SIGTARP

Office of the Special Inspector General for the Troubled Asset Relief Program

Advancing Economic Stability Through Transparency, Coordinated Oversight and Robust Enforcement

Quarterly Report to Congress

April 20, 2010

MISSION

SIGTARP's mission is to advance economic stability by promoting the efficiency and effectiveness of TARP management, through transparency, through coordinated oversight, and through robust enforcement against those, whether inside or outside of Government, who waste, steal or abuse TARP funds.

STATUTORY AUTHORITY

SIGTARP was established by Section 121 of the Emergency Economic Stabilization Act of 2008 ("EESA") and amended by the Special Inspector General for the Troubled Asset Relief Program Act of 2009 ("SIGTARP Act"). Under EESA and the SIGTARP Act, the Special Inspector General has the duty, among other things, to conduct, supervise and coordinate audits and investigations of any actions taken under the Troubled Asset Relief Program ("TARP") or as deemed appropriate by the Special Inspector General. In carrying out those duties, SIGTARP has the authority set forth in Section 6 of the Inspector General Act of 1978, including the power to issue subpoenas.

Office of the Special Inspector General
for the Troubled Asset Relief Program
General Telephone: 202.622.1419
Hotline: 877.SIG.2009
SIGTARP@do.treas.gov
www.SIGTARP.gov

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Section 4

EXECUTIVE SUMMARY

There are clear signs that some aspects of the financial system may well be on the path to recovery. Many of the large banks and Wall Street firms propped up by unprecedented taxpayer support in the fall of 2008 — including massive infusions under the Troubled Asset Relief Program ("TARP") — have returned to profitability, attracted private-sector capital, and enjoyed substantially rebounded stock prices. Many of those firms have been able to repay TARP far sooner than anyone reasonably would have anticipated, resulting in a profit on those particular investments for the Treasury Department ("Treasury"), and thus the American taxpayer. Even Citigroup Inc. ("Citigroup") and Bank of America Corporation ("Bank of America"), firms that appear to have survived only with extraordinary TARP assistance, have rebounded, with Bank of America repaying its TARP bailouts in full and Citigroup on the verge of doing the same. All told, as of March 31, 2010, $205.9 billion has come back to the taxpayer through repayment of principal, interest, dividends, cancellation of guarantees, and warrant sales. As a result, although TARP is still expected to result in a large loss to taxpayers ($127 billion according to the Office of Management and Budget, as of February 2010), the expected loss is far lower than previous estimates, and is concentrated in the programs designed to support American International Group, Inc. ("AIG") ($50 billion), the automotive industry ($31 billion), and housing ($49 billion).

Even as Wall Street regains its footing, however, signs of distress on Main Street remain disturbingly persistent. Although unemployment has eased slightly in recent months, it still remains much higher than at any time since 1983. In addition, the long-term nature of unemployment is unprecedented in recent history — the March 2010 figure for the average duration of unemployment, 31.2[1] weeks, is the highest since such measurement began in 1948. Meanwhile, smaller and regional banks continue to struggle (with 50 closed so far in 2010), small-business lending remains substantially depressed from pre-recession levels, and the real estate markets, both residential and commercial, continue to suffer at crisis proportions in many areas of the country. Questions remain as to whether the real estate markets have truly found bottom or are headed for further decline. In sum, notwithstanding that the financial system appears to be stabilizing and record profits are returning to Wall Street, the plain fact is that too many Americans on Main Street are still in imminent danger of losing their businesses, their jobs, and their homes.

In light of these circumstances, Treasury has shifted much of TARP's focus to initiatives intended to offer economic relief to the broader public. A year ago this March, Treasury introduced the Making Home Affordable ("MHA") initiative, which was designed to address the growing wave of home foreclosures ravaging many areas of the country. The centerpiece of MHA is the Home Affordable Modification Program ("HAMP"), which was intended to result in millions of sustainable mortgage modifications that would allow homeowners to remain in their homes by reducing their monthly payments to affordable levels. The Administration has allocated $75 billion to HAMP, including $50 billion of TARP funds.

Despite Treasury's efforts, however, the home foreclosure crisis has not abated; indeed, the situation has continued to deteriorate since HAMP's rollout. Nearly 2.8 million foreclosures were initiated in 2009.[2] More ominously, 2010 is on pace to be even worse: there were more than 932,000 foreclosure filings during the first three months — a 16% increase from the already staggering rate for the first quarter of 2009. Similarly, for the first quarter of 2010, actual bank repossessions rose 35% from 2009 levels to nearly 258,000.[3] Unfortunately, HAMP has made very little progress in stemming this onslaught, resulting in only 230,000 permanent modifications initiated over the approximately 12 months of the program's existence. That figure represents only 8.2% of the foreclosures initiated in 2009 and fewer than just the most recent quarter's actual bank repossessions.

A SIGTARP audit report published on March 25, 2010, examined the design and operation of HAMP in detail. The audit first found that Treasury's publicly touted measure of success, the number of short-term trial modification *offers* that have been made to struggling homeowners, was largely meaningless, and that Treasury needs to clearly identify the total number of homeowners it actually intends to help stay in their homes through sustainable permanent mortgage modifications. The audit also found that the limited results to date stemmed from, among other things, flaws in HAMP's design, rollout, and marketing that diminished the program's effectiveness in providing sustainable relief to at-risk homeowners. In its original version, HAMP involved frequent and time-consuming revisions of guidelines that created confusion and delay; permitted reliance on unverified verbal borrower data that slowed down conversions to permanent modifications; suffered from insufficient outreach to the American public about eligibility and benefits; and did not fully address risk factors for re-defaults among participating borrowers, including negative equity and high total debt levels even after modification. As noted in the report, without addressing the dangers of re-default, HAMP risks merely spreading out the foreclosure crisis at significant taxpayer expense. While this may benefit financial institutions that would not have to recognize the losses from immediate foreclosures, it would do little to accomplish the Emergency Economic Stabilization Act's explicit purpose to "help families keep their homes."

Although Treasury was initially reluctant to address the issues raised in the audit report regarding re-default, including a suggestion that only modest changes would be made to the program to address negative equity, just days after the publication of SIGTARP's audit report and a subsequent Congressional hearing discussing the report's findings, Treasury changed course and introduced major revisions to HAMP, including new provisions designed to address the plight of unemployed homeowners and to require consideration of principal write-downs for borrowers with negative equity. To Treasury's credit, the program changes appear intended to expand HAMP participation and improve the rate of permanent modifications, as well as to address the significant re-default risk driven by homeowners' negative equity. On the whole, the revisions to HAMP constitute a potentially important step forward in addressing some of the flaws identified in SIGTARP's audit report.

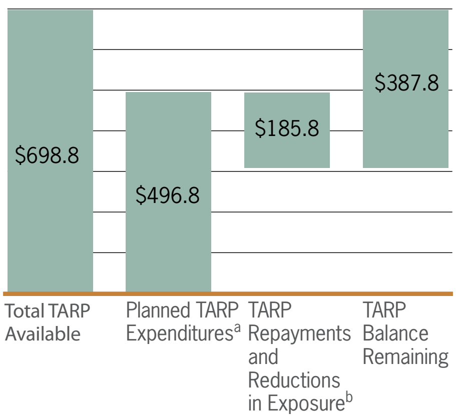
However, the program changes, as announced, also raise several issues that could impede HAMP's effectiveness and efficiency. Treasury's urgency in rolling out the new initiatives, laudable as it is, risks significant costs in the form of ill-defined goals, incomplete program guidelines, increased vulnerability to fraud, incentives that may prove ineffective, and the potential for arbitrary treatment of participating borrowers. SIGTARP has made a series of recommendations designed to address these issues as discussed more fully in Section 4: "SIGTARP Recommendations" in this report:

- Treasury should identify its participation goals and anticipated costs for each HAMP program and subprogram and measure success against those expectations in its monthly reports.
- Treasury should launch a broader based fraud awareness campaign for HAMP and include fraud warnings when it makes program announcements.
- To protect against fraud, Treasury should abandon its differing valuation standards across HAMP and adopt the Federal Housing Authority's appraisal standard for all HAMP principal reduction and short sale programs.
- Treasury should reevaluate the voluntary nature of its principal reduction program, considering changes to maximize effectiveness, to ensure to the greatest extent possible consistent treatment of similarly situated borrowers, and to address potential servicer conflicts of interest.
- Treasury should reconsider the length of the three-month minimum term of its unemployment forbearance program.

In sum, until Treasury fulfills its commitment to provide a thoughtfully designed, consistently administered, and fully transparent program, HAMP risks being remembered not for catalyzing a recovery from our current housing crisis, but rather for bold announcements, modest goals, and meager results.

CUMULATIVE PLANNED TARP EXPENDITURES, REPAYMENTS, AND REDUCTIONS IN EXPOSURE AS OF 3/31/2010

$ Billions



Notes: Numbers affected by rounding. The "planned expenditures" referenced throughout this report represent the funds Treasury currently plans to expend for each program, and a majority of those are committed funds (*e.g.*, signed agreements with TARP fund recipients).

[a] Treasury experienced a $2.3 billion loss on some investments under the Capital Purchase Program ("CPP") .

[b] Repayments include $135.8 billion for CPP, $40 billion for the Targeted Investment Program, $4.6 billion for Auto Programs, and a $5 billion reduction in exposure under the Asset Guarantee Program.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

PROGRAM UPDATES AND FINANCIAL OVERVIEW

TARP consists of 13 announced programs, all of which have been implemented. Six are closing or have already been wound down. As of March 31, 2010, Treasury had announced programs involving potential spending of $537.1 billion of the $698.8 billion maximum available for the purchase of troubled assets under TARP as authorized by Congress. Of this amount, Treasury had expended or committed to expend approximately $496.8 billion through the 13 implemented programs to provide support for U.S. financial institutions, the automobile industry, the markets in certain types of asset-backed securities ("ABS"), and homeowners. As of March 31, 2010, 77 TARP recipients had paid back all or a portion of their principal or repurchased shares for an aggregate total of $180.8 billion of repayments and a $5 billion reduction in exposure to possible further liabilities, leaving $387.8 billion, or 55.5%, of TARP's allocated $698.8 billion available.

In addition to the principal repayments, Treasury has received interest and dividend payments on its investments, as well as revenue from the sale of its warrants. As of March 31, 2010, $14.5 billion in interest, dividends, and other income had been received by the Government, and $5.6 billion in sales proceeds had been received from the sale of warrants and preferred stock received as a result of exercised warrants. At the same time, some TARP participants have missed dividend payments: among participants in the Capital Purchase Program ("CPP"), 104 have missed dividend payments to the Government, although some of them made the payments on a later date. As of March 31, 2010, there was $188.9 million in outstanding unpaid CPP dividends. In addition, three TARP recipients have failed and several others have restructured their agreements with Treasury, increasing the potential for further losses.

OVERSIGHT ACTIVITIES OF SIGTARP

Since SIGTARP's Quarterly Report to Congress dated January 30, 2010, SIGTARP has actively sought to fulfill its vital investigative and audit functions.

SIGTARP's Investigations Division continues to develop into a sophisticated white-collar investigative agency. Through March 31, 2010, SIGTARP has 84 ongoing criminal and civil investigations. Highlights from the last quarter include important developments in several cases that have been brought as the result of SIGTARP's investigations.

The Park Avenue Bank

On March 15, 2010, Charles Antonucci, the former President and Chief Executive Officer of The Park Avenue Bank, was charged by the United States Attorney's Office for the Southern District of New York with offenses including self-dealing, bank bribery, embezzlement of bank funds, and bank, mail and wire fraud, among others. In particular, Antonucci allegedly attempted to steal $11 million of TARP funds by, among other things, making fraudulent claims about the bank's capital position. These charges mark the first time an individual has been criminally charged with attempting to steal TARP funds.

