all eligible borrowers and to have effective systems, processes, and controls to administer the programs. Servicers were subjected to periodic, compliance reviews by OFS's compliance agent, Making Home Affordable-Compliance (MHA-C), a separate, independent division of Freddie Mac serving as financial agent to Treasury, to monitor whether servicers' obligations under MHA requirements were met.

Starting in fiscal year 2011, OFS began publishing quarterly assessments for the largest participating servicers. These assessments were used to ensure focus on emerging areas of interest, draw servicer attention to higher risk areas, and prompt the industry to improve its practices. As the program has evolved and servicers have significantly improved their performance, OFS has updated the assessment to ensure it includes metrics that address current areas of interest and concern.

During fiscal year 2023 and through the wind-down of the MHA program, OFS performed regular assessments on servicer compliance with MHA guidelines pertaining to post-modification activities.

Operated with the Highest Standards of Transparency, Accountability, and Integrity

To protect taxpayers and help ensure that every dollar was directed towards promoting financial stability, OFS established comprehensive accountability and transparency measures. OFS was committed to operating its investment and housing programs in full view of the public. This included providing regular and comprehensive information about how TARP funds were being spent, who has received them and on what terms, and how much has been collected to date.

All of this information, along with numerous reports of different frequencies, is posted in the Financial Stability section of the Treasury.gov website, which can be found at: TARP: Financial Stability Website.

These reports include:

- A Monthly TARP Update that featured detailed financial data related to each TARP investment program, including the status of disbursements and all collections by category;
- A monthly report to Congress that detailed how TARP funds have been used, the status of recovery of such funds by program, and information on the estimated cost of TARP;

- A monthly report on dividend and interest payments;
- A quarterly performance report on MHA (the last comprehensive issue which was published as of March 16, 2018, when all MHA programs were officially closed; streamlined one-page performance summaries continue to be published quarterly);
- A report of each transaction (such as an investment or repayment) within two business days of each transaction;
- A quarterly report on the Hardest Hit Fund; and
- A quarterly report to Congress on administrative expense obligations.

In addition, OFS regularly published data files related to MHA and transaction reports that show activity related to MHA and HHF. The release of the data file fulfilled a requirement within the Dodd-Frank Act to make available loan-level data about the program. OFS updates the file monthly. Researchers interested in using the MHA Data File can access the file and user guide at: TARP: MHA Data File.

Audited Financial Statements

OFS is dissolving as an entity and there is no longer a legal requirement to produce future financial statements since there are no remaining troubled assets or insurance contracts (12 U.S.C. § 5226(e)). OFS prepared separate financial statements for TARP on an annual basis. This is the 15th OFS AFR, which includes the audited financial statements for the fiscal years ended September 30, 2023 and September 30, 2022. Additional reports for prior periods are available at: TARP: Annual Agency Financial Reports.

In its 15 years of operation, TARP's financial statements have received unmodified audit opinions from its auditor, the U.S. Government Accountability Office (GAO).

Oversight by Three Separate Agencies

OFS activities were reviewed by three oversight entities:

- The Financial Stability Oversight Board, established by EESA Section 104;
- Specific responsibilities for the GAO as set out in EESA Section 116; and
- The Special Inspector General for TARP, established by EESA Section 121.

OFS had productive working relationships with all of these bodies, and cooperated with each oversight agency's effort to produce periodic audits and reports that focus on the many aspects of TARP. Individually and collectively, the oversight bodies' audits and reports have made important contributions to the TARP programs.

Analysis of Fiscal Years 2023 and 2022 Financial Summary and Cumulative Net Income

Comparative Summary of Net Costs

OFS's fiscal year 2023 net cost of operations of $126 million includes the reported net income related to TARP equity investments and FHA Refinance programs, as well as expenses for TARP Investment Programs, the Treasury housing programs under TARP, and administrative expenses.

For the fiscal year ended September 30, 2023, OFS reported net subsidy income for three programs – CPP, CDCI, and FHA Refinance. These programs collectively reported net subsidy income of $274 thousand. Fiscal year 2023 costs for the Treasury housing programs under TARP were $101 million and administrative costs were $25 million. For the fiscal year ended September 30, 2022, the net cost of operations was $233 million. These net cost amounts reported in the financial statements reflected transactions through September 30, 2023 and September 30, 2022.

As described later in the OFS audited financial statements, the estimates for federal credit programs were based in part on projected economic factors.

Comparative Summary of TARP Equity Investments

As of the end of fiscal year 2023, TARP had no outstanding CPP or CDCI investments. That compares to an investment Outstanding Balance of $13 million at the end of fiscal year 2022. The combined Estimated Value of Investment for CPP and CDCI at the end of fiscal year 2022 was $3 million. For fiscal year 2022 the Estimated Value of Investment represented the present value of net cash inflows that OFS estimated it would receive from the programs. These estimates included market risk assumptions. The total difference of $10 million, as of the end of fiscal year 2022, was considered the "subsidy cost allowance" under the Federal Credit Reform Act methodology OFS follows for budget and accounting purposes.

Inception to Date TARP Program Summary

Table 1 provides a financial summary for TARP programs since its inception on October 3, 2008, through September 30, 2023. For each program, the table provides utilized TARP authority (which includes purchases made, legal commitments to make future purchases, and offsets for guarantees made), the amount actually disbursed, repayments to OFS from program participants or from sales of the investments, write-offs and losses, net outstanding balance as of September 30, 2023, and cash inflows on the investments in the form of dividends, interest or other fees.

Most TARP funds were used to make investments in preferred stock or to make loans. OFS had generally received dividends on the preferred stock and interest payments on the loans from the institutions participating in TARP programs. These payments represented additional proceeds received on OFS's TARP investments. From inception through September 30, 2023, OFS received a total of $24.5 billion in dividends and interest.

See Note 6 in the financial statements for further discussion.

Table 1: TARP Summary[1]
From TARP Inception through September 30, 2023
(Dollars in millions)

	Purchase Price or Guarantee Amounts	Total $ Disbursed	Investment Repayments	Write offs and Losses[4]	Received from Investments	Interest Expense	Net Cost (Income)
Programs Closed During Fiscal Year 2023							
Bank Support Programs							
Capital Purchase Program[2]	$ 204,895	$ 204,895	$ (199,675)	$ 5,220	$ (27,106)	$ 5,579	$ (16,307)
Community Development Capital Initiative	570	570	(527)	43	(67)	91	68
Sub total for Investment Programs	205,465	205,465	(200,201)	5,263	(27,173)	5,670	(16,240)
Treasury Housing Programs under TARP	31,447	31,447	-	-	-	(1)	31,446
Sub total	$ 236,912	$ 236,912	$ (200,201)	$ 5,263	$ (27,173)	$ 5,669	$ 15,207
Programs Closed in Fiscal Years 2022 or Prior							
Bank Support Programs							
Targeted Investment Program	$ 40,000	$ 40,000	$ (40,000)	$ -	$ (4,432)	$ 433	$ (3,998)
Asset Guarantee Program	5,000	-	-	-	(4,126)	125	(4,001)
Credit Market Programs							
Public Private Investment Program	18,625	18,625	(18,625)	-	(3,852)	1,118	(2,735)
Term Asset Backed Securities Loan Facility	100	100	(100)	-	(685)	79	(606)
SBA 7(a) Securities Purchase Program	367	367	(363)	4	(13)	4	(4)
Other Programs							
Automotive Industry Financing Program	79,692	79,692	(63,037)	16,656	(7,589)	3,004	12,071
American International Group Investment Program[3]	67,835	67,835	(54,350)	13,485	(959)	2,652	15,179
Sub total	$ 211,620	$ 206,620	$ (176,475)	$ 30,145	$ (21,654)	$ 7,414	$ 15,905
Total for TARP Programs	$ 448,532	$ 443,532	$ (376,676)	$ 35,407	$ (48,827)	$ 13,083	$ 31,111

Note: Figures may not foot due to rounding.

1 This table shows TARP activity for the period from inception through September 30, 2023, on a cash basis. Received from investments includes dividends and interest income reported in the Statement of Net Cost, and Proceeds from sale and repurchases of assets in excess of costs.

2 OFS received $31.9 billion in proceeds from sales of Citigroup common stock, of which $25.0 billion is included at cost in Investment Repayments, and $6.9 billion of net proceeds in excess of cost is included in Received from Investments.

3 The amounts for AIG reflect only the operations of TARP and do not reflect proceeds received from the sale of shares of AIG common stock held by Treasury outside of TARP (additional Treasury shares).

4 Losses represent proceeds less than cost on sales of assets, which are reflected under "net proceeds from sales and repurchases of assets in excess of (less than) cost" in Note 6 of the financial statements.

Key Factors Affecting TARP's Ultimate Cost

Market conditions and the performance of specific financial institutions were critical determinants of TARP's ultimate lifetime cost. The changes in OFS estimates since TARP's inception through September 30, 2023, provided a good illustration of this impact. Table 2 provides information on how OFS's ultimate lifetime cost of TARP has changed over time.

The costs for the non-housing programs fluctuated in large part due to changes in the market prices of common stock for AIG, GM, and Ally. All TARP investments have been sold and all housing programs have terminated. Data within this table is consistent with the TARP ultimate lifetime cost disclosures on the OFS website at: [TARP: Monthly Reports to Congress.]

Table 2: Lifetime TARP Costs (Income)[1]
(Dollars in billions)

Program	Lifetime Cost (Income) as of September 30														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bank Support Programs															
Capital Purchase Program	($14.6)	($11.2)	($13.0)	($14.9)	($16.1)	($16.1)	($16.3)	($16.3)	($16.3)	($16.3)	($16.3)	($16.3)	($16.3)	($16.3)	($16.3)
Targeted Investment Program	(1.9)	(3.8)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
Asset Guarantee Program[2]	(2.2)	(3.7)	(3.7)	(3.9)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
Community Development Capital Initiative	0.4	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Credit Market Programs															
Public Private Investment Program	1.4	(0.7)	(2.4)	(2.4)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Term Asset Backed Securities Loan Facility	(0.3)	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
SBA 7(a) Securities Purchase Program	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Programs															
Automotive Industry Financing Program	34.5	14.7	23.6	24.3	14.7	12.2	12.1	12.2	12.2	12.2	12.1	12.1	12.1	12.1	12.1
American International Group Investment Program[3]	56.8	36.9	24.3	15.3	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2
Subtotal	74.1	32.1	24.6	14.1	2.6	0.1	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Treasury Housing Programs under TARP	50.0	45.6	45.6	45.6	37.7	37.4	37.4	34.7	32.6	32.5	32.8	32.4	32.3	32.2	31.4
Total	**$124.1**	**$77.7**	**$70.2**	**$59.7**	**$40.3**	**$37.5**	**$37.2**	**$34.5**	**$32.3**	**$32.3**	**$32.4**	**$32.1**	**$32.0**	**$31.8**	**$31.1**

Note: Figures may not foot due to rounding.

[1] Program costs (+) or income (in parentheses) over the life of the program, including interest on reestimates and excluding administrative costs.

[2] Prior to the termination of the guarantee agreement, OFS guaranteed up to $5.0 billion of potential losses on a $301.0 billion portfolio of loans.

[3] The amounts for AIG reflect only the operations of TARP and do not reflect proceeds received from the sale of shares of AIG common stock held by Treasury outside of TARP (additional Treasury shares).

Analysis of Systems, Controls, and Legal Compliance

MANAGEMENT ASSURANCES

The Office of Financial Stability's (OFS) management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA), 31 U.S.C. 3512(c),(d). OFS has evaluated its management controls, internal controls over financial reporting, and compliance with the federal financial systems standards. As part of the evaluation process, we considered the results of extensive documentation, assessment and testing of controls across OFS, as well as the results of independent audits. We conducted our reviews of internal controls in accordance and based on criteria with FMFIA and Office of Management and Budget (OMB) Circular A-123.

