

Office of Financial Stability

Program Summary by Budget Activity

Dollars in Billions

	Cumulative Obligated (as of 11/30/2020)	Cumulative Disbursed (as of 11/30/2020)	Cumulative Outstanding (as of 11/30/2020)	Total Cumulative Income (as of 11/30/2020)	Total Cash Back (as of 11/30/2020)	Total Estimated Life Costs (as of 11/30/2020)
Bank Support Programs	250.5	245.5	0.0	35.7	275.6	(24.3)
Credit Market Programs	19.1	19.1	0.0	4.5	23.6	(3.3)
AIG Investment Program (AIG)	67.8	67.8	0.0	1.0	55.3	15.2
Automotive Industry Financing Program	79.7	79.7	0.0	7.4	70.6	12.1
Treasury Housing Programs	32.6	30.9	0.0	0.0	0.0	32.4
Total	449.6	443.0	0.0	48.6	425.1	32.1
Additional AIG Common Shares Held by Treasury	0.0	0.0	0.0	17.6	17.6	(17.6)
Total for Programs and Shares	449.6	443.0	0.0	66.2	442.7	14.5

*If all Treasury AIG Investments are combined, we currently estimate a net gain of nearly \$2.4 billion on those shares.

Administrative Account Summary

Dollars in Thousands

	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2021 to FY 2022	
	AMOUNT	AMOUNT	AMOUNT	Change	% Change
Obligations					
TARP Administrative Account	43,078	40,789	37,637	(3,152)	-7.73%
Total Obligations	\$43,078	\$40,789	\$37,637	(\$3,152)	-7.73%
Total Full-time Equivalents (FTE)	14	11	10	-1	-9.09%

Summary

A central part of the response to the 2008 financial crisis was the implementation of the Troubled Asset Relief Program (TARP), which was established in the fall of 2008 under the Emergency Economic Stabilization Act of 2008 (EESA) (P.L. 110-343) within the Office of Domestic Finance at the U.S. Department of the Treasury (Treasury). TARP was created to restore the liquidity and stability of the financial system, and it is administered by the Office of Financial Stability (OFS). Since late 2010, OFS has made significant progress in winding down TARP investment programs and in recovering OFS's outstanding investments.

OFS continues to operate a housing program to help homeowners prevent avoidable foreclosures. However, in 2016, OFS began the wind-down of the largest TARP housing program, the Making Home Affordable Program, pursuant to the Consolidated Appropriations Act, 2016. As of November 30, 2020, OFS has recovered more than 96 percent of the \$442.7 billion in total program funds disbursed under TARP, as well as an additional \$17.6 billion from Treasury's equity in American International Group, Inc. (AIG). When all of Treasury's AIG investments are included, the amount recovered is greater than the funds disbursed by nearly \$0.2 billion.

In FY 2021, OFS plans to obligate just over \$40 million and use no more than 11 Full-Time Equivalent (FTE) employees. In FY 2022, OFS plans to obligate just over \$38 million and use

no more than 10 FTE employees, a reduction of over 6% and 9%, respectively, from the current FY 2021 estimates, to fund the management, maintenance and continued wind-down of the TARP housing programs and the disposition of OFS's remaining investments. OFS is expected to complete its wind-down in FY 2024.

Description of Performance

Bank Support Programs

Capital Purchase Program (CPP)

OFS created CPP, its largest program, in October 2008. OFS provided a total of \$204.9 billion in capital to 707 institutions in 48 states. During FY 2020, OFS continued to wind-down remaining CPP investments. As of November 30, 2020, CPP has generated \$226.4 billion in recoveries for taxpayers with two institutions remaining in the program, for a total of \$17 million in investments outstanding.

Community Development Capital Initiative (CDCI)

OFS created CDCI on February 3, 2010, to provide investments of capital to certified Community Development Financial Institutions (CDFI) banks, thrifts, and credit unions. OFS invested \$570 million in 84 CDFIs, of which 28 institutions converted \$363 million (including warrants) from CPP to CDCI. As of November 30, 2020, CDCI has generated \$592 million in recoveries for taxpayers with two institutions remaining in the program, for a total of \$1 million in investments outstanding.

Housing Programs

OFS established several TARP housing programs, assisting millions of homeowners and introducing reforms for the mortgage servicing industry to facilitate mortgage modifications.

Making Home Affordable Program (MHA)

In 2009, OFS launched MHA to help homeowners prevent avoidable foreclosures and strengthen the housing market. The cornerstone of MHA is the Home Affordable Modification Program (HAMP), which provides eligible homeowners the opportunity to reduce their monthly mortgage payments. In accordance with provisions of the Consolidated Appropriations Act, 2016 (P.L. 114-113) MHA terminated on December 31, 2016, except with respect to certain applications made before such date. MHA servicers were required to design policies and procedures to reasonably ensure that all MHA transactions were completed by December 1, 2017. As of November 30, 2020, OFS had disbursed \$21.4 billion out of a possible \$22.9 billion under MHA.

Housing Finance Agency (HFA) Hardest Hit (HHF) Fund

Established in 2010 to provide aid to homeowners in states hit hardest by the economic and housing market downturn. The \$7.6 billion initiative encompassed 18 states and the District of Columbia (DC). In December 2015, P.L. 114-113 granted Treasury authority to make an additional \$2.0 billion in commitments through the HHF. As of November 30, 2020, OFS had disbursed \$9.5 billion out of a possible \$9.6 billion under HHF.

Federal Housing Administration (FHA) - Short Refinance Program

OFS continues to support the FHA Short-Refinance Program, which was intended to assist borrowers with negative equity. The program has seen limited participation. As such, OFS has incrementally reduced the LOC Facility supporting this program from an initial \$8.0 billion to \$27 million in FY 2017, which matches OFS's maximum liability for loans covered by the program as of December 31, 2016, when the program ended for new refinances. As of November 30, 2020, the revised lifetime cost estimate for the program was \$13 million for outstanding refinanced loans.

Other Programs

Automotive Industry Financing Program (AIFP)

OFS fully wound down AIFP during FY 2015, selling its remaining stake in Ally Financial. OFS disbursed \$79.7 billion in loans and equity investments to the automotive industry through the AIFP. As of November 30, 2020, OFS had collected \$70.6 billion through sales, repayments, dividends, interest, recoveries, and other income. Recoveries from the bankruptcy liquidation of Old Chrysler and Old GM remain possible.

All other TARP programs closed prior to FY 2016, including the Targeted Investment Program, Asset Guarantee Program, Public-Private Investment Program, Term Asset-Backed Securities Loan Facility, Small Business Administration 7(a) Securities Purchase Program, and AIG Investment Program.