According to the allegations, Antonucci falsely represented that he had personally invested $6.5 million in The Park Avenue Bank to improve its capital position. As set forth in the charges, however, the funds were actually borrowed from The Park Avenue Bank itself and reinvested as part of an undisclosed "round-trip" transaction. The complaint further alleges that this fraudulent transaction was touted by The Park Avenue Bank in support of its application for TARP funds as evidence of its supposedly improving capital position.

Bank of America

On February 4, 2010, the New York Attorney General charged Bank of America, its former Chief Executive Officer Kenneth D. Lewis, and its former Chief Financial Officer Joseph L. Price with civil securities fraud. According to the allegations, in order to complete a merger between Bank of America and Merrill Lynch & Co., Inc. ("Merrill Lynch"), the defendants failed to disclose to shareholders spiraling losses at Merrill Lynch. Additionally, after the merger was approved, it is alleged that Bank of America made misrepresentations to the Federal Government in order to obtain tens of billions of dollars in TARP funds. The investigation was conducted jointly by the New York Attorney General's Office and SIGTARP, and the case remains pending in New York state court.

SIGTARP also assisted the Securities and Exchange Commission ("SEC") with its Bank of America investigation. On February 22, 2010, the Honorable Jed S. Rakoff, United States District Judge for the Southern District of New York, approved a $150 million civil settlement between the SEC and Bank of America to settle all outstanding SEC actions against the firm.

Nations Housing Modification Center

On March 19, 2010, Glenn Steven Rosofsky was arrested by agents from SIGTARP and the Internal Revenue Service, Criminal Investigation Division and charged by the U.S. Attorney's Office for the Southern District of California with one count of conspiracy to commit wire fraud and money laundering and one count of money laundering. A separate information the same day charged Michael Trap with conspiracy to commit fraud and money laundering. As set forth in the charges, Rosofsky, Trap, and others operated a telemarketing firm, ostensibly to assist delinquent homeowners with loan modification services. Operating under the names "Nations Housing Modification Center" and "Federal Housing Modification Department," Rosofsky and Trap took advantage of the publicity surrounding the Administration's mortgage modification efforts under the TARP-supported MHA program and are alleged to have used fraudulent statements to induce customers to pay $2,500 – $3,000 each to purchase loan modification services that were not actually provided. It is alleged in court documents that the fraud grossed more than $1 million. Trap pled guilty to the charges listed in his March 19 information the following day. The case against Rosofsky remains pending.

Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report describes these cases, other cases brought over the last quarter, and SIGTARP's other Investigations Division activities in more detail.

On the audit side, as noted above, SIGTARP released its latest audit report on March 25, 2010, which examined the "Factors Affecting Implementation of the Home Affordable Modification Program." SIGTARP has 12 other ongoing audit projects, including 2 new audits that have been initiated over the past quarter:

- **Application of the HAMP Net Present Value ("NPV") Test:** This audit, which will be conducted in response to a request from Senator Jeff Merkley and eight other Senators, will assess: whether the participating loan servicers are correctly applying the NPV test under the program; the extent to which Treasury ensures that servicers are appropriately applying the NPV test per HAMP guidelines when assessing borrowers for program eligibility; and the procedures servicers follow to communicate to borrowers the reasons for NPV test failure, as well as to identify the full range of loss mitigation options available to such borrowers.

- **Material Loss Review of United Commercial Bank:** SIGTARP is participating in a Material Loss Review of United Commercial Bank, based in San Francisco, with the Office of the Inspector General of the Federal Deposit Insurance Corporation ("FDIC OIG"). In November 2008, United Commercial Bank received $298.7 million of TARP funds through CPP. On November 6, 2009, the California Department of Financial Institutions closed the bank and appointed FDIC as receiver. The objectives of the audit are: determining the causes of the financial institution's failure and resulting material loss to the Deposit Insurance Fund; evaluating FDIC's supervision of the institution; and determining whether FDIC and Treasury followed applicable procedures in recommending the bank for CPP funding and in monitoring its compliance with the securities purchase agreement.

Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report describes the HAMP audit in detail and discusses continuing and recently announced SIGTARP audits.

SIGTARP RECOMMENDATIONS ON THE OPERATION OF TARP

One of SIGTARP's oversight responsibilities is to provide recommendations to Treasury so that TARP programs can be designed or modified to facilitate effective oversight and transparency and to prevent fraud, waste, and abuse. Section 4: "SIGTARP Recommendations" in this report provides updates on existing recommendations and summarizes implementation measures for previous recommendations. As noted above, this report makes a series of recommendations concerning the new HAMP initiatives. It also discusses Treasury's introduction, on February 3, 2010, of the Community Development Capital Initiative ("CDCI"), a new TARP initiative designed to provide up to $1 billion in additional capital to Community Development Financial Institutions to incentivize lending. Section 2: "TARP Overview" in this report reviews CDCI's provisions in detail, and Section 4: "SIGTARP Recommendations" in this report details a number of SIGTARP recommendations designed to improve the transparency of CDCI investments and better safeguard them against fraud or the failure of participating institutions.

Over the past quarter, Treasury has also announced another new initiative designed to spur small-business lending, the Small Business Lending Fund ("SBLF"). As announced, although SBLF will be funded with $30 billion that will be rescinded from TARP, SBLF will not be part of TARP, but rather will be operated outside of TARP and thus will not be subject to the executive compensation restrictions and perceived stigma associated with TARP. However, many of the characteristics of SBLF are the same or very similar to the TARP's CPP and CDCI: the economic structure is basically the same, with Treasury providing capital in the form of preferred equity, and, like CPP and CDCI, the maximum amount of capital available under SBLF will be a percentage of the institution's risk-weighted assets. It would also appear that the application and approval process for new participants will be similar and will involve the same primary regulators. Even many of the same banks will be participants — SBLF is expressly being designed so that many CPP participants will be able to convert their CPP capital into SBLF capital. SIGTARP has estimated that up to 95% of CPP participants could be eligible to convert to SBLF.

In sum, the funds being utilized, the core mechanics, the economic terms of the program and even many of the participants all stem from TARP's CPP. Because SIGTARP has developed considerable experience and expertise in its oversight of the very similar (and similarly complex) CPP, particularly in reporting, monitoring, deterring, and investigating fraud, SIGTARP has strongly encouraged that SIGTARP be included in the oversight provisions of Treasury's legislative proposal concerning SBLF. SIGTARP's letter to Treasury, objecting to its stated intent not to include SIGTARP in the proposed legislation, is included in Appendix H: "Correspondence."

REPORT ORGANIZATION

The report is organized as follows:

- Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report discusses the activities of SIGTARP.
- Section 2: "TARP Overview" in this report details how Treasury has spent TARP funds thus far and contains an explanation or update of each program, both implemented and announced.
- Section 3: "TARP Operations and Administration" in this report describes the operations and administration of the Office of Financial Stability, the office within Treasury that manages TARP.
- Section 4: "SIGTARP Recommendations" in this report states SIGTARP's recommendations to Treasury with respect to the operation of TARP.

The report also includes numerous appendices containing, among other things, figures and tables detailing all TARP investments through March 31, 2010.

The goal is to make this report a ready reference on what TARP is and how it has been used to date. In the interest of making this report as understandable as possible, and thereby furthering general transparency of the program itself, certain technical terms are highlighted in the text and defined in the adjacent margin. In addition, portions of Section 2 are devoted to tutorials explaining the alternatives available to "underwater" homeowners and reviewing Federal support for small-business lending.

SECTION 1

THE OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SIGTARP CREATION AND STATUTORY AUTHORITY

The Office of the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP") was created by Section 121 of the Emergency Economic Stabilization Act of 2008 ("EESA"). Under EESA, SIGTARP has the responsibility, among other things, to conduct, supervise, and coordinate audits and investigations of the purchase, management, and sale of assets under the Troubled Asset Relief Program ("TARP") and, with certain limitations, any other action taken under EESA. SIGTARP is required to report quarterly to Congress to describe SIGTARP's activities and to provide certain information about TARP over that preceding quarter. EESA gives SIGTARP the authorities listed in Section 6 of the Inspector General Act of 1978, including the power to obtain documents and other information from Federal agencies and to subpoena reports, documents, and other information from persons or entities outside of Government.

The Special Inspector General, Neil M. Barofsky, was confirmed by the Senate on December 8, 2008, and sworn into office on December 15, 2008.

SIGTARP OVERSIGHT ACTIVITIES SINCE THE JANUARY 2010 QUARTERLY REPORT

SIGTARP has continued to fulfill its oversight role on multiple parallel tracks: from auditing various aspects of TARP and TARP-related programs and activities; to investigating allegations of fraud, waste, and abuse in TARP programs; to coordinating closely with other oversight bodies; all while trying to promote transparency in TARP programs.

SIGTARP's Investigations Activity

SIGTARP's Investigations Division continues to develop into a sophisticated white-collar investigative agency. Through March 31, 2010, SIGTARP has 84 ongoing criminal and civil investigations. These investigations concern suspected TARP fraud, accounting fraud, securities fraud, insider trading, bank fraud, mortgage fraud, mortgage servicer misconduct, fraudulent advance-fee schemes, public corruption, false statements, obstruction of justice, theft of trade secrets, money laundering, and tax-related investigations. Although the majority of SIGTARP's investigative activity remains confidential, over the past quarter there have been significant public developments in several of SIGTARP's investigations.

The Park Avenue Bank

On March 15, 2010, Charles Antonucci, the former President and Chief Executive Officer of The Park Avenue Bank, was charged by the United States Attorney's Office for the Southern District of New York with offenses including self-dealing, bank bribery, embezzlement of bank funds, and bank, mail, and wire fraud, among others. In particular, Antonucci allegedly attempted to steal $11 million of TARP funds by, among other things, making fraudulent claims about the bank's capital position. These charges mark the first time an individual has been criminally charged with attempting to steal TARP funds.

According to the allegation, Antonucci falsely represented that he had personally invested $6.5 million in The Park Avenue Bank to improve its capital position. As set forth in the charges, however, the funds were actually borrowed from The Park Avenue Bank itself and reinvested as part of an undisclosed "round-trip" transaction. The complaint further alleges that this fraudulent transaction was touted by The Park Avenue Bank in its application for TARP funds as evidence of its supposedly improving capital position, a key factor regulators consider when awarding TARP funds. In addition, Antonucci allegedly made false representations to bank regulators about the source of the $6.5 million. The ongoing SIGTARP investigation is being conducted in partnership with U.S. Immigration and Customs Enforcement ("ICE"), the Superintendent of the Banks of New York, the Federal Bureau of Investigation ("FBI"), and the Office of the Inspector General of the Federal Deposit Insurance Corporation ("FDIC OIG").

Bank of America

On February 4, 2010, the New York Attorney General charged Bank of America Corporation ("Bank of America"), its former Chief Executive Officer Kenneth D. Lewis, and its former Chief Financial Officer Joseph L. Price with civil securities fraud. According to the allegations, in order to complete a merger between Bank of America and Merrill Lynch & Co., Inc. ("Merrill Lynch"), the defendants failed to disclose to shareholders spiraling losses at Merrill Lynch. Additionally, after the merger was approved, it is alleged that Bank of America made misrepresentations to the Federal Government in order to obtain tens of billions of dollars in TARP funds. The investigation was conducted jointly by the New York Attorney General's Office and SIGTARP, and the case remains pending in New York state court.

SIGTARP also assisted the Securities and Exchange Commission ("SEC") with its Bank of America investigation. On February 22, 2010, the Honorable Jed S. Rakoff, United States District Judge for the Southern District of New York, approved a $150 million civil settlement between the SEC and Bank of America to settle all outstanding SEC actions against the firm. The court found that Bank of America failed to disclose adequately to its shareholders, prior to their approval of a merger with Merrill Lynch, the extent of additional material losses that Merrill Lynch had suffered. Additionally, the court found that the proxy statement sent to shareholders in November 2008 failed to disclose adequately Bank of America's agreement to allow the payment of bonuses to Merrill Lynch employees prior to the merger. In addition to the $150 million payment, Bank of America also agreed to the following settlement requirements:

- engaging an independent auditor to assess and report on the effectiveness of the company's disclosure controls and procedures
- furnishing management certifications signed by the chief executive officer and chief financial officer with respect to proxy statements
- retaining disclosure counsel to the audit committee of the company's board of directors
- adopting independence requirements beyond those already applicable for all members of the compensation committee of the company's board of directors
- retaining an independent compensation consultant to the compensation committee
- implementing and disclosing written incentive compensation principles on the company's website and providing the company's shareholders with an advisory vote concerning any proposed changes to such principles
- providing the company's shareholders with an annual "say on pay" advisory vote regarding the compensation of executives

Finally, SIGTARP continues to investigate, in partnership with the FBI and U.S. Attorneys' Offices for the Southern District of New York and Western District of North Carolina, the circumstances of Bank of America's merger with Merrill Lynch and its receipt of additional TARP funds through the Targeted Investment Program.