As a result of our reviews, management concludes that the management control objectives described below, taken as a whole, were achieved as of September 30, 2023. Specifically, this assurance is provided relative to Section 2 (internal controls) and 4 (systems controls) of FMFIA. OFS further assures that the financial management systems relied upon by OFS are in substantial compliance with the requirements imposed by the Federal Financial Management Improvement Act (FFMIA).

OFS's internal controls are designed to meet the management objectives established by Treasury and listed below:

(a) Alignment of strategic goals with the agency's mission;
(b) Effective and efficient operations;
(c) Reliable reporting;
(d) Compliance with applicable laws and regulations; and
(e) Financial management systems substantially comply with Federal financial management systems requirements.

In addition, OFS management conducted its assessment of the effectiveness of internal control over financial reporting which includes the safeguarding of assets and compliance with applicable laws and regulations, in accordance and based on criteria with OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control" and FMFIA. Based on the results of this evaluation, OFS provides unmodified assurance that internal control over financial reporting is appropriately designed and operating effectively as of September 30, 2023, with no related material weaknesses noted.

Sincerely,

Noel Poyo
Deputy Assistant Secretary for Community and Economic Development

Federal Managers' Financial Integrity Act (FMFIA)

The management control objectives under FMFIA were to reasonably ensure that:

- Obligations and costs were in compliance with applicable law;
- Funds, property, and other assets were safeguarded against waste, loss, unauthorized use, or misappropriation; and
- Revenues and expenditures applicable to agency operations were properly recorded and accounted for to permit the preparation of accounts, reliable financial and statistical reports, and to maintain accountability over the assets.

FMFIA requires agencies to evaluate and report on the effectiveness of controls over operations and financial reporting, compliance with applicable laws and regulations (FMFIA Section 2), and conformance with financial management systems requirements (FMFIA Section 4) and Federal Financial Management Improvement Act (FFMIA) that protect the integrity of federal programs. Deficiencies that seriously affect an agency's ability to meet these objectives are deemed "material weaknesses."

OFS continued to have a high performing internal control program in compliance with FMFIA. FMFIA and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, require agencies to evaluate and report on enterprise risk management (ERM) and internal controls in place to help ensure effectiveness and efficiency of operations, compliance with applicable laws and regulations, and reliability of reporting. OFS has completed these rigorous internal control assessments since fiscal year 2009.

OFS's Senior Assessment Team (SAT) guided the organization's efforts to meet the statutory and regulatory requirements surrounding ERM and a sound system of internal control. OFS's ERM and internal control framework was based on the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The SAT leveraged this framework in communicating risks and control objectives across OFS and its third-party service providers. Furthermore, OFS managers were responsible for identifying relevant risks, and ensuring that effective internal controls are implemented in their areas of responsibility. OFS senior management provided sub-certification statements annually concerning whether there was reasonable assurance that the objectives of ERM and internal control are met. Senior management also reported on and took steps to correct control weaknesses and tracked those weaknesses through resolution.

OFS management believed that maintaining integrity and accountability in all programs and operations was critical to its mission and demonstrates responsible stewardship over assets and resources. It also promoted responsible leadership and maximized desired program outcomes. OFS has received unmodified opinions from the GAO on its financial statements and internal control over financial reporting for TARP since fiscal year 2009, its first year of operation. OFS continued to execute its ERM and internal controls assessment process to ensure that management identified risks and deficiencies and took timely corrective actions. The OFS fiscal year 2023 self-assessment of its ERM activities and system of internal controls did not identify any significant deficiencies or material weaknesses.

Federal Financial Management Improvement Act and Financial Management Systems

Federal Financial Management Improvement Act (FFMIA)

FFMIA mandates that agencies "…implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the United States Government Standard General Ledger (USSGL) at the transaction level." FFMIA also requires the development of remediation plans by any entity unable to report substantial compliance with these requirements.

During fiscal year 2023, OFS used a risk-based approach to assess its financial management systems' compliance with FFMIA, as required by OMB and in accordance with Treasury-wide guidance. OFS conducted its self-assessment to determine its risk levels and determined that all OFS financial management systems were in compliance with FFMIA.

Financial Management Systems Framework

OFS's financial management systems framework consists of two fundamental components: 1) core financial and mixed systems maintained by OFS and Treasury bureaus that cross-service OFS; and 2) systems that are financially relevant, operated, and supported by financial agents. Combined, this framework satisfies OFS's diverse financial, operational, and reporting needs as well as OFS's internal and external reporting requirements.

In addition, OFS continued to utilize financial systems maintained by Treasury Departmental Offices and various Treasury bureaus. These systems are in compliance with federal financial management systems requirements and undergo regular independent audits.

Certain other financially relevant systems were operated and supported by financial agents, which provided services to OFS. The financial agency agreements, maintained by the Treasury Office of the Fiscal Assistant Secretary in support of OFS, required financial agents to design and implement suitably robust security plans and internal control programs. These plans and programs were reviewed and approved by OFS.

Legal Compliance

OFS was subjected to numerous legislative and regulatory requirements that promoted and supported an effective ERM and internal control environment. OFS conducted a formal process to identify and document applicable laws and regulations. This process included the review and consideration of Treasury guidance, statutory and OMB requirements, as well as consultation with OFS program management and the Treasury Office of General Counsel. OFS program managers were responsible for identifying laws and regulations which impact their areas, developing policies and procedures which ensure compliance with those laws and regulations, and disseminating information to employees regarding compliance responsibilities.

In order to test compliance with laws and regulations, OFS mapped the requirements of each applicable law or regulation to controls that support the requirements. The majority of the laws and regulations applicable to OFS were tested in this manner. In instances where OFS could not leverage specific controls, OFS either performed alternative evaluation procedures or, through adherence to the guidance provided by Treasury, checks that controls were in place to meet guidance concerns and specifications where they apply.

The results of OFS's evaluation of compliance with applicable laws and regulations are reflected in OFS's assurance statement.

Limitations of the Financial Statements

OFS is dissolving as an entity and there is no longer a legal requirement to produce future financial statements since there are no remaining troubled assets or insurance contracts (12 U.S.C. § 5226(e)). The principal financial statements have been prepared to report the financial position and results of operations of OFS's TARP programs, consistent with the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of OFS and the Department of the Treasury in accordance with Section 116 of EESA and Generally Accepted Accounting Principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government.

This page intentionally left blank.

PART 2:
FINANCIAL SECTION

GOVERNMENT ACCOUNTABILITY OFFICE AUDITOR'S REPORT

GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Independent Auditor's Report

To the Deputy Assistant Secretary for Community and Economic Development

In our audits of the fiscal years 2023 and 2022 financial statements of the Troubled Asset Relief Program (TARP), which is implemented by the Office of Financial Stability (OFS),[1] we found

- the OFS financial statements for TARP as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- OFS maintained, in all material respects, effective internal control over financial reporting for TARP as of September 30, 2023; and
- no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, which includes an emphasis-of-matter—OFS Closes All Remaining TARP Programs and Winds Down as An Entity, required supplementary information (RSI),[2] and other information included with the financial statements;[3] (2) our report on compliance with laws, regulations, contracts, and grant agreements; and (3) agency comments. GAO has the responsibility to audit OFS's annual financial statements for TARP under the Emergency Economic Stabilization Act of 2008 (EESA), as amended.[4]

---

[1]Section 101 of the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, div. A, 122 Stat. 3765, 3767 (Oct. 3, 2008), *classified at* 12 U.S.C. § 5211, established OFS within the Department of the Treasury to implement TARP.

[2]The RSI consists of Management's Discussion and Analysis and the Combined Statement of Budgetary Resources, which are included with the financial statements.

[3]Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

[4]EESA is classified, in part, as amended, at sections 5201 through 5261 of Title 12 of the United States Code. Section 116(b) of EESA, 12 U.S.C. § 5226(b), requires that Treasury annually prepare and submit to Congress and the public audited fiscal year financial statements for TARP that are prepared in accordance with generally accepted accounting principles. Section 116(b) further requires that GAO audit TARP's financial statements annually in accordance with generally accepted auditing standards.

Report on the Financial Statements and on Internal Control over Financial Reporting

Opinion on the Financial Statements

In accordance with EESA, we have audited the OFS financial statements for TARP. The OFS financial statements for TARP comprise the balance sheets as of September 30, 2023, and 2022; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, the OFS financial statements for TARP present fairly, in all material respects, TARP's financial position as of September 30, 2023, and 2022, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Opinion on Internal Control over Financial Reporting

We also have audited OFS's internal control over financial reporting for TARP as of September 30, 2023, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA). In our opinion, OFS maintained, in all material respects, effective internal control over financial reporting for TARP as of September 30, 2023, based on criteria established under FMFIA.

Basis for Opinions

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting section of our report. We are required to be independent of OFS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter: OFS Closes All Remaining TARP Programs and Winds Down as An Entity

As of September 30, 2023, all TARP programs have closed, and there are no remaining troubled assets held by OFS. As discussed in notes 5, 6, and 13 to the financial statements, during fiscal year 2023, OFS completed the wind down of its remaining housing programs under TARP and sold its last troubled assets from the Capital Purchase Program and Community Development Capital Initiative. In accordance with EESA, this will be the final set of audited financial statements for TARP.[5] Further, OFS is dissolving as an entity with only administrative functions remaining, such as systems decommissioning, records retention and management,

[5] EESA section 116(e) (12 U.S.C. § 5226(e)) states that the requirements for Treasury to produce annual financial statements for TARP, and for GAO to audit them, shall terminate on the later of (1) the date that the last troubled asset acquired by Treasury under section 101 (12 U.S.C. § 5211) has been sold or transferred out of the ownership or control of the Federal Government; or (2) the date of expiration of the last insurance contract issued under section 102 (12 U.S.C. § 5212). Since OFS has met these requirements, fiscal year 2023 will be the final financial statement audit of TARP.

and final accounting and reporting initiatives. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements and Internal Control over Financial Reporting

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in OFS's agency financial report for TARP, and ensuring the consistency of that information with the audited financial statements and the RSI;
- designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; and
- its assessment about the effectiveness of internal control over financial reporting as of September 30, 2023, included in the accompanying Management's Report on Internal Control over Financial Reporting in appendix I.

Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether effective internal control over financial reporting was maintained in all material respects, and (2) issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists.[6] The risk of not detecting a material misstatement resulting from fraud is higher than for one

[6]A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.

- Obtain an understanding of internal control relevant to our audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk. Our audit of internal control also considered OFS's process for evaluating and reporting on internal control over financial reporting based on criteria established under FMFIA. We did not evaluate all internal controls relevant to operating objectives as broadly established under FMFIA, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

<u>Definition and Inherent Limitations of Internal Control over Financial Reporting</u>

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and

- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

OFS's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in OFS's agency financial report for TARP. The other information comprises the Message From The Agency Head, Executive Summary, Additional TARP Historical Information, and TARP Glossary sections included in OFS's agency financial report for TARP. It does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or if the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of OFS's financial statements for TARP, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to OFS. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

OFS management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to OFS.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to OFS that have a direct effect on the determination of material amounts and disclosures in TARP's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to OFS. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, OFS stated that it is proud to receive an unmodified opinion on its financial statements and its internal control over financial reporting. OFS also stated that it has always been committed to maintaining high standards and transparency in carrying out its responsibilities for TARP. The complete text of OFS's response is reproduced in appendix II.

Cheryl E. Clark

Cheryl E. Clark
Director
Financial Management and Assurance

November 2, 2023

Appendix I: Management's Report on Internal Control over Financial Reporting

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Management's Report on Internal Control over Financial Reporting

The Office of Financial Stability's (OFS) internal control over financial reporting (for TARP) is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority; regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

OFS management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. OFS management evaluated the effectiveness of OFS's internal control over financial reporting as of September 30, 2023, based on the criteria established under 31 U.S.C. 3512(c), (d) (commonly known as the Federal Managers' Financial Integrity Act).

Based on that evaluation, we conclude that, as of September 30, 2023, OFS's internal control over financial reporting was effective.