Omni National Bank

Omni National Bank ("Omni") was a national bank headquartered in Atlanta with branch offices in seven states. Omni failed and was taken over by the Federal Deposit Insurance Corporation ("FDIC") on March 27, 2009. Before its failure, Omni had applied for, but did not receive, TARP funds under the Capital Purchase Program ("CPP"). SIGTARP has participated in several investigations concerning Omni that have led to criminal charges as part of a mortgage fraud task force that includes SIGTARP, the U.S. Attorney's Office for the Northern District of Georgia, FDIC OIG, the Office of the Inspector General of the Department of Housing and Urban Development ("HUD OIG"), the U.S. Postal Inspection Service ("USPIS"), and the FBI.

The Omni investigation yielded two convictions in the first quarter of 2010. On January 14, 2010, Jeffrey Levine, Omni's former Executive Vice President, pled guilty in Federal district court to charges of causing material overvaluations of bank assets in the books, reports, and statements of Omni. On March 23, 2010, Brent Merriell pled guilty in Federal district court to charges of making false statements to the FDIC and six counts of aggravated identity theft in connection with a scheme to prompt Omni to forgive $2.2 million in loans. Sentencing for both men is scheduled for May 25, 2010.

SIGTARP's involvement in the investigations, including whether the various frauds had an impact on Omni's CPP application, is ongoing.

Mount Vernon Money Center

On March 11, 2010, the U.S. Attorney's Office for the Southern District of New York indicted Robert Egan, president, and Bernard McGarry, chief operating officer, of the Mount Vernon Money Center ("MVMC") with bank fraud for allegedly stealing $50 million entrusted to their company. MVMC engaged in various cash management businesses, including replenishing cash in more than 5,300 automated teller machines owned by banks and other financial institutions. According to the charges, from 2005 through February 2010, Egan and McGarry solicited and collected hundreds of millions of dollars from MVMC's clients on the false representations that they would not commingle clients' funds or use the money for purposes other than those specified in the various contracts with their clients. Egan and McGarry misappropriated their clients' money — including the funds of several institutions in which the American taxpayer was an investor through TARP — to fund tens of millions of dollars in operating losses in MVMC's businesses, to repay outstanding client obligations, and to enrich themselves at their clients' expense. SIGTARP agents assisted with the investigation. A trial date remains to be set.

Nations Housing Modification Center

On March 19, 2010, Glenn Steven Rosofsky was arrested by agents from SIGTARP and the Internal Revenue Service, Criminal Investigation Division ("IRS-CI") and charged by the U.S. Attorney's Office for the Southern District of California with one count of conspiracy to commit wire fraud and money laundering and one count of money laundering. A separate information the same day charged Michael Trap with conspiracy to commit fraud and money laundering. As set forth in the charges, Rosofsky, Trap, and others operated a telemarketing firm, ostensibly to provide delinquent homeowners with loan modification services. Operating under the names "Nations Housing Modification Center" and "Federal Housing Modification Department," Rosofsky and Trap took advantage of the publicity surrounding the Administration's mortgage modification efforts under the TARP-supported Making Home Affordable ("MHA") program and are alleged to have used fraudulent statements to induce customers to pay $2,500 - $3,000 each to purchase loan modification services that were not actually provided. The charges allege that the solicitation letters were mailed in envelopes that deceptively bore a Capitol Hill return address (in fact, it was merely a post office box) and were designed to mimic official Federal correspondence. It is alleged in court documents that the fraud grossed more than $1 million. Trap pled guilty to the charges listed in his March 19 information the following day. The case against Rosofsky remains pending.

The criminal charges follow the September 16, 2009, civil injunction obtained by the Federal Trade Commission ("FTC"), in connection with an investigation conducted in partnership with SIGTARP, against Rosofsky, Trap, and others, alleging violations of the FTC Act and telemarketing sales rules through misrepresentations about their organization as a Federal Government agency or affiliate and false claims that they would obtain mortgage modifications for consumers for a fee.

United Law Group

On March 11, 2010, SIGTARP, along with the USPIS, FBI, ICE, and the Orange County District Attorney's Office, executed a publicly filed search warrant obtained by the U.S. Attorney for the Central District of California at the offices of United Law Group, LLC ("ULG") in Irvine, California. This investigation focuses on allegations that ULG, taking advantage of the climate created by the TARP-supported MHA programs, engaged in a mortgage modification advance fee scheme. The company allegedly charged struggling homeowners fees ranging from $1,500 to $12,000 without performing services while advising victims to stop paying their mortgages and terminate contact with their lenders. Many ULG customers subsequently lost their homes to foreclosure.

Board of Governors of the Federal Reserve System/Federal Reserve Bank of New York

As disclosed to Congress in connection with the January 22, 2010 hearing entitled "Federal Bailout of AIG" before the House Committee on Oversight and Government Reform, SIGTARP has initiated several investigations relating to the decision of the Federal Reserve Bank of New York ("FRBNY") to pay certain AIG swap counterparties the equivalent of par for certain distressed securities, including issues related to FRBNY's cooperation with SIGTARP during the course of SIGTARP's audit into the payments and to certain disclosures made by AIG in relation to the payments.

SIGTARP Chairs Inaugural Meeting of the Rescue Fraud Working Group of the President's Financial Fraud Enforcement Task Force

On February 24, 2010, SIGTARP hosted the inaugural meeting of the Rescue Fraud Working Group. As previously reported, President Obama established the Financial Fraud Enforcement Task Force ("FFETF") "to investigate and prosecute significant financial crimes and other violations relating to the current financial crisis and economic recovery efforts, recover the proceeds of such crimes and violations, and ensure just and effective punishment of those who perpetrate financial crimes and violations." A component of FFETF is the Rescue Fraud Working

Group, co-chaired by Special Inspector General Neil M. Barofsky, Assistant Attorney General Lanny A. Breuer of the Criminal Division of the Department of Justice ("DOJ"), and Timothy G. Massad, chief counsel of Treasury's Office of Financial Stability ("OFS"). Attendees at the inaugural meeting included officials from agencies across the Federal Government, including OFS; DOJ (Civil, Criminal, and Tax Divisions); the U.S. Attorneys' Offices for the Northern and Central Districts of California, the Eastern District of Virginia, the Eastern and Southern Districts of New York, and the District of New Jersey; the Office of the Comptroller of the Currency; the Office of Thrift Supervision; the Financial Crimes Enforcement Network; USPIS; the Board of Governors of the Federal Reserve; the SEC; and the FBI.

SIGTARP Hotline

One of SIGTARP's primary investigative priorities is to operate the SIGTARP Hotline, thus providing a simple, accessible way for the American public to report concerns, allegations, information, and evidence of violations of criminal and civil laws in connection with TARP. From its inception in February 2009 through March 31, 2010, the SIGTARP Hotline has received and analyzed more than 12,000 Hotline contacts. These contacts run the gamut from expressions of concern about the economy to serious allegations of fraud involving TARP. A substantial number of SIGTARP's investigations were generated in connection with Hotline tips. The SIGTARP Hotline can receive information anonymously, and the confidentiality of whistleblowers is protected to the fullest extent possible. SIGTARP honors all applicable whistleblower protections. SIGTARP urges anyone aware of waste, fraud, or abuse relating to TARP programs or funds, whether it involves the Federal Government, state and local entities, private firms, or individuals, to contact its representatives at 877-SIG-2009 or www.sigtarp.gov.

SIGTARP Audit Activity

SIGTARP has initiated a total of 20 audits since its inception. Since SIGTARP's Quarterly Report to Congress dated January 30, 2010 (the "January 2010 Quarterly Report"), SIGTARP has released an additional audit report and announced two new audit projects. Five other previously announced audits are nearing completion, and SIGTARP anticipates releasing reports on those audits in the coming months.

Factors Affecting Implementation of the Home Affordable Modification Program

On March 25, 2010, SIGTARP released its audit report entitled "Factors Affecting Implementation of the Home Affordable Modification Program." Announced on March 4, 2009, the Home Affordable Modification Program ("HAMP") was designed to help homeowners stay in their homes by making their mortgages more affordable. Allocations for HAMP totaled $75 billion, including $50 billion of TARP funds. Loan servicer participation is voluntary, but HAMP encourages it by sharing some modification-related costs and offering incentive payments for successful modifications. HAMP targets owner-occupants who are in default on their pre-2009 mortgage loans or are deemed at risk of imminent default.

Using funds from TARP, among other sources, HAMP offers financial incentives for parties to mortgage modifications. First, if a servicer's modifications reduce a borrower's first mortgage debt to 38% of gross income, HAMP assumes half of the marginal cost of further reducing that ratio to 31%. Second, under a pay-for-success structure, HAMP provides fixed-dollar incentive payments to servicers, borrowers, and lenders for successful loan modifications. Under HAMP, Treasury does not pay incentives during a trial period of several months; only after trial modifications convert successfully to permanent modifications will Treasury make incentive payments.

SIGTARP's audit examined HAMP's status and whether the program has met participation goals thus far. It also discussed the challenges that have confronted Treasury in implementing the program.

When HAMP was launched in early 2009, Treasury justified the program by stating that it would "help up to three to four million at-risk homeowners avoid foreclosure," doing so "by reducing monthly payments to sustainable levels." Notwithstanding this laudable aspiration that the program would actually help that number of homeowners avoid losing their homes, Treasury has stated that its numerical goal is not tied to how many homeowners actually receive sustainable relief and avoid foreclosure. Rather, its goal was that three to four million homeowners would receive *offers* for trial modifications. The audit report concluded that measuring trial modification offers, or even actual trial modifications, for that matter, is not particularly meaningful. The more significant measure is the number of people helped, through permanent modifications, to avoid foreclosure and stay in their homes. Transparency and accountability principles require that Treasury establish meaningful goals and that it report its progress in meeting those goals on a monthly basis. Continuing to frame HAMP's success around the number of offers extended is simply not sufficient.

A year into the program, although more than a million trial modifications have been initiated, the number of permanent modifications, as of the time the audit was issued, 168,708, has been, even according to Treasury, "disappointing." One Treasury official's estimate for how many permanent modifications would result from HAMP as it was designed at the time of the audit — 1.5 to 2 million over the course of the four-year program — may be only a small fraction of the total number of foreclosures that will occur during that period. The audit concluded that any assessment of whether HAMP is worth the resources being expended or whether the program needs to be revamped to actually help more borrowers should be based on the projected estimate of permanent modifications, not Treasury's figure of three- to four-million "offers."

There are several reasons that the audit identified for the disappointing results to date:

- **Repeated changes to program guidelines caused confusion and delay.** Treasury attempted to roll out HAMP as fast as possible and, although it may have made substantial progress in meeting its servicer participation goals quickly, the program's rules were not fully developed by the time the program began. As a result, Treasury has had to revise guidelines repeatedly, often causing confusion and delay. Treasury's initial haste may have impaired the longer-term objective of delivering more permanent modifications quickly and efficiently.
- **Permitting unverified verbal modifications was counterproductive.** To pursue fixed goals for trial modifications, Treasury permitted servicers to initiate trial modifications without document verification. This proved to be a mistake that impaired more meaningful relief, *i.e.*, the conversion of trial modifications to permanent ones. Servicers have reported that weeding out ineligible borrowers among those who entered the program through verbal information is resource intensive, diverting time and effort that could have been devoted to processing eligible borrowers' completed written applications. Moreover, the policy may have caused actual harm to homeowners placed into trial modifications that had no chance of becoming permanent. Treasury corrected this error and changed the rule for all trial modifications initiated after April 15, 2010.
- **Marketing efforts concerning HAMP have been limited.** As of the time of the audit, Treasury had marketed HAMP to the public using an informational website, community outreach events, and a telephone hotline. However, Treasury has not provided sufficient guidance or metrics to support loan servicers' own HAMP outreach efforts. It has also taken more than a year to produce unique public service announcements to educate the public about HAMP's benefits and eligibility criteria and to warn against the dangers of fraud.
- **Re-defaults threaten the long-term success of the program.** Even if HAMP resulted in the estimated 1.5 to 2 million permanent modifications, the audit noted that the program will fail if large numbers of those borrowers re-default and face foreclosure anyway. Treasury estimates that 40% of HAMP modified mortgages (both trial and permanent) will re-default during the program. Several aspects of HAMP's design make it particularly vulnerable to re-defaults:
    - Debt-to-income ratios: Borrowers' other debts aside from first-lien mortgages (*e.g.*, car payments, student loans, credit card obligations, and second liens on the home) do not figure into determining HAMP eligibility or its calculation of affordable debt service, which likely overestimates many

borrowers' financial resilience. As a result, HAMP borrowers carry a median debt-to-income ratio of 61.3% even after modification.[4] This stands in contrast to Federal Housing Administration ("FHA") requirements for its own programs, including the newly announced TARP-related program intended to refinance loans with high negative equity.

- Interest rate increases post-modification: If the interest rate on a HAMP modification is adjusted to below market rates, after five years the rate can "step up" to prevailing market levels by up to 1% per year, capped at the 30-year conforming fixed rate on the day the modification was drafted. Borrowers, however, may be unable to meet the higher monthly payments after the step-up feature is invoked.
- Second liens: Up to 50% of at-risk mortgages are backed by second liens. Although borrowers may receive a HAMP permanent modification on their first-lien loan, the total monthly mortgage payments might still be unaffordable if the second lien is not also modified or extinguished. Treasury has instituted a second-lien program to address this issue, but participation to date has been limited. With the recent signing of Bank of America, Wells Fargo & Company, JPMorgan Chase & Co., and Citigroup Inc. ("Citigroup"), participation is improving.
- Negative equity and strategic defaults: At the time of the audit, HAMP did not require servicers to address negative equity (*i.e.*, when the borrower owes more than the house is worth), which has been called by an industry expert the "most important predictor of default." In light of the negative equity in many mortgages under trial modifications, the audit warned that resulting re-defaults could become a factor in HAMP's difficulties as borrowers decide that it makes more economic sense to walk away from their mortgages and rent at a lower cost.

In light of these conclusions, SIGTARP made the following recommendations, which are discussed in more detail in Section 4: "SIGTARP Recommendations" in this report:

- Given its previously ambiguous statements concerning goals and metrics for HAMP, Treasury should clearly and prominently disclose, on an ongoing basis, its goals and estimates for the number of homeowners who will be helped through permanent modifications and report monthly on progress thereto.
- Treasury should devise and publish additional performance metrics to gauge the success of HAMP. For example, Treasury could establish goals and report its progress in meeting those goals for key metrics such as servicer processing times, modifications as a proportion of defaulted loans or foreclosures, rates of borrower attrition prior to permanent loan modification, and rates of HAMP participants' regression to default.

- Treasury should undertake a sustained public service campaign to reach additional borrowers who could be helped by the program and to equip the public with complete, accurate information about HAMP in order to prevent confusion, fraud, or abuse.
- Treasury should reconsider its position that allows servicers to substitute alternative forms of income verification based on the subjective determination of the servicer, such as whether such documents are "appropriate" or relying on the servicer's "good business judgment consistent with the judgment employed when modifying mortgage loans held under their own portfolio."
- Treasury should examine the program's structure with an eye to minimizing the prospect of re-default. As constituted at the time of the audit, HAMP did not appear to address adequately risk factors such as negative equity, second-lien and non-mortgage debt service, and interest rate resets.

Treasury concurred with SIGTARP's first three recommendations. However, Treasury initially declined to adopt SIGTARP's last two recommendations, claiming that the documentary guidelines were not intended to be a "comprehensive underwriting guide" and the prospect that "alternative modification structures that could lower re-default rates" would mean either decreased participation or increased cost. As a result, Treasury suggested that it would only consider program adjustments that would "modestly" address unemployed and underwater borrowers. In response, SIGTARP encouraged Treasury to reconsider its refusal to address more deeply the issues that fuel re-default, noting that under then-current Congressional Budget Office estimates, only $20 billion of the allocated $50 billion would be spent on permanent modifications. The audit stressed the importance for the success of the program of putting borrowers into sustainable permanent modifications.

After the issuance of SIGTARP's audit report, Treasury announced its plans to make dramatic and substantial revisions to HAMP's structure that appear designed to address some of SIGTARP's recommendations, including our previously rejected recommendation regarding the danger of negative equity, as follows:

- requiring that servicers consider principal write-downs as part of the loan modification process, with increased incentives for successful principal write-downs
- a new program funded with $14 billion in TARP funds that will be run by FHA and Treasury that will enable borrowers who are severely underwater to refinance their mortgages so that the total amount that they owe on their homes will be no greater than 115% of the home's value
- temporary payment reductions for unemployed borrowers for periods from three to six months while they seek new employment
- increased incentives for servicers to provide permanent loan modifications in order to compensate them for costs associated with the revisions to the program, including assistance to unemployed homeowners
- expansion of HAMP to include borrowers with FHA-guaranteed loans and, upon request, borrowers in active bankruptcy proceedings

- improved requirements for borrower solicitations, stating performance timeframes for all parties and prohibiting new foreclosure referrals during the HAMP modification process
- additional assistance for homeowners who lose their homes through short sales or deeds-in-lieu of foreclosure, including financial assistance for moving and incentives to servicers and second-lien holders for use of foreclosure alternatives

Although SIGTARP appreciates Treasury's willingness to reconsider its opposition to more than modest changes to the program so promptly, the newly announced revisions raise several significant concerns that are addressed through additional recommendations set forth in Section 4: "SIGTARP Recommendations" in this report.

Audits Underway

SIGTARP has previously announced audits on 10 topics, and expects to issue reports covering those topics in the near future.

CPP Warrant Valuation and Disposition Process: This audit, which is being conducted in response to requests by Senator Jack Reed and Representative Maurice Hinchey, seeks to determine what processes and procedures Treasury has established to ensure that the Federal Government receives fair market value for the warrants and the extent to which Treasury has controls in place to facilitate a transparent and well-documented decision-making process. SIGTARP is scheduled to release this audit at a hearing before the House Financial Services Committee scheduled for May 11, 2010.

Automobile Dealership Closures: This audit, undertaken at the requests of Senator Jay Rockefeller and Representative David Obey, examines the process used by GM and Chrysler to identify the more than 2,000 automobile dealerships that were slated for closure in connection with the recent GM and Chrysler bankruptcies. Its objectives are to determine whether GM and Chrysler developed and followed a fair, consistent, reasonable, and documented approach; to understand the role of the Federal Government in these decisions; and to review the cost savings or other benefits to GM and Chrysler.

Governance Issues Where U.S. Holds Large Ownership Interests: SIGTARP received a request from Senator Max Baucus to undertake a body of audit work examining Federal Government oversight of, and interaction with, the management of institutions such as American International Group, Inc. ("AIG"), General Motors Company ("GM"), Chrysler Holding LLC ("Chrysler"), and Citigroup, in which the Government has or is approaching majority owner status. The audit, which is being conducted jointly with the Government Accountability Office ("GAO"), will also examine the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), which are under Government conservatorship.

Status of the Federal Government's Asset Guarantee Program with Citigroup: This review, requested by Representative Alan Grayson, addresses a series of questions about the Government's guarantee of certain Citigroup assets through the Asset Guarantee Program such as: the basis on which the decision was made to provide asset guarantees to Citigroup and the process for selecting the loans and securities to be guaranteed; the characteristics of the assets deemed acceptable for inclusion in the program and how those assets differed from other Citigroup assets; whether adequate risk-management controls were in place to mitigate the risks to the taxpayer; and what safeguards existed to protect taxpayer interests and what the losses were on the portfolio.

CPP Applications Receiving Conditional Approval: This audit examines those CPP applications that received preliminary approval from the Treasury Investment Committee conditioned upon the institutions meeting certain requirements before funds were disbursed. One example was The Colonial BancGroup ("Colonial"), which received CPP approval for $553 million conditioned on Colonial raising $300 million in private capital. (As discussed in the January 2010 Quarterly Report, SIGTARP's Investigations Division executed a search warrant of Colonial's offices in Florida, and Colonial, now shut down, has announced it is the subject of an ongoing criminal investigation.) The audit will assess the basis for the decision to grant such conditional approvals and the bank regulators' role in such decisions; whether and how timeframes are established for meeting such conditions; and whether internal controls are in place to ensure that the conditions are met before funds are disbursed.

Selection of Asset Managers for the Legacy Securities Program: This audit will examine the process Treasury followed to select fund managers to raise private capital for joint investment programs with Treasury through the Public-Private Investment Program ("PPIP"). It will examine the criteria used by Treasury to select Public-Private Investment Fund ("PPIF") managers and minority partners, and the extent to which Treasury consistently applied established criteria when selecting fund managers and small, veteran- , minority- , and women-owned businesses.

Internal Controls for the Legacy Securities Program: This audit will examine the internal controls in place for both Treasury and each of the PPIF managers for the Legacy Securities Program under PPIP. It will also assess the extent to which Treasury's internal controls mitigate PPIF manager conflicts of interest and ensure overall program compliance.

Term Asset-Backed Securities Loan Facility ("TALF") Collateral Monitors' Valuation: This audit will examine the Federal Reserve's valuation determinations used to issue loans under TALF. It will assess how the Federal Reserve made valuation determinations, including the role of the collateral monitors, when making decisions regarding the eligibility of the collateral and the appropriateness of the requested loan amounts.

Office of the Special Master Decisions on Executive Compensation: This audit will examine the Special Master's decisions on executive compensation at firms receiving exceptional assistance from the Federal Government. This audit will assess the criteria used by the Special Master to evaluate executive compensation and whether the criteria were consistently applied.

CPP Exit Strategy: This audit will examine the process that OFS and Federal banking regulators have established for banks to repay Treasury and exit CPP.

New Audits Underway

Over the past quarter, SIGTARP has announced two new audits on which work has begun:

Application of the HAMP Net Present Value ("NPV") Test: This audit, which will be conducted in response to a request from Senator Jeff Merkley and eight other Senators, will assess:

- whether the participating loan servicers are correctly applying the NPV test under the program
- the extent to which Treasury ensures that servicers are appropriately applying the NPV test per HAMP guidelines when assessing borrowers for program eligibility
- the procedures servicers follow to communicate to borrowers the reasons for NPV test failure, as well as to identify the full range of loss mitigation options available to such borrowers

Material Loss Review of United Commercial Bank: SIGTARP is participating in a Material Loss Review of United Commercial Bank, based in San Francisco, with FDIC OIG. In November 2008, United Commercial Bank received $298.7 million of TARP funds through CPP. On November 6, 2009, the California Department of Financial Institutions closed the bank and appointed FDIC as receiver. The objectives of the audit are: determining the causes of the financial institution's failure and resulting material loss to the Deposit Insurance Fund; evaluating FDIC's supervision of the institution; and determining whether the FDIC and Treasury followed applicable procedures in recommending the bank for CPP funding and in monitoring its compliance with the securities purchase agreement.

Materials related to SIGTARP's audits, including the engagement letters describing the audits at the outset and the actual final audit reports, can be found on SIGTARP's website, www.SIGTARP.gov. Specific recommendations from the audit released last quarter and an update on prior audit recommendations are discussed more fully in Section 4: "SIGTARP Recommendations" of this report.