Noel Poyo
Deputy Assistant Secretary for Community and Economic Development

November 2, 2023

Appendix II: OFS Response to Auditor's Report

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

November 2, 2023

Ms. Cheryl E. Clark
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Clark:

We have reviewed the Independent Auditor's Report concerning your audit of the Office of Financial Stability (OFS) fiscal year 2023 financial statements. OFS is proud to receive a 15th consecutive unmodified opinion on its financial statements and internal controls over financial reporting.

We appreciate the professionalism and commitment demonstrated by your staff throughout the audit process. The process was valuable for us and resulted in concrete improvements in our operations and financial management efforts.

OFS has always been committed to maintaining high standards and transparency as we carried out our responsibilities for managing the Troubled Asset Relief Program.

Sincerely,

Noel Poyo
Deputy Assistant Secretary for Community and Economic Development

FINANCIAL STATEMENTS

The Office of Financial Stability (OFS) prepares financial statements for the Troubled Asset Relief Program (TARP) as a critical aspect of ensuring the accountability and stewardship for the public resources entrusted to it and as required by Section 116 of the Emergency Economic Stabilization Act of 2008 (EESA). Preparation of these statements is also an important part of OFS's financial management goal of providing accurate and reliable information that may be used to assess performance and allocate resources. OFS management is responsible for the accuracy and propriety of the information contained in the financial statements and the quality of internal controls. The statements are, in addition to other financial reports, used to monitor and control budgetary resources. OFS prepares these financial statements from its books and records in conformity with the accounting principles generally accepted in the United States for federal entities and the formats prescribed by the Office of Management and Budget (OMB).

While these financial statements reflect activities of OFS in executing its programs, including providing resources to various entities to help stabilize the financial markets, they do not include, as more fully discussed in Note 1, the assets, liabilities, or results of operations of commercial entities in which OFS had a significant equity interest.

The Balance Sheet summarizes OFS assets, liabilities and net position as of September 30, 2023 and 2022. Intragovernmental assets and liabilities resulting from transactions between federal agencies are presented separately from assets and liabilities resulting from transactions with the public.

The Statement of Net Cost presents the net cost of operations for the fiscal years ended September 30, 2023 and 2022.

The Statement of Changes in Net Position presents the change in OFS's net position for two components, Unexpended Appropriations and Cumulative Results of Operations, for the fiscal years ended September 30, 2023 and 2022. The ending balances of both components of net position are also reported on the Balance Sheet.

The Statement of Budgetary Resources provides information about funding and availability of budgetary resources and the status of those resources for the fiscal years ended September 30, 2023 and 2022.

OFS is dissolving as an entity and there is no longer a legal requirement to produce future financial statements since there are no remaining troubled assets or insurance contracts (12 U.S.C. § 5226(e)).

Office of Financial Stability - Troubled Asset Relief Program

BALANCE SHEET

As of September 30, 2023 and 2022

Dollars in Thousands	2023	2022
ASSETS		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 3)	$ 14,219,533	$ 14,341,427
Total Intragovernmental Assets	14,219,533	14,341,427
Cash on Deposit for Housing Program (Note 4)	-	9,626
Equity Investments, Net (Note 6)	-	3,452
Total Assets	**$ 14,219,533**	**$ 14,354,505**
LIABILITIES		
Intragovernmental Liabilities:		
Accounts Payable and Other Liabilities	$ 242	$ 362
Due to the General Fund (Note 7)	370	457
Principal Payable to the Bureau of the Fiscal Service (Note 8)	-	3,758
Total Intragovernmental Liabilities	612	4,577
Accounts Payable and Other Liabilities	3,916	5,031
Liabilities for Treasury Housing Programs Under TARP:		
FHA-Refinance Program (Note 5)	-	15
Making Home Affordable Program (Note 5)	-	24,029
Total Liabilities	**$ 4,528**	**$ 33,652**
Commitments and Contingencies (Note 9)		
NET POSITION		
Unexpended Appropriations	$ 14,215,158	$ 14,311,362
Cumulative Results of Operations	(153)	9,491
Total Net Position	**$ 14,215,005**	**$ 14,320,853**
Total Liabilities and Net Position	**$ 14,219,533**	**$ 14,354,505**

The accompanying notes are an integral part of these financial statements.

Office of Financial Stability - Troubled Asset Relief Program

STATEMENT OF NET COST

For the Years Ended September 30, 2023 and 2022

Dollars in Thousands	2023	2022
STRATEGIC GOAL: PROMOTING ECONOMIC PROSPERITY AND MAINTAINING STABILITY		
Gross Cost of Operations:		
Program Subsidy Cost (Income) (Note 5, Note 6, and Note 10)		
FHA-Refinance Program	$ (160)	$ (112)
Equity Investment Programs	(114)	(212)
Total Program Subsidy Cost (Income)	(274)	(324)
Interest Expense on Borrowings from the Bureau of the Fiscal Service (Note 10)	81	317
Treasury Housing Programs Under TARP, Net (Note 5)	100,714	204,374
Administrative Cost	25,388	29,196
Total Gross Cost of Operations	**125,909**	**233,563**
Total Earned Revenue	**(81)**	**(317)**
Total Net Cost of Operations	**$ 125,828**	**$ 233,246**

The accompanying notes are an integral part of these financial statements.

Office of Financial Stability - Troubled Asset Relief Program

STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2023 and 2022

	2023		2022	
Dollars in Thousands	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations
Beginning Balances	$ 14,311,362	$ 9,491	$ 14,536,787	$ (2,901)
Budgetary Financing Sources				
Appropriations Received	33,612	-	49,973	-
Appropriations Used	(116,458)	116,458	(245,962)	245,962
Other Adjustments - Canceled Authority	(13,358)	-	(29,436)	-
Other Financing Sources	-	(274)	-	(324)
Total Financing Sources	(96,204)	116,184	(225,425)	245,638
Net Cost of Operations	-	(125,828)	-	(233,246)
Net Change	(96,204)	(9,644)	(225,425)	12,392
Ending Balances	$ 14,215,158	$ (153)	$ 14,311,362	$ 9,491

The accompanying notes are an integral part of these financial statements.

Office of Financial Stability - Troubled Asset Relief Program

STATEMENT OF BUDGETARY RESOURCES

For the Years Ended September 30, 2023 and 2022

Dollars in Thousands	2023 Budgetary	2023 Non-Budgetary Credit Reform Financing Account	2022 Budgetary	2022 Non-Budgetary Credit Reform Financing Account
BUDGETARY RESOURCES				
Unobligated Balances Brought Forward, October 1	$ 134,700	$ 777	$ 159,328	$ 4,514
Recoveries of Prior-Year Unpaid Obligations	767,527	-	2,816	-
Actual Repayments of Debt, Prior-Year Balances	-	(518)	-	(827)
Cancelled Authority	(13,358)	-	(29,436)	-
Other Changes in Unobligated Balances	(755,087)	-	57	-
Unobligated Balance from Prior-Year Budget Authority, Net	133,782	259	132,765	3,687
Appropriations	33,612	-	49,973	-
Borrowing Authority	-	-	-	106
Spending Authority from Offsetting Collections	-	553	-	869
TOTAL BUDGETARY RESOURCES (Note 11)	**$ 167,394**	**$ 812**	**$ 182,738**	**$ 4,662**
STATUS OF BUDGETARY RESOURCES				
New Obligations and Upward Adjustments (Total)	$ 29,600	$ 442	$ 48,038	$ 3,885
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts	4,573	-	2,025	76
Unapportioned, Unexpired Accounts	91,003	370	91,003	701
Unexpired Unobligated Balance, End of Year	95,576	370	93,028	777
Expired Unobligated Balance, End of Year	42,218	-	41,672	-
Unobligated Balance, End of Year (Total)	137,794	370	134,700	777
TOTAL STATUS OF BUDGETARY RESOURCES	**$ 167,394**	**$ 812**	**$ 182,738**	**$ 4,662**
OUTLAYS, NET AND DISBURSEMENTS, NET				
Outlays, Net (Total)	141,742		255,455	
Distributed Offsetting Receipts	(361)		(3,568)	
Agency Outlays, Net	**$ 141,381**		**$ 251,887**	
Disbursements, Net (Total)		**$ (3,351)**		**$ (9,318)**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. REPORTING ENTITY

The Troubled Asset Relief Program (TARP) was authorized by the Emergency Economic Stabilization Act of 2008, as amended (EESA). EESA gave the Secretary of the Treasury (the Secretary) broad and flexible authority to establish the TARP to purchase and insure mortgages and other troubled assets, which permitted the Secretary to inject capital into banks and other commercial companies by taking equity positions in those entities to help stabilize the financial markets.

The EESA established certain criteria under which the TARP would operate, including provisions that impact the budgeting, accounting, and reporting of troubled assets acquired. Section 115 of the EESA limited the authority of the Secretary to purchase troubled assets up to $700.0 billion outstanding at any one time, calculated as the aggregate purchase prices of all troubled assets held. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act amended Section 115 of the EESA, limiting the TARP's authority to a total of $475.0 billion cumulative obligations (i.e., purchases and guarantees) and prohibiting any new obligations for programs or initiatives that had not been publicly announced prior to June 25, 2010.

The Consolidated Appropriations Act, 2016 (the Act), gave the Secretary of the Treasury the ability to commit an additional $2.0 billion in TARP funds to current Hardest Hit Fund (HHF) participants. The additional $2.0 billion was obligated by Treasury as of June 2016. OFS currently does not have the authority to commit new program funds. OFS had utilized (including purchases made, legal commitments to make purchases and offsets for guarantees made) $449.6 billion as of September 30, 2023 and as of September 30, 2022.

During fiscal years 2023 and 2022, OFS administered the Capital Purchase Program (CPP), the Community Development Capital Initiative (CDCI), and the Treasury Housing Programs under TARP. See Notes 5 and 6 for details regarding these programs.
Through the purchase of troubled assets, OFS entered into several different types of direct loan, equity investment, and other credit programs (consisting of the Federal Housing Administration (FHA) Refinance Program) (collectively, OFS programs) with private entities. OFS programs were entered into with the intent of helping to stabilize the financial markets and mitigating, as best as possible, any adverse impact on the economy; they were not entered into to engage in the business activities of the respective private entities nor to be permanent in nature.

These private entities were not included in the federal budget, and OFS did not hold a majority ownership interest in them nor control them with risk of loss or expectation of benefit.

OFS's intent since the inception of TARP was to liquidate its ownership in these entities as soon as practicable. Following the criteria in Statement of Federal Financial Accounting Standards (SFFAS) 47, *Reporting Entity*, OFS had not consolidated into its financial statements the assets, liabilities, or results of operations of these entities in which OFS had a significant equity interest. Instead, these financial statements reflected the activities of OFS in executing its programs, including providing resources to various entities to help stabilize the financial markets. The value of such investments was recorded in OFS financial statements. Using SFFAS 47 criteria, there were no investments for fiscal year 2022 in which OFS held a majority ownership interest. There were no investments as of September 30, 2023.

The EESA established OFS within the Office of Domestic Finance of the U.S. Department of the Treasury (Treasury) to administer the TARP and required its separate audited financial statements. OFS prepares stand-alone financial statements for TARP to satisfy EESA Section 116(b) (1) and as an office of the Treasury, its financial statements are consolidated into Treasury's Agency Financial Report.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements include the results of operations of the TARP and have been prepared from the accounting records of OFS in conformity with accounting principles generally accepted in the United States for federal entities (Federal GAAP), and the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as revised. Federal GAAP includes the standards issued by the Federal Accounting Standards Advisory Board (FASAB). The FASAB is recognized by the American Institute of Certified Public Accountants (AICPA) as the official accounting standards-setting body for the U.S. Government. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Section 123(a) of the EESA requires that the budgetary cost of purchases of troubled assets and guarantees of troubled assets, and any cash flows associated with authorized activities, be determined in accordance with the Federal Credit Reform Act of 1990 (FCRA). Section 123(b) (1) of the EESA requires that the budgetary costs of troubled assets and guarantees of troubled assets be calculated by adjusting the discount rate for market risks. As a result of this requirement, OFS considered market risk in its calculation and determination of the estimated net present value of its equity investment and FHA Refinance programs for budgetary purposes. Similarly, market risk is considered in the valuations for financial reporting purposes (see Note 5 for further discussion).