Communications with Congress

One of the primary functions of SIGTARP is to ensure that members of Congress are kept adequately and promptly informed of developments in TARP initiatives and of SIGTARP's oversight activities. To fulfill that role, the Special Inspector General and his staff meet regularly with and brief members and Congressional staff. Over the past quarter:

- On January 22, 2010, Special Inspector General Barofsky testified before the House Committee on Oversight and Government Reform, during a hearing entitled, "The Federal Bailout of AIG." The hearing focused on the Federal Government's response to AIG's collapse and on SIGTARP's audit report on the decision to pay AIG's credit default swap counterparties effectively at face value following AIG's near-bankruptcy.
- On February 2 and 3, 2010, SIGTARP Chief of Staff Christy Romero presented open briefings for House and Senate staff. The focus of the briefing was SIGTARP's January 2010 Quarterly Report, which included, in addition to the typical subjects covered, an overview of Federal Government support for the residential mortgage market.
- On March 25, 2010, Special Inspector General Barofsky testified before the House Committee on Oversight and Government Reform, during a hearing entitled, "Foreclosure Prevention: Is the Home Affordable Modification Program Preserving Homeownership?" The hearing focused on the execution and impact of Treasury's foreclosure prevention efforts, with particular attention to HAMP, and featured the release of SIGTARP's HAMP audit.

Copies of all the Special Inspector General's written testimony, hearing transcripts, and a variety of other materials associated with Congressional hearings since SIGTARP's inception are posted at www.SIGTARP.gov/reports.

Constitutionality of the Special Master

On November 2, 2009, SIGTARP sent a letter to Treasury inquiring about the constitutionality of its appointment of the Special Master for TARP Executive Compensation, pursuant to the Interim Final Rule on TARP Standards for Compensation and Corporate Governance. On March 26, 2010, Treasury responded in a letter that set forth its arguments that the Special Master's appointment is constitutional. SIGTARP has requested additional information from Treasury and is continuing to review the issue.

THE SIGTARP ORGANIZATION

From the day the Senate confirmed the Special Inspector General, SIGTARP has worked to build its organization through various complementary strategies, including hiring experienced senior executives who can play multiple roles during the early stages of the organization, leveraging the resources of other agencies, and, where appropriate and cost effective, obtaining services through SIGTARP's contracting authority. Since the January 2010 Quarterly Report, SIGTARP has continued to make substantial progress in building its operation.

Hiring

Each of SIGTARP's divisions has continued the process of filling out its ranks. As of April 15, 2010, SIGTARP had 116 full-time personnel, including one detailee from another agency.

SIGTARP's employees hail from many Federal agencies, including DOJ, the FBI, IRS-CI, the Air Force Office of Special Investigations, GAO, Department of Transportation, Department of Energy, HUD, the SEC, U.S. Secret Service, U.S. Postal Service, U.S. Army Criminal Investigation Command, Naval Criminal Investigative Service, Treasury-Office of the Inspector General, Department of Energy-Office of the Inspector General, Department of Transportation-Office of the Inspector General, Department of Homeland Security-Office of the Inspector General, FDIC OIG, Office of the Special Inspector General for Iraq Reconstruction, and HUD OIG. Hiring is ongoing, building to SIGTARP's goal of approximately 160 full-time employees. The SIGTARP organizational chart, as of April 20, 2010, is included in Appendix I: "Organizational Chart."

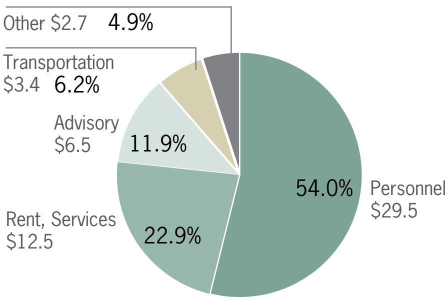
Budget

SIGTARP was established pursuant to Section 121 of EESA. SIGTARP commenced operations on December 15, 2008, with the swearing in of the Special Inspector General. Section 121(j) of EESA, as amended, provided $50 million in initial operating funds to SIGTARP. In the late spring of 2009, SIGTARP determined that its initial operating funds would be expended during the second quarter of fiscal year 2010, and that an additional $28.3 million would be needed to fund operations throughout the fiscal year. In light of $15 million made available to SIGTARP by the Ensign-Boxer Amendment, which SIGTARP expects to spend over three years (*i.e.,* $5 million per year), SIGTARP requested additional fiscal year 2010 funding of $23.3 million. On December 16, 2009, the President signed Public Law No. 111-117, the Consolidated Appropriations Act for 2010. The Appropriations Act, at Division C, Title 1, provided SIGTARP with the $23.3 million requested. SIGTARP's budget as submitted in the fiscal year

FIGURE 1.1

SIGTARP FY 2011 PROPOSED BUDGET

$ Millions, percent of $54.6 Million



2011 President's budget request is $54.6 million. For a detailed breakdown of SIGTARP's fiscal year 2011 budget, see Figure 1.1.

Physical and Technical SIGTARP Infrastructure

SIGTARP occupies office space at 1801 L Street, NW, in Washington, D.C., the same office building in which most Treasury officials managing TARP are located. SIGTARP has begun to occupy a portion of its permanent quarters in that building while the renovation process is completed in the remainder. Primarily to facilitate investigative activities in those cities, SIGTARP has also opened a branch office at 290 Broadway in New York City, and is in the process of opening offices in Los Angeles and San Francisco.

SIGTARP has a website, www.SIGTARP.gov, on which it posts all of its reports, testimony, audits, contracts, and more. Since its inception, SIGTARP's website has had more than 42 million web "hits," and there have been more than 2.4 million downloads of SIGTARP's quarterly reports, which are available on the site.[5]

The website prominently features SIGTARP's Hotline, which can also be accessed by phone at 877-SIG-2009 (877-744-2009).

SECTION 2

TARP OVERVIEW

This section summarizes the activities of the U.S. Department of the Treasury ("Treasury") in its management of the Troubled Asset Relief Program ("TARP"). It includes a discussion of Treasury's programs for homeowner relief under the Making Home Affordable initiative. Additionally, it outlines Treasury's intended legislative proposal to remove $30 billion from TARP and re-appropriate it to fund a small-business lending program. This section also reviews TARP's overall finances, provides updates on established TARP programs, and gives the status of TARP executive compensation restrictions.

TARP FUNDS UPDATE

On October 3, 2008, Congress passed the Emergency Economic Stabilization Act of 2008 ("EESA"), which created TARP and appropriated $700 billion to "restore liquidity and stability to the financial system of the United States," in the midst of a deepening economic crisis.[6] On December 9, 2009, the Treasury Secretary extended EESA until October 3, 2010, to "enable [Treasury] to continue to implement programs that address housing markets and the needs of small businesses, and to maintain the capacity to respond to unforeseen threats."[7] The Treasury Secretary said TARP's focus would shift to addressing the foreclosure crisis and small-business and community lending initiatives, and that it may increase Term Asset-Backed Securities Loan Facility ("TALF") commitments. Subsequently, Treasury indicated that it planned to submit a legislative proposal to Congress that would transfer $30 billion from TARP "to a new program outside of TARP to support small-business lending."[8] That could reduce overall available TARP funding from its current level of $698.8 billion to $668.8 billion.

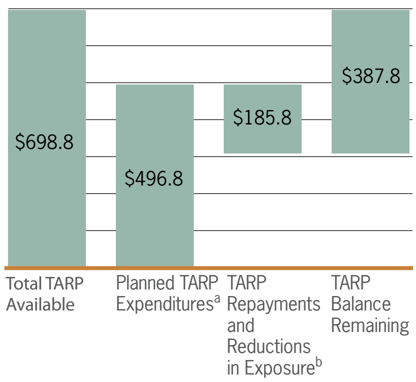
FINANCIAL OVERVIEW OF TARP

As of March 31, 2010, Treasury planned to allocate $537.1 billion of its $698.8 billion TARP maximum to buy troubled assets as authorized by Congress in EESA.[9] Of this amount, Treasury plans TARP expenditures of approximately $496.8 billion (of which $382.2 billion had been disbursed) through 13 implemented programs to support U.S. financial institutions, companies, and individual mortgage borrowers.[10] The Administration also announced plans to launch the Community Development Capital Initiative ("CDCI") and the non-TARP Small Business Lending Fund ("SBLF") to help small businesses.[11] These programs will leverage up to approximately $1 billion of TARP funds for capital infusions in Community Development Financial Institutions ("CDFIs") and another $30 billion in community banks.

FIGURE 2.1

CUMULATIVE PLANNED TARP EXPENDITURES, REPAYMENTS, AND REDUCTIONS IN EXPOSURE AS OF 3/31/2010

$ Billions



Notes: Numbers affected by rounding. The "planned expenditures" referenced throughout this report represent the funds Treasury currently plans to expend for each program, and a majority of those are committed funds (*e.g.*, signed agreements with TARP fund recipients).

[a] Treasury experienced a $2.3 billion loss on some investments under the Capital Purchase Program ("CPP").

[b] Repayments include $135.8 billion for CPP, $40 billion for the Targeted Investment Program, $4.6 billion for Auto Programs, and a $5 billion reduction in exposure under the Asset Guarantee Program.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

As of March 31, 2010, 77 TARP recipients had repaid all or a portion of their principal or repurchased shares, for a total of $180.8 billion returned to Treasury and a $5 billion reduction in Government exposure, leaving $387.8 billion, or 55.5% of TARP's allocated $698.8 billion, available for distribution.[12] Figure 2.1 provides a snapshot of the cumulative expenditures, repayments, and exposure reductions as of March 31, 2010.

Treasury also collected interest and dividends on its investments, as well as revenue from the sale of its warrants, all of which goes toward offsetting increases in the Federal deficit and cannot be re-issued by Treasury.[13]

As of March 31, 2010, the Government received $14.5 billion in interest, dividends, and other income and $5.6 billion in proceeds from the sale of warrants and preferred stock received as a result of exercised warrants.[14] As of March 31, 2010, $311 billion of the $496.8 billion planned TARP expenditures were outstanding (*i.e.*, had not been repaid or repurchased).[15] Moreover, Treasury's new plans to bolster small-business lending and help small businesses, for which Treasury has not finalized the funding source or amount associated with the programs, may increase TARP expenditures.

Most outstanding TARP funds are in the form of equity ownership in troubled, or previously troubled, companies. Treasury (and therefore taxpayers) remain shareholders in the companies that have not yet paid back the Government. Treasury's equity ownership is largely in two forms — common and preferred stock — and it has also received senior subordinated debentures.

TARP consists of 13 programs, all of which have been implemented. Of these programs, six are already closed or winding down: the Capital Purchase Program ("CPP"), the Capital Assistance Program ("CAP"), the Targeted Investment Program ("TIP"), the Asset Guarantee Program ("AGP"), the Auto Supplier Support Program ("ASSP"), and the Auto Warranty Commitment Program ("AWCP"). The 13 programs fall into 4 categories, depending on the type of assistance offered:

Warrant: The right, but not the obligation, to purchase a certain number of shares of common stock at a fixed price. Because warrants rise in value as the company's share price rises, Treasury (and the taxpayer) can benefit from a firm's potential recovery.

Common Stock: Equity ownership entitling an individual to share in corporate earnings and voting rights.

Preferred Stock: Equity ownership that usually pays a fixed dividend prior to distributions for common stock owners but only after payments due to holders of debt and depositors. It typically confers no voting rights. Preferred stock also has priority over common stock in the distribution of assets when a bankrupt company is liquidated.

Senior Subordinated Debenture: A subordinated debenture is a debt instrument ranking below senior debt but above equity with regard to investors' claims on company assets or earnings. Senior debt holders are paid in full before subordinated debt holders are paid. There may be additional distinctions of priority among subordinated debt holders. CPP invests in senior subordinated debt.