Consistent with its accounting policy for equity investments in private entities, OFS accounts for its equity investments at fair value. Since fair value is not defined in federal accounting standards, as established in SFFAS No. 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*, OFS conforms to fair value definitions contained in the private sector Financial Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. OFS defines fair value of its equity investments as the estimated amount of proceeds that would be received if the equity investments were sold to a market participant in an orderly transaction. Note 6 presents Equity Investments tabulated by the Level of Observation of the inputs used in the valuation process. Level 1 assets are measured using quoted market prices for identical assets. Level 2 assets are measured using observable market inputs other than direct market quotes. Level 3 assets are measured using unobservable inputs.

OFS uses the present value accounting concepts embedded in SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees,* as amended (SFFAS No. 2), to derive fair value measurements for its equity investments in Levels 2 and 3. OFS concluded that some of the equity investments, such as preferred stock, were similar to direct loans since there was a stated rate and a redemption feature which, if elected, required repayment of the amount invested. Furthermore, consideration of market risk provided a basis to arrive at a fair value measurement. Therefore, OFS concluded that SFFAS No. 2 (as more fully discussed below) should be followed for reporting and disclosure requirements of its equity investments.

OFS applies the provisions of FCRA for budgetary accounting and the associated FASAB accounting standard SFFAS No. 2 for financial reporting for loan guarantee programs. Liabilities under the FHA Refinance Program are recognized at the net present value of their estimated future cash flows when the FHA guarantees loans. For equity investments, the subsidy allowance account represents the difference between the face value of the outstanding equity investment balance and the net present value of the expected future cash flows or fair value and is reported as an adjustment to the face value of the equity investment.

OFS recognizes dividend income associated with equity investments when declared by the entity in which OFS has invested and when received in relation to any repurchases, exchanges, and restructurings. Annually, OFS reflects changes, referred to as reestimates, in its determination of the value of equity investment and FHA Refinance programs in the subsidy cost on the Statement of Net Cost.

In certain programs, OFS has received common stock warrants, additional preferred stock (referred to as warrant preferred stock) or additional notes as additional consideration. OFS accounts for any proceeds received from the sale of these investments as fees under SFFAS No. 2; as such, they are credited to the subsidy allowance rather than to income.

Use of Estimates

OFS has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, and cost to prepare these financial statements. Actual results could significantly differ from these estimates. Major financial statement lines that include estimates are Equity Investments, Net, and the Liabilities for Treasury Housing Programs under TARP on the Balance Sheet, and related Program Subsidy Cost (Income) on the Statement of Net Cost (see Notes 5 and 6).

The most significant differences between actual results and estimates may occur in the valuation of OFS's programs. These valuation estimates are sensitive to slight changes in model assumptions, such as general economic conditions, specific stock price volatility of the entities in which OFS has an equity interest, estimates of expected default, and prepayment rates.

Credit Reform Accounting

OFS accounts for the cost of equity investment and FHA Refinance programs in accordance with Section 123(a) of the EESA and the FCRA for budgetary accounting, and fair value and SFFAS No. 2, respectively, for financial reporting. The FCRA calls for the establishment of program, financing and general fund receipt accounts to segregate and report receipts and disbursements. These accounts are classified as either budgetary or non-budgetary in the Statement of Budgetary Resources. OFS maintains budgetary program accounts which receive appropriations and obligate funds to cover the subsidy cost of equity investment and FHA Refinance programs and disburse the subsidy cost to OFS's financing accounts. The financing accounts are non-budgetary accounts that are used to record all of the cash flows resulting from the OFS equity investment and FHA Refinance programs. Cash flows include disbursements, borrower repayments, repurchases, fees, recoveries, interest, dividends, proceeds from the sale of stock and warrants, borrowings from and repayments to Treasury, negative subsidy and the subsidy cost received from the program accounts, as well as subsidy reestimates and modifications.

Financing arrangements specifically for the TARP activities are provided for in EESA as follows: (1) borrowing for program funds under Section 118, reported as "appropriations" in these financial statements, and (2) borrowing by financing accounts for amounts not covered by subsidy cost, under the FCRA and Section 123. OFS uses budgetary general fund receipt accounts to record the receipt of amounts paid from the financing accounts when there is a negative subsidy or negative modification (a reduction in subsidy cost due to changes in program policy or terms that change estimated future cash flows) from the original estimate or a downward reestimate. Any assets in these accounts are non-entity assets, not available to OFS, and are offset by intragovernmental liabilities. Fund balance transferred to the U.S. Treasury through the general fund receipt accounts is not included in OFS's reported Fund Balance with Treasury (FBWT).

SFFAS No. 2 requires that the actual and expected costs of federal credit programs be fully recognized in financial reporting. OFS calculated and recorded initial estimates of the future performance of equity investment and FHA Refinance programs. The data used for these estimates were reestimated annually, at fiscal year-end, to reflect adjustments for market risk, asset performance, and other key variables and economic factors. The reestimate data were then used to estimate and report the Program Subsidy Cost (Income) in the Statement of Net Cost. A detailed discussion of OFS's subsidy calculation and reestimate assumptions, process, and results is provided in Note 6.

Fund Balance with Treasury

The FBWT includes funds available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by the Treasury, and OFS's records are reconciled with those of the Treasury on a regular basis.

Available unobligated balances represent amounts that are apportioned for obligation in the current fiscal year. Unavailable unobligated balances represent unanticipated collections in excess of the amounts apportioned. Obligated balances not yet disbursed include undelivered orders and unpaid expended authority. Non-Budgetary FBWT represents the amount that will be transferred to the General Fund from the TARP Housing Program Account. See Note 3.

Equity Investments, Net

In fiscal year 2022, Equity Investments, Net represented the estimated net outstanding amount of the OFS equity investments. The equity investment balances had been determined in accordance with the provisions of SFFAS No. 2 and were recorded at fair value (see Note 6). Write-offs of equity investment balances (presented in Note 6 table) were recorded when a legal event occurred, such as a bankruptcy or liquidation with suspension or termination of collection action, or extinguishment of a debt instrument by agreement and there was no expectation of further collection. Under SFFAS No. 2, write-offs did not affect the Statement of Net Cost because the written-off asset was fully reserved. Therefore, the write-off removed the asset balance and the associated subsidy allowance.

General Property and Equipment

Equipment with a cost of $50,000 or more per unit and a useful life of two years or more is capitalized at full cost and depreciated using the straight-line method over the equipment's useful life. Other equipment not meeting the capitalization criteria is expensed when purchased. Software developed for internal use is capitalized and amortized over the estimated useful life of the software if the cost per project is greater than $250,000. However, OFS may expense such software if management concludes that total period costs would not be materially distorted and the cost of capitalization is not economically prudent. Based upon these criteria, OFS reports no capitalized property, equipment or software on its Balance Sheet as of September 30, 2023 and 2022.

Accounts Payable and Other Liabilities

Accounts Payable and Other Liabilities are amounts due to intragovernmental or public entities that are anticipated to be liquidated during the next operating cycle (within one year from the balance sheet date).

Due to the General Fund

Due to the General Fund represents the amount of accrued downward reestimates not yet funded, related to direct loan, equity investment, and FHA Refinance programs as of September 30, 2023 and 2022. See Notes 5, 6 and 7.

Principal Payable to the Bureau of the Fiscal Service

Principal Payable to the Bureau of the Fiscal Service (Fiscal Service) is the amount due for equity investments funded by borrowings from the Fiscal Service as of the end of the fiscal year. Additionally, OFS borrows from the Fiscal Service for payment of intragovernmental interest and payment of downward reestimates to the general fund, as necessary. See Note 8.

Liabilities for Treasury Housing Programs under TARP

There were three initiatives in the Treasury Housing Programs: the Making Home Affordable Program, the Hardest Hit Fund and the FHA Refinance Program. These housing programs have been terminated. OFS had determined that credit reform accounting is not applicable to the Treasury Housing Programs under TARP except for the FHA Refinance Program. Therefore, liabilities for the Making Home Affordable Program and Hardest Hit Fund were accounted for in accordance with SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. In accordance with this standard, a liability is recognized for any unpaid amounts due and payable as of the reporting date. The liability estimate as of September 30, 2022 was based on information about loan modifications reported by participating servicers for the Making Home Affordable Program. See Note 5.

At the end of fiscal year 2010, OFS entered into a loss-sharing agreement with the FHA to support a program in which FHA would guarantee refinancing for borrowers whose homes are worth less than the remaining amounts owed under their mortgage loans, i.e., "underwater." The liability for OFS's share of losses was determined under credit reform accounting and shown as FHA Refinance Program, one of the Liabilities for Treasury Housing Programs under TARP, on the Balance Sheet. See Notes 4 and 5.

Unexpended Appropriations

Unexpended Appropriations represents OFS's undelivered orders and unobligated balances reduced by cancelled authority in budgetary appropriated funds as of September 30, 2023 and 2022.

Cumulative Results of Operations

Cumulative Results of Operations, presented on the Balance Sheet and on the Statement of Changes in Net Position, represents the net results of OFS's operations not funded by appropriations or some other source, such as borrowing authority, from inception through fiscal year-end.

Other Financing Sources

The Other Financing Sources line in the Statement of Changes in Net Position for each year consists primarily of downward reestimates. Each program's reestimates, upward and downward, are recorded separately, not netted together.

Leave

A liability for OFS employees' annual leave is accrued as it is earned and reduced as leave is taken. Each year the balance of accrued annual leave is adjusted to reflect current pay rates as well as forfeited "use or lose" leave. Amounts are unfunded to the extent current or prior year appropriations are not available to fund annual leave earned but not taken. Sick leave and other types of non-vested leave are expensed as taken. The liability is included in the Balance Sheet amount for Accounts Payable and Other Liabilities.

Employee Health and Life Insurance and Workers' Compensation Benefits

OFS employees may choose to participate in the contributory Federal Employees Health Benefit and the Federal Employees Group Life Insurance Programs. OFS matches a portion of the employee contributions to each program. Matching contributions are recognized as current operating expenses.

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, and employees who have incurred a work-related injury or occupational disease. Future workers' compensation estimates are generated from an application of actuarial procedures developed to estimate the liability for FECA benefits. The actuarial liability estimates for FECA benefits include the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. Any FECA amounts relating to OFS employees are expensed as incurred.

Employee Pension Benefits

OFS employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS) and Social Security. These systems provide benefits upon retirement and in the event of death, disability or other termination of employment and may also provide pre-retirement benefits. They may also include benefits to survivors and their dependents, and may contain early retirement or other special features. OFS contributions to retirement plans and Social Security, as well as imputed costs for pension and other retirement benefit costs administered by the Office of Personnel Management, are recognized on the Statement of Net Cost as Administrative Cost. Federal employee benefits also include the Thrift Savings Plan (TSP). For FERS employees, a TSP account is automatically established and OFS matches employee contributions to the plan, subject to limitations. The matching contributions are recognized as Administrative Costs on the Statement of Net Cost.

Related Parties

There are no related parties for OFS.

NOTE 3. FUND BALANCE WITH TREASURY

Fund Balance with Treasury (FBWT), by status, as of September 30, 2023 and 2022, is presented in the table below. The Non-Budgetary FBWT represents the amount that will be transferred to the General Fund from the TARP Housing Program Account effective September 30, 2025. The legal authority is 31 U.S.C. § 1555 stating an account shall be closed and remaining funds shall be cancelled if no disbursements have been made against the appropriation for two consecutive fiscal years. Since OFS is dissolving as an entity and will not produce future financial statements, Treasury will continue to monitor the fund balances until the funding is transferred to the General Fund.

(Dollars in Thousands)	As of September 30, 2023	2022
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	$ 4,573	$ 2,101
Unavailable	42,588	133,376
Obligated Balance Not Yet Disbursed	9,840	899,139
Non-Budgetary FBWT	14,162,532	13,306,811
Total	$ 14,219,533	$ 14,341,427

NOTE 4. CASH ON DEPOSIT FOR HOUSING PROGRAM

The $9.6 million on deposit with a commercial bank was returned to OFS on January 19, 2023 and is included in the Non-Budgetary FBWT as of September 30, 2023. See Note 5 for further details regarding the FHA Refinance Program. Under terms of the agreement with the commercial bank, unused funds should be returned to OFS upon the termination of the program. The letter of credit expired December 31, 2022 which terminated the program.

NOTE 5. TREASURY HOUSING PROGRAMS UNDER TARP

In fiscal year 2023 OFS completed the wind-down of two housing programs under TARP. The largest program, Making Home Affordable (MHA) required that all participating servicers complete financial assistance actions on or before December 1, 2017. The final MHA payments were in April 2023. The FHA program was terminated on December 31, 2022. The housing programs were designed to prevent avoidable foreclosure and provided stability for the housing market, and primarily provided assistance to homeowners who were experiencing financial hardships. The housing programs fell into three initiatives:

1) Making Home Affordable Program (MHA);
2) Hardest Hit Fund (HHF); and
3) FHA Refinance Program.

Features of these initiatives follow:

Housing Programs	Features
MHA	
Home Affordable Modification Program (HAMP)	
First Lien Modification Program (Tier 1, Tier 2, and Streamline)	Provided for upfront, monthly and annual incentives to servicers, borrowers and investors who participated, whereby the investor and OFS share the costs of modifying qualified first liens, conditional on borrower performance.
Principal Reduction Alternative Program (PRA)	Paid financial incentives to investors for principal reduction in conjunction with a first lien HAMP modification.
Home Affordable Foreclosure Alternatives (HAFA)	Designed to assist eligible borrowers unable to retain their homes through a HAMP modification, by simplifying and streamlining the short sale and deed-in-lieu of foreclosure processes and provided financial incentives to servicers and investors as well as relocation assistance to borrowers who pursue short sales and deeds-in-lieu.
Unemployment Forbearance Program (UP)	Offered assistance to unemployed homeowners through temporary forebearance of a portion of their mortgage payments. This program did not require any payments from OFS.
Treasury FHA-HAMP	Provided mortgage modifications similar to HAMP, but for FHA-insured or guaranteed loans offered by the FHA.
Second Lien Modification Program (2MP)	Offered financial incentives to participating servicers who modifed second liens in conjunction with a HAMP modification.
Rural Development HAMP (RD-HAMP)	Provided for lower monthly payments on USDA guaranteed loans.
HHF	Provided locally tailored assistance to states hardest hit by the housing market downturn, to assist struggling homeowners and help stabilize housing markets.
FHA Short Refinance	Joint initiative with HUD that encouraged refinancing of existing underwater mortgage loans not currently insured by FHA into FHA insured mortgages.

Making Home Affordable

In early 2009, Treasury launched MHA to help struggling homeowners avoid foreclosure. Since its inception, MHA has helped homeowners avoid foreclosure by providing a variety of solutions to modify their mortgages, get temporary forbearance if they are unemployed, or transition out of homeownership via a short sale or deed-in-lieu of foreclosure. The cornerstone of MHA was the Home Affordable Modification Program (HAMP), which provided eligible homeowners the opportunity to reduce their monthly mortgage payments to more affordable levels. Treasury also launched programs under MHA to help homeowners who are unemployed, "underwater" on their loans (those who owe more on their home than it is currently worth) or struggling with second liens. MHA also included programs to help homeowners with loans insured or guaranteed by FHA and the U.S. Department of Agriculture (USDA).

All MHA disbursements were made to servicers either for themselves or for the benefit of borrowers and investors, and all payments were contingent on borrowers remaining in good standing.

Fannie Mae, as the MHA Program Administrator, provided direct programmatic support as a financial agent on behalf of OFS. Freddie Mac provided compliance oversight of servicers as financial agent on behalf of OFS, and the servicers worked directly with the borrowers to modify and service the borrowers' loans. Fees paid to Fannie Mae and Freddie Mac are included in Administrative Costs reported on the Statement of Net Cost.

The MHA program terminated on December 31, 2016, except with respect to certain loan modification applications made before such date, per December 2015, Section 709(b) of the Consolidated Appropriations Act, 2016 (the Act).

The final MHA payments occurred in April 2023. In May 2023 Treasury de-obligated the MHA remaining funds of $642.4 million. For the fiscal year ended September 30, 2023, the MHA payments were $124.6 million.

Hardest Hit Fund

The HHF was implemented in fiscal year 2010 and provides locally tailored assistance to states hit hardest by the housing market downturn, to assist struggling homeowners and help stabilize housing markets through each state's Housing Finance Agency (HFA). States that meet the criteria for this program, consisting of Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, as well as the District of Columbia, receive funding from OFS. States had until December 31, 2021 to expend all HHF program funding and March 31, 2022 to expend all HHF administrative funding.

Starting in fiscal year 2020 and continuing thereafter, states that have reached their end-of-term were required to return any remaining drawn but unspent funds to Treasury. During fiscal year 2022, 11 states returned $124.0 million. During fiscal year 2021, six states returned $113.9 million. As of March 31, 2022, the HHF program ended and all states had returned their unspent funds to Treasury. In November 2022, Treasury de-obligated the remaining $106.6 million in HHF program funds.

FHA Refinance Program

The FHA Refinance Program was intended to encourage refinancing of existing underwater mortgage loans not currently insured by FHA into FHA-insured mortgages. OFS established a letter of credit that obligated OFS's portion of any claims associated with the FHA-guaranteed mortgages. The letter of credit expired December

31, 2022, which terminated the program. OMB had determined that for budgetary purposes, the FHA Refinance Program cost was calculated under the FCRA, and accordingly OFS determined that it was appropriate to follow SFFAS No. 2 for financial reporting. A liability was calculated at the net present value of estimated future cash flows. OFS's guarantee resulted in a liability of $15 thousand at September 30, 2022. OFS paid $123 thousand and $168 thousand in fiscal years 2023 and 2022, respectively, to maintain the letter of credit. From inception to date $374 thousand in claim payments had been made. In March 2023 Treasury de-obligated the FHA remaining funds of $6.2 million.

OFS originally deposited $50.0 million with a commercial bank as its agent to administer payment of claims under the program; that amount was reduced to $9.6 million in 2019. The $9.6 million was returned to OFS on January 19, 2023.

NOTE 6. EQUITY INVESTMENTS, NET AND FHA REFINANCE PROGRAM

OFS administered programs designed to help stabilize the financial system and restore the flow of credit to consumers and businesses. OFS made direct loans and equity investments under TARP.

OFS also entered into other credit programs, which consisted of a loss-sharing program under TARP. The table below recaps OFS's programs by title and type:

Program	Program Type
Equity Investments	
Capital Purchase Program	Equity Investment/Subordinated Debentures
Community Development Capital Initiative	Equity Investment/Subordinated Debentures
Other Credit Program	
FHA-Refinance Program	Loss-sharing Program with FHA

Equity Investment Programs

Capital Purchase Program

In October 2008, OFS began implementation of the TARP with the CPP, designed to help stabilize the financial system by assisting in building the capital base of certain viable U.S. financial institutions to increase the capacity of those institutions to lend to businesses and consumers and support the economy.

OFS invested a total of $204.9 billion in 707 institutions under the CPP program between October 2008 and December 2009.

Under this program, OFS purchased senior perpetual preferred stock from qualifying U.S. controlled banks, savings associations, and certain bank and savings and loan holding companies (Qualified Financial Institution or QFI). The senior preferred stock had a stated dividend rate of 5.0 percent through year five, which increased to 9.0 percent in subsequent years. In addition to the senior preferred stock, OFS received warrants, with a 10-year term, as required by Section 113(d) of EESA, from public QFIs to purchase a number of shares of common stock. QFIs that are Subchapter S corporations issued subordinated debentures instead of preferred stock (to comply with tax code regulations) with interest rates of 7.7 percent for the first five years and 13.8 percent thereafter. OFS received warrants from non-public QFIs for the purchase of additional senior preferred stock (or subordinated debentures if appropriate) with a stated dividend rate of 9.0 percent (13.8 percent interest rate for subordinate debentures) and a liquidation preference equal to 5.0 percent of the total senior preferred stock (additional subordinate debenture) investment. These warrants were immediately exercised and resulted in OFS holding additional senior preferred stock (subordinated debentures) (collectively referred to as "warrant preferred stock") of non-public QFIs.

In addition to the above transactions, OFS entered into other transactions with various financial institutions including exchanging existing preferred shares for a like amount of non-tax-deductible Trust Preferred Securities, exchanging preferred shares for shares of mandatorily convertible preferred securities and selling preferred shares to financial institutions that were acquiring the QFIs that have issued the preferred shares.

Generally, these transactions were entered into with financial institutions in poor financial condition with a high likelihood of failure. As such, in accordance with SFFAS No. 2, these transactions were considered workouts and not modifications. The changes in cost associated with these transactions were captured in the year-end reestimates.

In fiscal year 2023, OFS received $2.4 million in a repayment from the last CPP investment. As of September 30, 2023, the outstanding balance was zero. In fiscal year 2022, OFS did not receive any repayments. As of September 30, 2022, one institution had an outstanding balance was $12.0 million with a valuation of $2.4 million.

Community Development Capital Initiative

In February 2010, OFS announced the CDCI to invest lower cost capital in Community Development Financial Institutions (CDFIs). Under the terms of the program, OFS purchased senior preferred stock (or subordinated debt) from eligible CDFIs. The senior preferred stock had an initial dividend rate of 2 percent. CDFI banks and thrifts could apply to receive capital up to 5 percent of risk-weighted assets while CDFI credit unions could apply for up to 3.5 percent of total assets. To encourage repayment while recognizing the unique circumstances facing CDFIs, the dividend rate increases to 9 percent after eight years.

CDFIs participating in the CPP, subject to certain criteria, were eligible to exchange, through September 30, 2010, their CPP preferred shares (subordinated debt) then held by OFS for CDCI preferred shares (subordinated debt). These exchanges were treated as disbursements from CDCI and repayments to CPP. OFS invested a total of $570.1 million ($363.3 million as a result of exchanges from CPP) in 84 institutions under the CDCI.

In fiscal year 2023, OFS received $1.1 million in repayments from the last CDCI investments. As of September 30, 2023, the outstanding balance was zero. In fiscal year 2022, OFS did not receive any repayments. As of September 30, 2022, two institutions had an outstanding balance of $1.1 million with a valuation of $1.1 million.

Valuation Methodology

In fiscal year 2022 OFS applied fair value and the provisions of SFFAS No. 2 to account for equity investments and the FHA Refinance Program. This standard required measurement of the asset or liability at the net present value of the estimated future cash flows. The cash flow estimates for each transaction reflected the actual structure of the instruments. For each of these instruments, analytical cash flow models generated estimated cash flows to and from OFS over the estimated term of the instrument. Further, each cash flow model reflected the specific terms and conditions of the program, technical assumptions regarding the underlying assets, risk of default or other losses, and other factors as appropriate. The models also incorporated an adjustment for market risk to reflect the additional return required by the market to compensate for variability around the expected losses reflected in the cash flows (the "unexpected loss").

The adjustment for market risk required OFS to determine the return that would be required by market participants to enter into similar transactions or to purchase the assets held by OFS. Accordingly, the measurement of the assets attempted to represent the proceeds expected to be received if the assets were sold to a market participant in an orderly transaction. The methodology employed for determining market risk for equity investments generally involved using market prices of similar securities to estimate an appropriate market-adjusted discount rate that resulted in measuring equity investments at fair value. The adjustment for market risk for loans was intended to capture the risk of unexpected losses, but not intended to represent fair value, i.e., the proceeds that would be expected to be received if the loans were sold to a market participant. OFS used market observable inputs, when available, in developing cash flows and incorporating the adjustment required for market risk. For purposes of this disclosure, OFS had classified its programs' asset valuations as follows, based on the observability of inputs that were significant to the measurement of the asset:

- Quoted prices for Identical Assets (Level 1): The measurement of assets in this classification was based on direct market quotes for the specific asset, e.g., quoted prices of common stock.
- Significant Observable Inputs (Level 2): The measurement of assets in this classification was primarily derived from market observable data, other than a direct market quote, for the asset. This data could have been market quotes for similar assets for the same entity.
- Significant Unobservable Inputs (Level 3): The measurement of assets in this classification was primarily derived from inputs which generally represent management's best estimate of how a market participant would assess the risk inherent in the asset. These unobservable inputs were used because there was little to no direct market activity.