- **Homeowner Support Program** — This program and its initiatives were designed to help homeowners facing difficulty paying their mortgages by subsidizing loan modifications, loan servicer costs, and potential equity declines.
- **Financial Institution Support Programs** — These programs share a common, stated goal of stabilizing the financial markets to avoid disruption and provide for a healthy economy.
- **Asset Support Programs** — These programs attempt to support asset values and liquidity in the market by providing funding to certain holders or purchasers of assets.
- **Automotive Industry Support Programs** — These programs were intended to stabilize the American automotive industry, promoting market stability and a vigorous economy.

Figure 2.2 provides a breakdown showing how TARP funding is distributed between the four categories of programs.

Homeowner Support Program

This program and its initiatives strive to help homeowners and financial institutions holding troubled housing-related assets.

- **Making Home Affordable ("MHA") Program** — According to Treasury, this foreclosure mitigation effort should "help bring relief to responsible homeowners struggling to make their mortgage payments while preventing neighborhoods and communities from suffering the negative spillover effects of foreclosure, such as lower housing prices, increased crime, and higher taxes."[16] MHA has three major components, only one of which involves TARP funds: the Home Affordable Modification Program ("HAMP"). HAMP helps homeowners with mortgage modifications and foreclosure prevention efforts. Treasury allocated up to $50 billion of TARP money for this $75 billion program.[17] As of March 31, 2010, HAMP had expended $39.9 billion in TARP funds and disbursed $90.9 million in incentives on 65,482 permanent modifications offered by servicers.[18] See the "Making Home Affordable" discussion in this section for more detailed information.

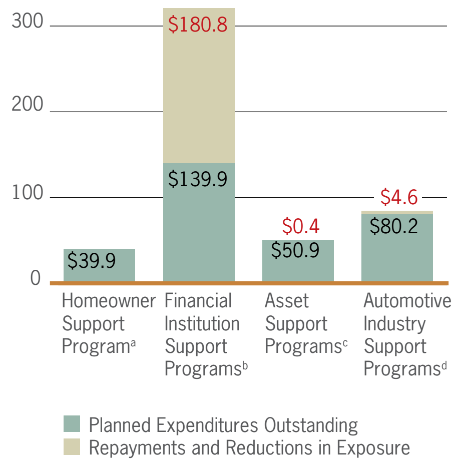
Financial Institution Support Programs

To date, Treasury has primarily invested capital directly in the financial institutions it has aided. Financial institutions, for TARP purposes, include banks, bank holding companies, and, if deemed critical to the financial system, certain systemically significant institutions.

FIGURE 2.2

PLANNED TARP EXPENDITURES OUTSTANDING, REPAYMENTS, AND REDUCTIONS IN EXPOSURE BY SUPPORT CATEGORY, AS OF 3/31/2010

$ Billions



Notes: Numbers affected by rounding. The "planned expenditures" referenced throughout this report represent the funds Treasury currently plans to expend for each program, and a majority of those are committed funds (e.g., signed agreements with TARP fund recipients).
[a] Includes MHA.
[b] Includes CPP, CDCI, SSFI, TIP, and AGP. Repayments include $135.8 billion for CPP, $40 billion for TIP, and a $5 billion reduction in exposure under AGP.
[c] Includes TALF, PPIP, and UCSB.
[d] Includes AIFP, ASSP, and AWCP. Repayments include $3.5 billion for AIFP, $413 million for ASSP, and $642 million for AWCP.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

Systemically Significant: A term used for any financial institution whose failure would impose significant losses on creditors and counterparties, call into question the financial strength of similar institutions, disrupt financial markets, raise borrowing costs for households and businesses, and reduce household wealth (also commonly used to describe institutions known as "too big to fail").

Community Development Financial Institutions ("CDFIs"): Financial institutions eligible for Treasury funding to serve a targeted demographic under the CDFI Fund. CDFIs were created in 1994 by the Riegle Community Development and Regulatory Improvement Act.

Senior Preferred Stock: Shares that give the stockholder priority dividend and liquidation claims over junior preferred and common stockholders.

- **Capital Purchase Program ("CPP")** — Under CPP, Treasury directly purchases preferred stock or subordinated debentures in qualifying financial institutions ("QFIs"). Treasury created CPP to provide funds to "stabilize and strengthen the U.S. financial system by increasing the capital base of an array of healthy, viable institutions, enabling them [to] lend to consumers and business[es]."[19] Treasury invested $204.9 billion in 707 institutions through CPP, and $135.8 billion has been repaid as of March 31, 2010.[20] CPP closed December 29, 2009, and will not disburse any new funds.[21] See the "Capital Purchase Program" discussion in this section for more detailed information.
- **Community Development Capital Initiative ("CDCI")** — Under CDCI, TARP money is used to purchase preferred stock in Community Development Financial Institutions ("CDFIs"). Treasury created CDCI to "improve access to credit for small businesses."[22] Through March 31, 2010, Treasury had not begun investing through CDCI.[23] The deadline for applications under the program was extended to April 30, 2010.[24]
- **Small Business Lending Fund ("SBLF")** — Treasury intends to propose legislation to redirect $30 billion of TARP funding to create a new program outside TARP to stimulate small-business lending. Under SBLF, Treasury would give small banks capital in return for preferred shares in a manner similar to CPP and CDCI. See the "Small Business Lending Fund" discussion in this section for more detailed information.
- **Systemically Significant Failing Institutions ("SSFI") Program/AIG Investment Program** — The SSFI program allowed Treasury to invest in systemically significant institutions to prevent them from failing.[25] Through March 31, 2010, only one firm received assistance under SSFI: American International Group, Inc. ("AIG"). There were two TARP-AIG transactions: on November 25, 2008, Treasury bought $40 billion of AIG's preferred stock to repay a portion of AIG's debt to the Federal Reserve; and, on April 17, 2009, Treasury committed approximately $29.8 billion to an equity capital facility on which AIG can draw, as needed.[26] As of March 31, 2010, AIG had drawn down $7.5 billion of the facility and had not repaid any TARP funds, leading to total outstanding TARP assistance of $47.5 billion.[27] See the "Systemically Significant Failing Institutions" portion of this section for a detailed discussion of the AIG transactions.
- **Targeted Investment Program ("TIP")** — Through TIP, Treasury helped financial institutions it deemed critical to the financial system.[28] There were two expenditures under this program totaling $40 billion — the purchase of $20 billion worth of senior preferred stock in both Citigroup and Bank of America Corporation ("Bank of America").[29] Treasury also accepted warrants of common stock from both. Because both Citigroup and Bank of America fully repaid Treasury for those investments, TIP is effectively closed. Treasury auctioned its

Bank of America warrants March 3, 2010, but still holds its Citigroup warrants. See the "Targeted Investment Program and Asset Guarantee Program" portion of this section for more information on these two transactions. See the "Capital Purchase Program" discussion in this section for a more detailed description of Treasury's sale of the warrants it received from Bank of America as part of TIP.

- **Asset Guarantee Program ("AGP")** — AGP was designed to provide insurance-like protection on a select pool of mortgage-related or similar assets held by participants whose portfolios of distressed or illiquid assets threatened market confidence.[30] Treasury, the Federal Deposit Insurance Corporation ("FDIC"), and the Federal Reserve offered certain loss protections with respect to $301 billion in troubled Citigroup assets.[31] On December 23, 2009, in connection with Citigroup's repayment of Treasury's TIP investment, the bank and the Government terminated the AGP agreement. The Government made no payments and retained $5.2 billion of preferred shares to compensate it for the protection that AGP extended (approximately $4 billion of which went to Treasury). Subsequently, Treasury converted its preferred shares to trust preferred securities on a dollar-for-dollar basis and later agreed to cancel $1.8 billion of its $4 billion in trust preferred securities.[32] See the "Targeted Investment Program and Asset Guarantee Program" discussion in this section for more information on this program.

Asset Support Programs

The purpose of these programs is to support the liquidity and market value of assets owned by financial institutions. These assets may include various classes of asset-backed securities ("ABS") and several types of loans. Treasury's asset support programs seek to bolster the balance sheets of financial firms and help free up capital so that these firms can extend more credit to support the U.S. economy.

- **Term Asset-Backed Securities Loan Facility ("TALF")** — TALF was originally designed to increase the credit available for consumer and small-business loans through a TARP-backed Federal Reserve loan program. TALF provides non-recourse loans to investors secured by certain types of ABS, including credit card receivables, auto loans, equipment loans, student loans, floor plan loans, insurance-premium finance loans, loans guaranteed by the Small Business Administration ("SBA"), residential mortgage servicing advances, and commercial mortgage-backed securities ("CMBS"). Treasury estimates using up to $20 billion of TARP funds to support this program in the form of loss protection to the loans extended by the Federal Reserve Bank of New York ("FRBNY").[33] As of March 31, 2010, FRBNY had facilitated 13 TALF subscriptions of non-mortgage-related ABS, totaling approximately $58 billion, with $36.9 billion of TALF borrowings outstanding.[34] As of March 31, 2010, FRBNY had conducted

Illiquid Assets: Assets that cannot be quickly converted to cash.

Trust Preferred Securities: Securities that have both equity and debt characteristics created by establishing a trust and issuing debt to it.

Asset-Backed Securities ("ABS"): Bonds backed by a portfolio of non-mortgage consumer or corporate loans, *e.g.*, credit card, auto, or small-business loans. Financial companies typically issue ABS backed by existing loans in order to fund new loans for their customers.

Commercial Mortgage-Backed Securities ("CMBS"): A type of bond backed by one or more mortgages on commercial real estate (*e.g.*, office buildings, rental apartments, hotels) rather than by residential real estate loans.

Legacy Assets: Commonly called troubled or toxic assets, these are real estate-related loans and securities issued before the financial crisis that remain on financial institutions' balance sheets. Legacy assets lost significant value at the onset of the crisis and were difficult to price because of market disruption.

Residential Mortgage-Backed Securities ("RMBS"): A type of bond backed by a pool of mortgages for residential real estate (*e.g.*, home mortgages for residences occupied by up to four families) rather than by commercial real estate loans.

SBA Pool Certificate: An ownership interest in a bond backed by SBA-guaranteed loans.

10 CMBS subscriptions totaling $12 billion, with $10.3 billion in loans outstanding.[35] On March 31, 2010, TALF was closed to all but non-recourse loans backed by newly issued CMBS. It is scheduled to close completely in June. "Term Asset-Backed Securities Loan Facility," later in this section, provides more information on these activities.

- **Public-Private Investment Program ("PPIP")** — PPIP's goal was to thaw frozen credit markets by purchasing legacy assets, *e.g.*, CMBS and residential mortgage-backed securities ("RMBS").[36] Under the program, Public-Private Investment Funds ("PPIFs") buy real estate-related securities. The PPIFs were operated by nine fund managers, eight of which remain, and can receive up to a total of $30 billion of debt and equity financing from TARP.[37] See the "Public-Private Investment Program" discussion later in this section for details about the program structure and fund manager terms.
- **Unlocking Credit for Small Businesses ("UCSB")/Small Business Administration Loan Support Initiative** — In March 2009, Treasury officials said they would buy up to $15 billion in securities backed by SBA loans under UCSB.[38] On March 2, 2010, Treasury entered into an agreement with Coastal Securities Inc. ("Coastal") as the sole pool assembler participating to date in the UCSB program. Under the agreement, Earnest Partners, on behalf of Treasury, can anonymously purchase SBA pool certificates from Coastal.[39] Treasury reduced its commitment under this program to $1.0 billion in TARP funding, and has made initial purchases of $21.4 million in securities. See the discussion of "Unlocking Credit for Small Businesses/Small Business Administration Loan Support" in this section for more information on the program.