All OFS investments in CPP and CDCI were classified as Level 3 assets and valued at $2,382 thousand and $1,070 thousand, respectively, as of

September 30, 2022. There were no outstanding OFS investments as of September 30, 2023.

The following provides a description of the methodology used to develop the cash flows and incorporate the market risk into the measurement of OFS assets.

Financial Institution Equity Investments[7]

In fiscal year 2022, the estimated values of preferred equity investments were the net present values of the expected dividend payments and proceeds from repurchases and sales.

In fiscal year 2018, OFS implemented a new estimation methodology in its model for its remaining equity investments to better capture the expected performance of remaining securities. The model estimates the probability of default, preferred share calls and preferred dividends based on the institution's historical dividend payment performance and on the historical behavior of the equity investments for similar TARP and non-TARP Treasury programs. Inputs to the model include institution-specific dividend payments, preferred share calls, failures for TARP and non-TARP Treasury programs, as well as a financial market stress index published by the Federal Reserve Bank of St. Louis. The market risk adjustment is estimated by applying credit spreads from similar securities.

For fiscal year 2023, the models reflected the actual sales price. For fiscal year 2022 models, OFS estimated the values and projects the cash flows of warrants using an option-pricing approach based on the current stock price and its volatility. Investments in common stock that are exchange traded are valued at the quoted market price as of year-end.

[7] This consists of equity investments made under CPP and CDCI.

Subsidy Cost and Reestimates

The recorded subsidy cost of equity investments or the FHA Refinance program is based upon the calculated net present value of expected future cash flows. OFS's actions, as well as changes in legislation may change estimated future cash flows resulting in changes to subsidy cost. These changes in subsidy cost are recorded as modifications. The cost or reduction in cost of a modification is recognized when it occurs. During fiscal year 2023 and 2022, there were no modifications to any of the remaining programs.

The purpose of reestimates is to update original program subsidy cost estimates to reflect actual cash flow experience as well as changes in equity investment valuations or forecasts of future cash flows. Forecasts of future cash flows are updated based on actual program performance to date, additional information about the portfolio, additional publicly available relevant historical market data on securities performance, revised expectations for future economic conditions, and enhancements to cash flow projection methods.

For fiscal years 2023 and 2022, financial statement reestimates for all programs were performed using actual financial transaction data through September 30.

For fiscal years 2023 and 2022 market and security specific data publicly available as of September 30 were used. FHA Refinance reestimates used actual financial transaction data through September 30.

Net downward reestimates for fiscal year 2023 totaled $274 thousand. Net downward reestimates for fiscal year 2022 totaled $324 thousand. Descriptions of the reestimates, by OFS's Program, are as follows:

Capital Purchase Program

The $78 thousand downward reestimate for CPP for fiscal year ended September 30, 2023 was the result of collections less the reduced market values of remaining assets.

The $176 thousand downward reestimate for CPP for fiscal year ended September 30, 2022 was the result of collections less the reduced market values of remaining assets.

Community Development Capital Initiative

The $36 thousand downward reestimate for CDCI for fiscal years ended September 30, 2023 and 2022 was the result of collections and updated performance assumptions.

Summary Table

The following table recaps gross equity investments, subsidy allowance, net equity investments, reconciliation of subsidy cost allowance and subsidy cost, by TARP program, as of and for the fiscal years ended September 30, 2023 and 2022. OFS's authority expired October 3, 2010 and all investments were disbursed and no commitments were made thereafter, so there were no investment program budget execution subsidy rates for fiscal years 2023 and 2022.

Troubled Asset Relief Program Equity Investments

(Dollars in Thousands)	TOTAL	CPP	CDCI
As of September 30, 2023			
Equity Investment Programs:			
Equity Investments Outstanding, Gross	$ -	$ -	$ -
Subsidy Cost Allowance	-	-	-
Equity Investments Outstanding, Net	$ -	$ -	$ -
Reconciliation of Subsidy Cost Allowance:			
Balance, Beginning of Period	$ 9,670	$ 9,681	$ (11)
Interest and Dividend Revenue	71	-	71
Net Proceeds from Sales and Repurchases of Assets in Excess of (Less than) Cost	(9,595)	(9,595)	-
Net Interest Expense on Borrowings from Fiscal Service and Financing Account Balance	(32)	(8)	(24)
Balance, End of Period, Before Reestimates	114	78	36
Subsidy Reestimates Upward (Downward), Net	(114)	(78)	(36)
Balance, End of Period	$ -	$ -	$ -
Reconciliation of Subsidy Cost (Income):			
Subsidy Reestimates Upward (Downward), Net	(114)	(78)	(36)
Total Equity Investment Programs Subsidy Cost (Income)	$ (114)	$ (78)	$ (36)

Troubled Asset Relief Program Equity Investments

(Dollars in Thousands)	TOTAL	CPP	CDCI
As of September 30, 2022			
Equity Investment Programs:			
Equity Investments Outstanding, Gross	$ 13,122	$ 12,063	$ 1,059
Subsidy Cost Allowance	(9,670)	(9,681)	11
Equity Investments Outstanding, Net	$ 3,452	$ 2,382	$ 1,070
Reconciliation of Subsidy Cost Allowance:			
Balance, Beginning of Period	$ 9,364	$ 9,395	$ (31)
Interest and Dividend Revenue	95	-	95
Net Proceeds from Sales and Repurchases of Assets in Excess of (Less than) Cost	535	535	-
Net Interest Expense on Borrowings from Fiscal Service and Financing Account Balance	(112)	(73)	(39)
Balance, End of Period, Before Reestimates	9,882	9,857	25
Subsidy Reestimates Upward (Downward), Net	(212)	(176)	(36)
Balance, End of Period	$ 9,670	$ 9,681	$ (11)
Reconciliation of Subsidy Cost (Income):			
Subsidy Reestimates Upward (Downward), Net	(212)	(176)	(36)
Total Equity Investment Programs Subsidy Cost (Income)	$ (212)	$ (176)	$ (36)

NOTE 7. DUE TO THE GENERAL FUND

As of September 30, 2023 and 2022, OFS accrued $370 thousand and $457 thousand, respectively, of downward reestimates payable to the General Fund. Due to the General Fund is a non-entity liability on the Balance Sheet.

NOTE 8. PRINCIPAL PAYABLE TO THE BUREAU OF THE FISCAL SERVICE (Fiscal Service)

The equity investment and the FHA Refinance Programs, accounted for under federal credit reform, were funded by subsidy appropriations and borrowings from the Fiscal Service. OFS also borrowed funds to pay the Treasury General Fund for downward reestimates (these reduce program subsidy cost) in advance of receiving the expected cash flows that caused the downward reestimate. OFS made periodic principal repayments to the Fiscal Service based on the analysis of its cash balances and future disbursement needs. All debt was intragovernmental and covered by budgetary resources. See additional details on borrowing authority in Note 11, Statement of Budgetary Resources.

During fiscal year 2023, the CPP and CDCI debt were paid off. There is no outstanding debt as of September 30, 2023. Debt transactions for the fiscal years ended September 30, 2023 and 2022 were as follows:

	As of September 30,	
(Dollars in Thousands)	2023	2022
Beginning Balance, Principal Payable to the Fiscal Service	$ 3,758	$ 16,813
New Borrowings	-	106
Repayments	(3,758)	(13,161)
Ending Balance, Principal Payable to the Fiscal Service	$ -	$ 3,758

Borrowings from the Fiscal Service by the OFS, outstanding as of September 30, 2023 and 2022 were as follows:

	As of September 30,	
(Dollars in Thousands)	2023	2022
CPP	$ -	$ 2,668
CDCI	-	1,090
Total Borrowings Outstanding	$ -	$ 3,758

As of September 30, 2022, borrowings carried remaining terms ranging from 16 to 19 years, with interest rates from 2.96 percent to 3.80 percent.

NOTE 9. COMMITMENTS AND CONTINGENCIES

OFS is party to various legal actions and claims brought by or against it. In the opinion of management and the Office of General Counsel, the ultimate resolution of these legal actions and claims will not have a materially adverse effect on OFS's financial statements. Contingent liabilities related to litigation are recorded in the financial statements if and when losses are determined to be probable and measurable. Contingent liabilities are disclosed where the conditions for liability recognition have not been met and the likelihood of unfavorable outcome is more than remote. If litigation losses are to be paid by the Treasury Judgment Fund, the related cost is allocated to the appropriate federal entity, which records the cost and an offsetting financing source in its financial statements.

NOTE 10. STATEMENT OF NET COST

The Statement of Net Cost (SNC) presents the net cost of operations for OFS under the strategic goal to transform government-wide financial stewardship. OFS has determined that all initiatives and programs under the TARP fall within this strategic goal.

OFS's SNC reports the annual accumulated full cost of the TARP's output, including both direct and indirect costs of the program services and output identifiable to TARP, in accordance with SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards*.

OFS's SNC for fiscal year 2023 includes $81 thousand of intragovernmental costs relating to interest expense on borrowings from the Fiscal Service.

Subsidy allowance amortization on the SNC is the difference between interest income on financing fund account balances, dividends and interest income on equity investments and FHA Refinance programs from TARP participants, and interest expense on borrowings from the Fiscal Service. The subsidy allowance account is used to present the equity investments at the estimated net present value of future cash flows. OFS's SNC includes $42 thousand of subsidy allowance amortization for fiscal year 2023.

NOTE 11. STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources (SBR) presents information about total budgetary resources available to OFS and the status of those resources. For the fiscal year ended September 30, 2023, OFS's total resources in budgetary accounts were $167.4 million and resources in non-budgetary financing accounts, including spending authority from collections of equity investment liquidations, dividends, interest and fees, were $812 thousand. For the fiscal year ended September 30, 2022, OFS's total resources in budgetary accounts were $182.7 million and resources in non-budgetary financing accounts were $4.7 million.

Permanent Indefinite Appropriations

OFS receives permanent indefinite appropriations annually, if necessary, to fund increases in the projected subsidy costs of equity investments and FHA Refinance programs as determined by the reestimation process required by the FCRA.

Additionally, Section 118 of the EESA states that the Secretary may issue public debt securities and use the resulting funds to carry out EESA and that any such funds expended or obligated by the Secretary for actions authorized by EESA, including the payment of administrative expenses, shall be deemed appropriated at the time of such expenditure or obligation.

Borrowing Authority

OFS is authorized to borrow from the Fiscal Service to pay interest costs in excess of interest income and to fund downward reestimates transfers to the General Fund. As of September 30, 2023, OFS had no borrowing authority available and no remaining funds. As of September 30, 2022, OFS had no borrowing authority available of the $106 thousand authorized. OFS uses dividends and interest received as well as recoveries on direct loans and liquidation of equity investments to repay debt in the non-budgetary direct loan and equity investment program financing accounts. These receipts are not available for any other use per credit reform accounting guidance.

Apportionment Categories of Obligations Incurred: Direct versus Reimbursable Obligations

All of OFS's apportionments are Direct and are Category B. Category B apportionments typically distribute budgetary resources on a basis other than calendar quarters, such as by activities, projects, objects or a combination of these categories. OFS obligations incurred are direct obligations (obligations not financed from intragovernmental reimbursable agreements).

Undelivered Orders

Undelivered orders as of September 30, 2023 were $5.8 million in budgetary accounts, no funds remained in non-budgetary financing accounts. Undelivered orders as of September 30, 2022 were $869.9 million in budgetary accounts and no funds remained in non-budgetary financing accounts.

Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the United States Government

Federal agencies and entities are required to explain material differences between amounts reported in the SBR and the actual amounts reported in the Budget of the U.S. Government (the President's Budget).

The 2024 President's Budget, with the "Actual" column completed for the fiscal year ended September 30, 2022, was published in March 2023, and reconciled to the SBR. The only differences between the two documents were due to:

- Rounding; and
- Expired funds that are not shown in the "Actual" column of the President's Budget.

NOTE 12. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGETARY AGENCY OUTLAYS, NET

The Reconciliation of Net Cost of Operations to Budgetary Agency Outlays, Net explains the difference between proprietary financial accounting information and budgetary accounting information. Financial accounting is intended to provide a picture of the government's financial operations and financial position and is presented on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. The reconciliation of net cost, presented on an accrual basis, and the net outlays, presented on a budgetary basis, provides an explanation of the relationship between financial accounting and budgetary information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between financial and budgetary financial accounting. For the fiscal years ended September 30, 2023 and 2022 the Reconciliation of Net Cost of Operations to Budgetary Agency Outlays, Net consisted of the following:

Dollars in Thousands

	Federal	Non-Federal	Total Fiscal Year 2023
Net Cost of Operations	$ 4,004	$ 121,824	$ 125,828
Components of Net Cost That Are Not Part of Budgetary Outlays:			
Current Year Accrual Subsidy Income (Cost)	-	274	274
(Increase) / Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable and Other Liabilities	121	1,116	1,237
Making Home Affordable Program	-	24,029	24,029
Total Components of Net Operating Cost Not Part of Budgetary Outlays	121	25,419	25,540
Components of Budgetary Outlays That Are Not Part of Net Cost:			
Current Year Budget Subsidy Cost	-	(361)	(361)
Increase / (Decrease) in Assets Not Affecting Net Cost			
Cash on Deposit for Housing Program	-	(9,626)	(9,626)
Total Components of Budgetary Outlays That Are Not Part of Net Cost	-	(9,987)	(9,987)
Budgetary Agency Outlays, Net (SBR)			$ 141,381

Dollars in Thousands

	Federal	Non-Federal	Total Fiscal Year 2022
Net Cost of Operations	$ 4,720	$ 228,526	$ 233,246
Components of Net Cost That Are Not Part of Budgetary Outlays:			
Current Year Accrual Subsidy Income (Cost)	-	324	324
(Increase) / Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable and Other Liabilities	113	4,268	4,381
Making Home Affordable Program	-	5,170	5,170
Total Components of Net Operating Cost Not Part of Budgetary Outlays	113	9,762	9,875
Components of Budgetary Outlays That Are Not Part of Net Cost:			
Current Year Budget Subsidy Cost	-	8,766	8,766
Total Components of Budgetary Outlays That Are Not Part of Net Cost	-	8,766	8,766
Budgetary Agency Outlays, Net (SBR)			$ 251,887

NOTE 13. OFS CLOSES ALL REMAINING TARP PROGRAMS AND WINDS DOWN AS AN ENTITY

The Emergency Economic Stabilization Act of 2008 established OFS within the Office of Domestic Finance at the Department of the Treasury to implement TARP. OFS was not envisioned as a permanent organization. The authority to make new commitments through TARP ended October 3, 2010, at which time Treasury shifted focus to the orderly wind-down of TARP. As of September 30, 2023, all TARP programs have closed, and there are no remaining troubled assets held by OFS. During fiscal year 2023, OFS completed the wind-down of its remaining housing programs under TARP and sold its last troubled assets from the CPP and CDCI. This will be the last set of financial statements produced for TARP as there is no longer a legal requirement to produce future financial statements (12 U.S.C. § 5226(e)). OFS is also dissolving as an entity with only administrative functions remaining. Under the direction of Treasury, OFS will use fiscal year 2024 appropriations to carry out these administrative functions and completely wind-down the entity. Further, Treasury will continue to monitor TARP's Fund Balance with Treasury (see Note 3) until the funding is transferred to the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

Office of Financial Stability - Troubled Asset Relief Program

REQUIRED SUPPLEMENTARY INFORMATION
COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2023
(Unaudited)

	2023				
	Combined		TARP Programs		TARP Administrative
Dollars in Thousands	Budgetary	Non-Budgetary Credit Reform Financing Account	Budgetary	Non-Budgetary Credit Reform Financing Account	Budgetary
BUDGETARY RESOURCES					
Unobligated Balance Brought Forward, October 1	$ 134,700	$ 777	$ 91,003	$ 777	$ 43,697
Recoveries of Prior-Year Unpaid Obligations	767,527	-	755,093	-	12,434
Actual Repayments of Debt, Prior-Year Balances	-	(518)	-	(518)	-
Cancelled Authority	(13,358)	-	(13,358)	-	-
Other Changes in Unobligated Balances	(755,087)	-	(741,735)	-	(13,352)
Unobligated Balance from Prior-Year Budget Authority, Net	133,782	259	91,003	259	42,779
Appropriations	33,612	-	-	-	33,612
Borrowing Authority	-	-	-	-	-
Spending Authority from Offsetting Collections	-	553	-	553	-
TOTAL BUDGETARY RESOURCES (Note 11)	**$ 167,394**	**$ 812**	**$ 91,003**	**$ 812**	**$ 76,391**
STATUS OF BUDGETARY RESOURCES					
New Obligations and Upward Adjustments (Total)	$ 29,600	$ 442	$ -	$ 442	$ 29,600
Unobligated Balance, End of Year:					
Apportioned, Unexpired Accounts	4,573	-	-	-	4,573
Unapportioned, Unexpired Accounts	91,003	370	91,003	370	-
Unexpired Unobligated Balance, End of Year	95,576	370	91,003	370	4,573
Expired Unobligated Balance, End of Year	42,218	-	-	-	42,218
Unobligated Balance, End of Year (Total)	137,794	370	91,003	370	46,791
TOTAL STATUS OF BUDGETARY RESOURCES	**$ 167,394**	**$ 812**	**$ 91,003**	**$ 812**	**$ 76,391**
OUTLAYS, NET AND DISBURSEMENTS, NET					
Outlays, Net (Total)	141,742		115,116		26,626
Distributed Offsetting Receipts	(361)		(361)		-
Agency Outlays, Net	**$ 141,381**		**$ 114,755**		**$ 26,626**
Disbursements, Net (Total)		**$ (3,351)**		**$ (3,351)**	

Office of Financial Stability - Troubled Asset Relief Program

REQUIRED SUPPLEMENTARY INFORMATION

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2022

(Unaudited)

	2022				
	Combined		TARP Programs		TARP Administrative
Dollars in Thousands	Budgetary	Non-Budgetary Credit Reform Financing Account	Budgetary	Non-Budgetary Credit Reform Financing Account	Budgetary
BUDGETARY RESOURCES					
Unobligated Balance Brought Forward, October 1	$ 159,328	$ 4,514	$ 91,003	$ 4,514	$ 68,325
Recoveries of Prior-Year Unpaid Obligations	2,816	-	-	-	2,816
Actual Repayments of Debt, Prior-Year Balances	-	(827)	-	(827)	-
Cancelled Authority	(29,436)	-	(57)	-	(29,379)
Other Changes in Unobligated Balances	57	-	57	-	-
Unobligated Balance from Prior-Year Budget Authority, Net	132,765	3,687	91,003	3,687	41,762
Appropriations	49,973	-	12,334	-	37,639
Borrowing Authority	-	106	-	106	-
Spending Authority from Offsetting Collections	-	869	-	869	-
TOTAL BUDGETARY RESOURCES (Note 11)	**$ 182,738**	**$ 4,662**	**$ 103,337**	**$ 4,662**	**$ 79,401**
STATUS OF BUDGETARY RESOURCES					
New Obligations and Upward Adjustments (Total)	$ 48,038	$ 3,885	$ 12,334	$ 3,885	$ 35,704
Unobligated Balance, End of Year:					
Apportioned, Unexpired Accounts	2,025	76	-	76	2,025
Unapportioned, Unexpired Accounts	91,003	701	91,003	701	-
Unexpired Unobligated Balance, End of Year	93,028	777	91,003	777	2,025
Expired Unobligated Balance, End of Year	41,672	-	-	-	41,672
Unobligated Balance, End of Year (Total)	134,700	777	91,003	777	43,697
TOTAL STATUS OF BUDGETARY RESOURCES	**$ 182,738**	**$ 4,662**	**$ 103,337**	**$ 4,662**	**$ 79,401**
OUTLAYS, NET AND DISBURSEMENTS, NET					
Outlays, Net (Total)	255,455		221,878		33,577
Distributed Offsetting Receipts	(3,568)		(3,568)		-
Agency Outlays, Net	**$ 251,887**		**$ 218,310**		**$ 33,577**
Disbursements, Net (Total)		**$ (9,318)**		**$ (9,318)**	

This page intentionally left blank.

PART 3:

OTHER INFORMATION (UNAUDITED)


THE TREASURY DEPARTMENT

Additional TARP Historical Information

Bank Support Programs

CPP

CPP was launched in October 2008 to help stabilize the financial system by providing capital to viable financial institutions of all sizes throughout the nation. OFS received preferred stock or debt in each bank in which it made an investment, as well as warrants. Under the terms of the CPP, participating financial institutions were to repay the funds they received, with the approval of their regulators.

Targeted Investment Program

OFS established the Targeted Investment Program (TIP) in December 2008. OFS invested a total of $40.0 billion in two institutions – Bank of America (BofA) and Citigroup – under the TIP. OFS completed the wind-down of the TIP in December 2009 when both BofA and Citigroup repaid their TIP investments in full. OFS received net proceeds of $4.4 billion in excess of disbursements.

Asset Guarantee Program

Under the Asset Guarantee Program (AGP), TARP commitments were used to support two institutions – BofA and Citigroup. BofA, however, ultimately decided not to participate in this program and paid OFS a termination fee of $276 million. In January 2009, OFS, the Federal Reserve, and the Federal Deposit Insurance Corporation (FDIC) agreed to share potential losses on a $301.0 billion pool of Citigroup's covered assets. As a premium for the guarantee to Citigroup, OFS received $4.0 billion of Citigroup preferred stock, which was reduced by $1.8 billion upon early termination of the agreement. OFS completed the wind-down of the AGP in February 2013, and received more than $4.1 billion in proceeds from the AGP without disbursing any claim payments.

Supervisory Capital Assessment Program

In 2009, Treasury worked with federal banking regulators to develop a comprehensive "stress test" known as the Supervisory Capital Assessment Program (SCAP). The SCAP closed on November 9, 2009, without making any investments.

CDCI

On February 3, 2010, OFS created the Community Development Capital Initiative (CDCI) to help viable certified Community Development Financial Institutions (CDFIs) and the communities they serve cope with effects of the financial crisis. Under this program, CDFI banks, thrifts, and credit unions received investments aggregating $570 million in capital with an initial dividend or interest rate of two percent. To encourage repayment while recognizing the unique circumstances facing CDFIs, the dividend rate increased to nine percent after eight years.

For additional information on the bank support programs please visit the OFS website at: TARP: Bank Investment Programs

Credit Market Programs

Public-Private Investment Program

On March 23, 2009, OFS launched the Legacy Securities Public-Private Investment Program (PPIP) to help restart the market for non-agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). OFS completed the wind-down of the PPIP during fiscal year 2015, with no debt or equity investments outstanding after the final equity repayment was made in June 2013.

Term Asset-Backed Securities Loan Facility

The Term Asset-Backed Securities Loan Facility (TALF) was a joint OFS-Federal Reserve program that was designed to restart the markets for asset-backed securities (ABS) and CMBS, which had ground to a virtual standstill during the early months of the financial crisis. As of September 30, 2015, all TALF loans provided by Federal Reserve Bank of New York (FRBNY) had been repaid in full and the program closed. Since inception, accumulated income earned from investments in TALF, LLC totaled $685 million.