Automotive Industry Financing Program ("AIFP")

TARP's automotive industry support aimed to "prevent a significant disruption of the American automotive industry, which would pose a systemic risk to financial market stability and have a negative effect on the economy of the United States."[40]

Treasury made emergency loans to Chrysler, Chrysler Financial Services Americas LLC ("Chrysler Financial"), and General Motors Corporation ("GM"). Additionally, Treasury bought senior preferred stock from GMAC Inc. ("GMAC") and provided assistance to Chrysler and GM during their restructuring under bankruptcy. As of March 31, 2010, $84.8 billion in AIFP investments were committed, $4.6 billion of which was repaid. Treasury received a 9.9% equity stake in New Chrysler (an amount that could be diluted should certain performance metrics be reached), and a 61% equity stake in New GM (an amount that could be diluted should GM's bondholders exercise their warrants). See "Automotive Industry Financing Program" later in this section for a detailed discussion of these companies. AIFP also included two subprograms:

- **Auto Supplier Support Program ("ASSP")** — This subprogram's purpose was to provide "[auto] suppliers with the confidence they need to continue shipping their parts and the support they need to help access loans to pay their employees and continue their operations."[41] By March 31, 2010, its original allocation of $5.0 billion was reduced to $3.5 billion — $1.0 billion for Chrysler and $2.5 billion for GM.[42] After emerging from bankruptcy, the automakers assumed the debts associated with ASSP.[43] By March 31, 2010, ASSP recipients repaid all $413 million actually disbursed under the program; $290 million from GM and $123 million from Chrysler, plus interest. The program terminated on April 5, 2010, for GM and April 7, 2010, for Chrysler.[44] See "Auto Supplier Support Program" in this section for more information.
- **Auto Warranty Commitment Program ("AWCP")** — The AWCP subprogram was designed to bolster consumer confidence by guaranteeing Chrysler and GM vehicle warranties during the period of uncertainty surrounding the GM and Chrysler bankruptcies. It ended in July 2009 after Chrysler fully repaid its AWCP loan with interest and GM repaid just the principal.[45]

For more information on AWCP, see SIGTARP's October 2009 Quarterly Report, page 91.

The following figures and tables provide a status summary on TARP and TARP-related initiatives:

- total potential funds subject to SIGTARP oversight as of March 31, 2010 (Table 2.1)
- planned programmatic expenditures as of March 31, 2010 (Table 2.2)
- planned programmatic cumulative expenditures (Figure 2.3)
- planned expenditures outstanding, repayments, and reductions in exposure, by program, as of March 31, 2010 (Figure 2.4)
- summary of TARP terms and agreements (Table 2.3 and Table 2.4)
- summary of largest warrant positions held by Treasury, by program, as of March 31, 2010 (Table 2.5)
- summary of dividends, interest payments, and distributions received, by program, as of March 31, 2010 (Table 2.6)

For a reporting of all purchases, obligations, expenditures, and revenues of TARP, see Appendix C: "Reporting Requirements."

TABLE 2.1

TOTAL POTENTIAL FUNDS SUBJECT TO SIGTARP OVERSIGHT, AS OF 3/31/2010 ($ BILLIONS)

Program	Brief Description or Participant	Total Potential Funding ($)	Potential TARP Funding ($)[a]
Capital Purchase Program ("CPP") CLOSED	Investments in 707 banks to date; received $135.8 billion in capital repayments	$204.9 ($135.8)	$204.9 ($135.8)
Automotive Industry Financing Program ("AIFP")	GM, Chrysler, GMAC, Chrysler Financial; received $3.6 billion in loan repayments	80.7 (3.6)	80.7 (3.6)
Auto Suppliers Support Program ("ASSP") CLOSED	Government-backed protection for auto parts suppliers	3.5[b] (0.4)	3.5[b] (0.4)
Auto Warranty Commitment Program ("AWCP") CLOSED	Government-backed protection for warranties of cars sold during the GM and Chrysler bankruptcy restructuring periods.	0.6 (0.6)	0.6 (0.6)
Unlocking Credit for Small Businesses ("UCSB")	Purchase of securities backed by SBA loans	1.0	1.0
Systemically Significant Failing Institutions ("SSFI")/ AIG Investment Program	AIG Investment	69.8[a]	69.8[a]
Targeted Investment Program ("TIP") CLOSED	Citigroup, Bank of America Investments	40.0 (40.0)	40.0 (40.0)
Asset Guarantee Program ("AGP") CLOSED	Citigroup, ring-fence asset guarantee	301.0 (301.0)	5.0 (5.0)
Term Asset-Backed Securities Loan Facility ("TALF")	FRBNY non-recourse loans for purchase of asset-backed securities	200.0	20.0[d]
Making Home Affordable ("MHA") Program	Modification of mortgage loans	75.0[d]	50.0
Community Development Capital Initiative ("CDCI")	Investments in Community Development Financial Institutions ("CDFIs")	1.0	1.0
Public-Private Investment Program ("PPIP")	Disposition of legacy assets; Legacy Securities Program	40.0 (0.4)	30.4 (0.4)
Small Business Lending Fund	Investments in small community banks — potentially TARP funding	30.0[c]	30.0[c]
New Programs, or Funds Remaining for Existing Programs	Capacity to respond if financial conditions worsen and threaten economy	347.7	347.7
Total[e]		**$913.8**	**$698.8**

Notes: Numbers affected by rounding.
[a] Actual TARP expenditures as of 3/31/2010.
[b] Treasury's original commitment under this program was $5 billion, it was but subsequently reduced to $3.5 billion effective 7/1/2009.
[c] Treasury intends to propose legislation that would rescind $30 billion in TARP funds for support to small community banks.
[d] $75 billion is for mortgage modification.
[e] According to Treasury, TARP expenditures are not expected to exceed $537.1 billion.

Sources: Treasury, Office of Financial Stability, Chief of Compliance and CFO, SIGTARP interview, 3/30/2009; Treasury, *Transactions Report*, 4/2/2010, www.financialstability.gov/docs/transaction-reports/4-2-10%20Transactions%20Report%20as%20of%203-31-10.pdf, accessed 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010; Treasury, "Auto Supplier Support Program: Stabilizing the Auto Industry in a Time of Crisis," 3/19/2009, www.treas.gov/press/releases/docs/supplier_support_program_3_18.pdf, accessed 3/19/2009; Treasury, "Treasury, Federal Reserve, and FDIC Provide Assistance to Bank of America," 1/16/2009, www.treas.gov/press/releases/hp1356.htm, accessed 1/16/2009; Treasury Press Release, "U.S. Government Finalizes Terms of Citi Guarantee Announced in November," 1/16/2009, www.financialstability.gov/latest/hp1358.html, accessed 6/8/2009; Treasury, "Financial Stability Plan Fact Sheet," 2/10/2009, www.financialstability.gov/docs/fact-sheet.pdf, accessed 6/8/2009; Treasury, "Making Home Affordable: Updated Detailed Program Description," 3/4/2009, www.treas.gov/press/releases/reports/housing_fact_sheet.pdf, accessed 6/10/2009; Treasury, "Public-Private Investment Program," 4/6/2009, www.financialstability.gov/roadtostability/publicprivatefund.html, accessed 6/9/2009.

TABLE 2.2

EXPENDITURE LEVELS BY PROGRAM, AS OF 3/31/2010 ($ BILLIONS)

	Amount	Percent (%)			
Authorized Under EESA	$700.0				
Released Immediately	$250.0	35.8%			
Released Under Presidential Certificate of Need	100.0	14.3%			
Released Under Presidential Certificate of Need & Resolution to Disapprove Failed	350.0	50.1%			
Helping Families Save Their Homes Act of 2009	(1.2)	-0.2%			
Total Released	**$698.8**	**100.0%**			
Less: Expenditures by Treasury under TARP[a]	**Planned Expenditure**	**Planned Expenditure as % of Released**	**Repaid/ Reduced Exposure**	**Outstanding**	**Section Reference**
Capital Purchase Program ("CPP"):					
Investments	$204.9	29.3%			"Financial Institution Support Programs"
Repayments					
CPP Total Gross	**$204.9**	**29.3%**	**($135.8)**	**$69.1**	
Community Development Capital Initiative ("CDCI")	$1.0				"Financial Institution Support Programs"
CDCI Total	**$1.0**	**0.1%**	**—**	**$1.0**	
Systemically Significant Failing Institutions ("SSFI") Program:					"Financial Institution Support Programs"
American International Group, Inc. ("AIG")	$69.8	10.0%			
SSFI Total	**$69.8**	**10.0%**	**—**	**$69.8**	
Targeted Investment Program ("TIP"):					
Bank of America Corporation	$20.0	2.9%			"Financial Institution Support Programs"
Citigroup	20.0	2.9%			
Repayments					
TIP Total	**$40.0**	**5.7%**	**($40.0)**	**—**	
Asset Guarantee Program ("AGP"):					
Citigroup[b]	$5.0	0.7%			"Financial Institution Support Programs"
Repayments					
AGP Total	**$5.0**	**0.7%**	**($5.0)**	**—**	
Term Asset-Backed Securities Loan Facility ("TALF"):					"Asset Support Programs"
TALF LLC	$20.0	2.9%			
TALF Total	**$20.0**	**2.9%**	**—**	**$20.0**	
Unlocking Credit for Small Businesses ("UCSB")	$1.0	0.1%			"Asset Support Programs"
UCSB Total	**$1.0**	**0.1%**	**—**	**$1.0**	
Automotive Industry Financing Program ("AIFP"):					
General Motors Corporation ("GM")	$49.5	7.1%			
General Motors Acceptance Corporation LLC ("GMAC")	17.2	2.5%			"Automotive Industry Support Programs"
Chrysler Holding LLC	12.5	1.8%			
Chrysler Financial Services Americas LLC[c]	1.5	0.2%			
Repayments					
AIFP Total	**$80.7**	**11.6%**	**($3.6)**	**$77.2**	
Automotive Supplier Support Program ("ASSP"):					
GM Suppliers Receivables LLC[d]	$2.5	0.4%			"Automotive Industry Support Programs"
Chrysler Holding LLC[d]	1.0	0.1%			
Repayments					
ASSP Total	**$3.5**	**0.5%**	**($0.4)**	**$3.1**	
Automotive Warranty Commitment Program ("AWCP"):					
General Motors Corporation ("GM")	$0.4	0.1%			"Automotive Industry Support Programs"
Chrysler Holding LLC	0.3	0.0%			
Repayments					
AWCP Total	**$0.6**	**0.1%**	**($0.6)**	**—**	

Continued on next page.