Small Business Administration 7(a) Securities Purchase Program

OFS launched the Small Business Administration (SBA) 7(a) Securities Purchase Program to help facilitate the recovery of the secondary market for small business loans, and thus help free up credit for small businesses.

Under this program, OFS purchased securities comprised of the guaranteed portion of SBA 7(a) loans, which finance a wide range of small business needs. OFS invested approximately $367 million in 31 SBA 7(a) securities between March and September 2010. Investments under the SBA 7(a) program were fully liquidated by January 2012, resulting in proceeds in excess of cost of $9 million.

For additional information on the credit market programs, please visit the OFS website at: TARP: Credit Market Programs

Automotive Industry Financing Program

AIFP was launched in December 2008 to help prevent the disorderly liquidations of General Motors (GM) and Chrysler, which would have resulted in a significant disruption of the U.S. auto industry. Recognizing that both GM and Chrysler were on the verge of collapse, OFS disbursed $79.7 billion in loans and equity investments to GM, Chrysler, and General Motors Acceptance Corporation (now known as Ally Financial).

To further maximize the recovery of TARP funds for taxpayers, OFS, along with Export Development Canada (EDC), which jointly financed administration of the General Motors bankruptcy (Old GM), entered into a settlement with the Unsecured Creditors Committee of General Motors Corporation to split any proceeds of the AAT litigation, with OFS and EDC receiving 30 percent and the unsecured creditors receiving 70 percent. As a condition of the settlement, OFS and EDC provided an advance of $15 million ($13 million provided by OFS) in September 2016 to the AAT to fund the ongoing litigation against certain lenders to Old GM. This settlement yields the most favorable attainable economic outcome to ensure OFS is repaid some portion of any assets recovered through the pending lawsuit.

Recoveries from the bankruptcy liquidation of Old GM remains possible.

For additional information on the AIFP, please visit the OFS website at: [TARP: Automotive Programs]

American International Group, Inc. Investment Program

In 2008, AIG facing potentially fatal liquidity problems and with the crisis threatening to intensify and spread more broadly throughout the economy, Treasury and FRBNY provided assistance to AIG. In December 2012, Treasury exited all remaining holdings in AIG through the sale of common stock and AIG's repurchase of warrants. During the financial crisis, the Treasury's and the FRBNY's peak support for AIG totaled $182.3 billion. That included $69.8 billion in TARP funds that OFS committed and $112.5 billion committed by the FRBNY, including $22.1 billion in commitments which were later cancelled. As a result of the combined efforts of AIG, Treasury, and the FRBNY, $22.7 billion in excess of the total of funds disbursed were recovered through sales and other income.

While the total amount disbursed to AIG was $67.8 billion, OFS collected $55.3 billion in repayments, sales proceeds, fees and dividends. After considering the interest expense of $2.7 billion, the net cost of AIG was $15.2 billion. Additionally, the TARP cost was offset by $17.5 billion in proceeds from the sale of additional non-TARP shares of AIG held by Treasury, resulting in a net gain for Treasury as a whole.

For additional information on the AIG Investment Program, please visit the Office of Financial Stability website at: [TARP: AIG Investment Program]

Housing Programs

MHA

In early 2009, OFS launched MHA to help struggling homeowners avoid foreclosure and stabilize the housing market.

MHA is aimed at helping homeowners experiencing financial hardships to remain in their homes until their financial position improves or they relocate to a more sustainable living situation. At the same time, MHA protects the interests of taxpayers by disbursing funds only when transactions are completed and only as long as contracts remain in place.

The cornerstone of MHA is HAMP which provides eligible homeowners the opportunity to reduce their monthly mortgage payments to more affordable and sustainable levels to avoid foreclosure. In addition to HAMP, OFS introduced programs under MHA to help homeowners who are unemployed, "underwater" on their loan (i.e., those who owe more on their home than it is currently worth), or are struggling with a second lien. MHA also includes options for homeowners who would like to transition to a more affordable living situation through a short sale or deed-in-lieu of foreclosure.

The Act provided that MHA would terminate on December 31, 2016, except with respect to certain loan modification applications made before such date. As set forth in program guidelines, MHA servicers were required to evaluate applications submitted before the deadline and offer trial modifications to eligible applicants. All MHA transactions, including first and second lien permanent modifications, short sales or deeds-in-lieu of foreclosure, and unemployment forbearance plans, were required to be completed per program guidelines by December 1, 2017. At this point, MHA is in a steady state until final incentives on existing modifications are paid per program requirements. MHA has set new standards for mortgage assistance and consumer protection, which have contributed to millions of homeowners receiving assistance to avoid foreclosure through other government programs and proprietary mortgage modifications.

In addition to HAMP, MHA includes programs to help homeowners address specific types of mortgages, in conjunction with FHA and the United States Department of Agriculture (USDA).

HHF

HHF was established in February 2010 to provide targeted aid to homeowners in states hit hardest by the economic and housing market downturn. In an effort to restore stability to housing markets, HHF provides funding for state Housing Finance Agencies (together with the eligible entities, collectively "HFAs") to develop locally-tailored foreclosure prevention solutions in areas that have been hardest hit by home price declines and high unemployment. In total, $9.6 billion in HHF funds has been allocated among 18 states and the District of Columbia.

HHF programs vary state to state, but may include such programs as mortgage payment assistance for unemployed or underemployed homeowners, reinstatement to bring homeowners current on their mortgage or property taxes, principal reduction to help homeowners modify or refinance into more affordable mortgages, funding to eliminate homeowners' second lien loans, funding for blight elimination activities, funding for down payment assistance to homebuyers, and help for homeowners who are transitioning out of their homes into more affordable living situations.

Support for FHA Refinance Program

In March 2010, enhancements were made to an existing FHA program that permitted lenders to provide additional refinancing options to homeowners who owe more than their homes are worth because of large declines in home prices in their local markets. This program, known as the FHA Refinance Program, was intended to provide more opportunities for qualifying mortgage loans to be restructured and refinanced into FHA-insured loans. On December 31, 2016, the application period for the FHA Refinance Program ended.

For additional information on the housing programs, please visit the OFS website at: TARP: Housing Programs

TARP Glossary

Asset-Backed Security (ABS): A financial instrument representing an interest in a pool of other assets, typically consumer loans. Most ABS are backed by credit card receivables, auto loans, student loans, or other loan and lease obligations.

Agency Financial Report (AFR): This report provides an overview of the programs, accomplishments, challenges, and management's accountability for the resources entrusted to the agency. The report is prepared in accordance with the requirements of the OMB Circular A-136, Financial Reporting Requirements.

Asset Guarantee Program (AGP): A TARP program under which OFS, together with the Federal Reserve and the FDIC, agreed to share losses on certain pools of assets held by systemically significant financial institutions that faced a high risk of losing market confidence due in large part to a portfolio of distressed or illiquid assets.

Automotive Industry Financing Program (AIFP): A TARP program under which OFS provided loans or equity investments in order to avoid a disorderly bankruptcy of one or more auto companies that would have posed a systemic risk to the country's financial system.

Capital Purchase Program (CPP): A TARP program pursuant to which OFS invested in preferred equity securities and other securities issued by financial institutions.

Commercial Mortgage-Backed Securities (CMBS): A financial instrument representing an interest in a commercial real estate mortgage or a group of commercial real estate mortgages.

Community Development Capital Initiative (CDCI): A TARP program that provides low-cost capital to Community Development Financial Institutions to encourage lending to small businesses and help facilitate the flow of credit to individuals in underserved communities.

Community Development Financial Institution (CDFI): A financial institution that focuses on providing financial services to low- and moderate- income, minority and other underserved communities, and is certified by the CDFI Fund, an office within OFS that promotes economic revitalization and community development.

Consolidated Appropriations Act, 2016: The law which included provisions that (i) the MHA program will terminate on December 31, 2016, except with respect to certain loan modification applications made before such date and (ii) provided Treasury authority to commit an additional $2.0 billion in TARP funds to the HHF program.

Debtor-In-Possession (DIP): A debtor-in-possession in U.S. bankruptcy law has filed a bankruptcy petition but still remains in possession of its property. DIP financing usually has priority over existing debt, equity and other claims.

Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act): The law that limited Treasury's authority to purchase or guarantee troubled assets to a maximum of $475.0 billion.

Emergency Economic Stabilization Act (EESA): The law that created the Troubled Asset Relief Program (TARP).

Government Sponsored Enterprises (GSEs): Private corporations created by the U.S. Government. Fannie Mae and Freddie Mac are GSEs.

Hardest Hit Fund (HHF): A TARP program to help 18 hardest hit states, plus the District of Columbia, to develop locally-tailored programs to assist struggling homeowners in their communities.

Home Affordable Modification Program (HAMP): A TARP program OFS established to help struggling, homeowners reduce their mortgage payments to affordable and sustainable levels and avoid foreclosure.

Housing Finance Agencies (HFAs): State-charted authorities established to help meet the affordable housing needs of the residents of their states.

Legacy Securities: CMBS and non-agency RMBS issued prior to 2009 that were originally rated AAA or an equivalent rating by two or more nationally recognized statistical rating organizations without ratings enhancement and that are secured directly by actual mortgage loans, leases or other assets and not other securities.

Making Home Affordable (MHA): A comprehensive plan to stabilize the U.S. housing market and help struggling homeowners reduce their monthly mortgage payments to more affordable levels and avoid foreclosure. HAMP is part of MHA.

Non-Agency Residential Mortgage-Backed Securities: RMBS that are not guaranteed or issued by Freddie Mac, Fannie Mae, any other GSE, Ginnie Mae, or a U.S. federal government agency.

Preferred Stock: Equity ownership that usually pays a fixed dividend and gives the holder a claim on corporate earnings superior to common stock owners. Preferred stock also has priority in the distribution of assets in the case of liquidation of a bankrupt company.

Public-Private Investment Program (PPIP): A TARP program designed to support the secondary market in mortgage-backed securities. The program is designed to increase the flow of credit throughout the economy by partnering with private investors to purchase Legacy Securities from financial institutions.

Qualifying Financial Institution (QFI): Private and public U.S.-controlled banks, savings associations, bank holding companies, certain savings and loan holding companies, and mutual organizations.

Residential Mortgage-Backed Securities (RMBS): A financial instrument representing an interest in a group of residential real estate mortgages.

Small Business Administration (SBA) 7(a) Securities Purchase Program: A TARP program under which OFS purchased securities backed by the guaranteed portions of the SBA 7(a) loans.

Servicer: An administrative third party that collects mortgage payments, handles tax and insurance escrows, and may even bring foreclosure proceedings on past due mortgages for institutional loan owners or originators. The loan servicer also generates reports for borrowers and mortgage owners on the collections.

Targeted Investment Program (TIP): A TARP program created to stabilize the financial system by making investments in institutions that are critical to the functioning of the financial system.

Term Asset-Backed Securities Loan Facility (TALF): A program under which the Federal Reserve Bank of New York made term non-recourse loans to buyers of AAA-rated Asset-Backed Securities in order to stimulate consumer and business lending.

Troubled Asset Relief Program (TARP): The Troubled Asset Relief Program, which was established under EESA to stabilize the financial system and help prevent a systemic collapse.

Warrant: A financial instrument that represents the right, but not the obligation, to purchase a certain number of shares of common stock of a company at a fixed price.

Contact Information

Department of the Treasury – Office of Financial Stability
1500 Pennsylvania Avenue NW
Washington, DC 20220
Telephone 202-622-2000 | Treasury Press Office 202-622-2960

Website Information

Treasury .... home.treasury.gov
Office of Financial Stability .... home.treasury.gov/data/troubled-asset-relief-program
Making Home Affordable Program .... makinghomeaffordable.gov

Additional References

TARP Programs .... home.treasury.gov/data/troubled-assets-relief-program
TARP Reports .... home.treasury.gov/data/troubled-assets-relief-program/reports
Financial Reports ....
home.treasury.gov/data/troubled-assets-relief-program/reports/annual-agency-financial-reports

WWW.FINANCIALSTABILITY.GOV