EXPENDITURE LEVELS BY PROGRAM, AS OF 3/31/2010 ($ BILLIONS) **(CONT.)**

	Planned Expenditure	Planned Expenditure as % of Released	Repaid/ Reduced Exposure	Outstanding	Section Reference
Legacy Securities Public-Private Investment Program ("PPIP"):					
Invesco Legacy Securities Master Fund, L.P.	$3.7	0.5%			
Wellington Management Legacy Securities PPIF Master Fund, LP	3.8	0.5%			
AllianceBernstein Legacy Securities Master Fund, L.P.	3.3	0.5%			
Blackrock PPIF, L.P.	3.7	0.5%			"Asset Support Programs"
AG GECC PPIF Master Fund, L.P.	3.8	0.5%			
RLJ Western Asset Public/Private Master Fund, L.P.	3.7	0.5%			
Marathon Legacy Securities Public-Private Investment Partnership, L.P.	3.7	0.5%			
Oaktree PPIP Fund, L.P.	3.7	0.5%			
Repayments					
PPIP Total	**$30.0**	**4.3%**	**$(0.4)**	**$30.0**	
Making Home Affordable ("MHA"):					
Countrywide Home Loans Servicing LP	$8.1	1.2%			
Wells Fargo Bank, NA	7.1	1.0%			
J.P.Morgan Chase Bank, NA	4.9	0.7%			
OneWest Bank	2.3	0.3%			
GMAC Mortgage, Inc.	2.1	0.3%			"Homeowner Support Programs"
CitiMortgage, Inc.	1.8	0.3%			
Litton Loan Servicing LP	1.6	0.2%			
Bank of America, NA	1.6	0.2%			
American Home Mortgage Servicing, Inc	1.6	0.2%			
Other Financial Institutions	8.8	1.3%			
MHA Total	**$39.9**	**5.7%**	**—**	**$39.9**	
TARP Expenditures Subtotal	**$496.8**	**71.1%**			
TARP Repayments/Reductions in Exposure Subtotal			**($185.8)**		
TARP Outstanding Subtotal				**$311.1**	
Balance Remaining of Total Funds Made Available as of 3/31/2010				**$387.8**	

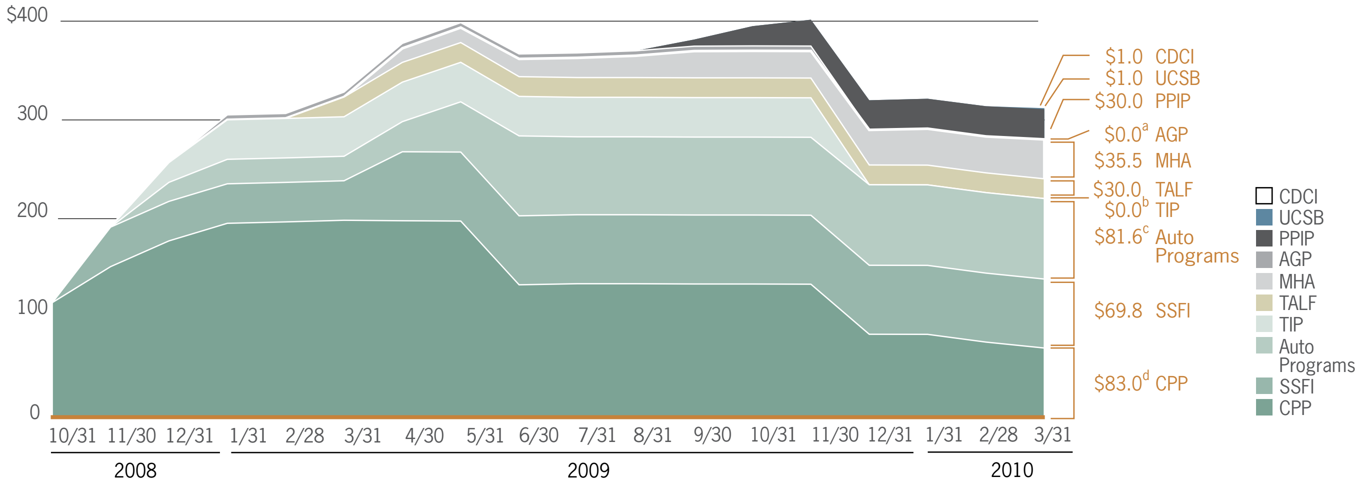
Notes: Numbers affected by rounding.
[a] From a budgetary perspective, what Treasury has committed to spend (*e.g.*, signed agreements with TARP fund recipients).
[b] Treasury committed $5 billion to Citigroup under AGP; however, the funding was conditional based on losses that could potentially be realized and may potentially never be expended. This amount was not an actual outlay of cash.
[c] Treasury's $1.5 billion loan to Chrysler Financial represents the maximum loan amount. The loan was incrementally funded until it reached the maximum amount of $1.5 billion on 4/9/2009.
[d] Represents a special purpose vehicle ("SPV") created by the manufacturer. Balance represents the maximum loan amount, which will be funded incrementally. Treasury's original commitment under this program was $5 billion, but it was subsequently reduced to $3.5 billion effective 7/1/2009.

Sources: Emergency Economic Stabilization Act, P.L. 110-343, 10/3/2008; Library of Congress, "A joint resolution relating to the disapproval of obligations under the Emergency Economic Stabilization Act of 2008," 1/15/2009, www.thomas.loc.gov, accessed 1/25/2009; Helping Families Save Their Homes Act of 2009, P.L. 111-22, 5/20/2009; Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

FIGURE 2.3

PLANNED EXPENDITURES OUTSTANDING, BY PROGRAM, CUMULATIVE

$ Billions



Notes: Numbers affected by rounding. The "planned expenditures" referenced throughout this report represent the funds Treasury currently plans to expend for each program, and a majority of those are committed funds (*e.g.*, signed agreements with TARP fund recipients).

[a] Treasury committed $5 billion to Citigroup under AGP; however, the funding was conditional based on losses that could potentially be realized and may potentially never be expended. This amount was not an actual outlay of cash. It was never disbursed and the agreement was terminated.

[b] TIP funding of $40 billion had been repaid.

[c] Auto programs include AIFP, ASSP, and AWCP. The following auto-related funding had been repaid: $3.6 billion for AIFP, $0.6 billion for AWCP, and $413 million for ASSP.

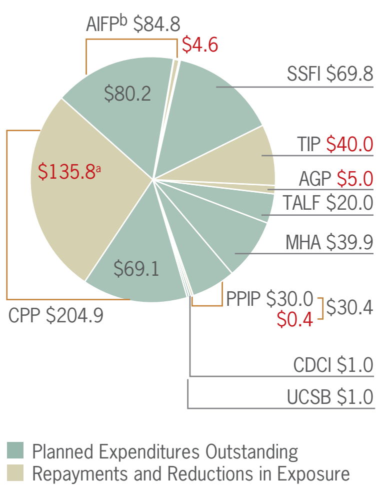
[d] CPP funding of $135.8 billion had been repaid.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

FIGURE 2.4

PLANNED EXPENDITURES OUTSTANDING, REPAYMENTS, AND REDUCTIONS IN EXPOSURE BY PROGRAM

$ Billions, % of $496.8 Billion



Notes: Numbers affected by rounding. As of March 31, 2010. TIP and AGP are excluded.

[a] As of 3/31/2010, $135.8 billion of CPP funding had been repaid.

[b] As of 3/31/2010, $4.6 billion related to AIFP loans had been repaid (including $641 million for AWCP and $413 million for ASSP).

Sources: Treasury, *Transactions Report*, 4/2/2010, www.financialstability.gov/docs/transaction-reports/4-2-10%20Transactions%20Report%20as%20of%203-31-10.pdf, accessed 4/2/2010; Treasury, response to SIGTARP data call, 4/12/2010.

TABLE 2.3

DEBT AGREEMENTS

TARP Program	Company	Date of Agreement	Cost Assigned	Description of Investment	Investment Information	Interest / Dividends	Term of Agreement
CPP — S-Corps	53 QFIs	1/14/2009[a]	$0.5 billion	Senior Subordinated Securities	Each QFI may issue senior securities with an aggregate principal amount of 1% – 3% of its risk-weighted assets, but not to exceed $25 billion.	7.7% for first 5 years; 13.8% thereafter	30 years
				Senior Subordinated Security Warrants that are exercised immediately	Treasury will receive warrants to purchase an amount equal to 5% of the senior securities purchased on the date of investment.	13.8%	30 years
AIFP	General Motors	12/31/2008	$19.8 billion[b]	Debt Obligation with Warrants and Additional Note	This loan was funded incrementally; $4 billion funded on 12/31/2008, $5.4 billion funded on 1/21/2009, $4 billion funded on 2/17/2009. Subsequently, this loan was then amended; $2 billion on 4/22/2009 and $4 billion on 5/20/2009 (General Advances). In addition, on 5/27/2009, $361 million was set aside in an SPV for the AWCP (Warranty Advances).	For General Advances — (i) the greater of (a) 3-Month LIBOR or (b) 2% plus (ii) 3%; For Warrant Advances (i) the greater of (a) 3-Month LIBOR for the related Interest Period or (b) 2% plus (ii) 3.5%	12/29/2011
AIFP	General Motors	1/16/2009	$0.9 billion	Debt Obligation	This loan was exchanged for a portion of GM's common equity interest in GMAC LLC on 5/29/2009. See Table 2.4 for more information.	3-Month LIBOR + 3%	1/16/2012
AIFP	Chrysler	1/2/2009[c]	$4.8 billion[b]	Debt Obligation with Additional Note	Loan of $4 billion; Additional note of $267 million (6.67% of the maximum loan amount). Subsequently, this loan was then amended; $500 million on 4/29/2009, this amount was never drawn and subsequentlly de-obligated (General Advances). In addition, on 4/29/2009, $280 million was set aside in SPV for the AWCP, and this advance was repaid (Warrant Advances).	For General Advances — (i) the greater of (a) 3-Month LIBOR or (b) 2% plus (ii) 3%; For Warrant Advances (i) the greater of (a) 3-Month LIBOR for the related Interest Period or (b) 2% plus (ii) 3.5%	1/2/2012
AIFP	Chrysler Financial	1/16/2009	$1.5 billion	Debt Obligation with Additional Note	Loan was funded incrementally at $100 million per week until it reached the maximum amount of $1.5 billion on 4/9/2009. Additional note is $75 million (5% of total loan size), which vests 20% on closing and 20% on each anniversary of closing.	LIBOR + 1% for first year LIBOR + 1.5% for remaining years	1/16/2014
AIFP	Chrysler	5/1/2009	$3.8 billion	Debt Obligation with Additional Note	Loan of $3 billion committed to Chrysler for its bankruptcy period. Subsequently, this loan was amended; $757 million was added on 5/20/2009. Treasury funded $1.9 billion during bankruptcy period. The remaining amount will be de-obligated.	(i) the greater of (a) 3-Month Eurodollar or (b) 2% plus (ii) 3.0%	9/30/2009, subject to certain conditions

Continued on next page.

DEBT AGREEMENTS (CONT.)

TARP Program	Company	Date of Agreement	Cost Assigned	Description of Investment	Investment Information	Interest / Dividends	Term of Agreement
AIFP	Chrysler	5/27/2009	$6.6 billion	Debt Obligation with Additional Note, Equity Interest	Commitment to New CarCo Acquisition LLC (renamed Chrysler Group LLC on or about 6/10/2009) of up to $6.6 billion. The total loan amount is up to $7.1 billion including $500 million of debt assumed from Treasury's 1/2/2009 credit agreement with Chrysler Holding LLC. The debt obligations are secured by a first priority lien on the assets of New CarCo Acquisition LLC (the company that purchased Chrysler LLC's assets in a sale pursuant to section 363 of the Bankruptcy Code).	For $2 billion: (i) The 3-Month Eurodollar Rate, plus (ii) (a) 5% or, on loans extended past the original maturity date, (b) 6.5%. For $5.142 billion note: (i) The 3-Month Eurodollar Rate plus 7.91% and (ii) an additional $17 million in PIK interest per quarter. For other notes: 3-Month Eurodollar Rate plus 7.91%.	For $2 billion note: 12/10/2011; provided that issuer may extend maturity for up to $400 million of principal to 6/10/2017. For other notes: 6/10/2017.
AIFP	General Motors	6/3/2009, amended 7/10/2009	$30.1 billion	Debt Obligation with Additional Note	Original $30.1 billion funded. Amended loan documents provided that $986 million of the original DIP loan was left for the old GM. In addition $7.1 billion was assumed by New GM of which $0.4 billion was repaid resulting in $6.7 billion remaining outstanding.	Originally, (i) the greater of (a) 3-Month Eurodollar or (b) 2% plus (ii) 3.0%. For amounts assumed by New GM, the interest rates became (i) the greater of (a) 3-Month Eurodollar or (b) 2% plus (ii) 5%	Originally 10/31/2009; for amounts assumed by New GM, June 10, 2015, subject to acceleration.
ASSP	GM Supplier Receivables LLC	4/9/2009	$2.5 billion	Debt Obligation with Additional Note	The original amount was $3.5 billion, but it was decreased permanently to $2.5 billion effective 7/1/2009.	(i) the greater of (a) LIBOR for the related interest period or (b) two percent (2%) plus (ii) three and five-tenths percent (3.5%)	4/9/2010
ASSP	Chrysler Receivables SPV LLC	4/9/2009	$1.0 billion	Debt Obligation with Additional Note	The original amount was $1.5 billion, but it was decreased permanently to $1.0 billion effective 7/1/2009.	(i) the greater of (a) LIBOR for the related interest period or (b) two percent (2%) plus (ii) three and five-tenths percent (3.5%)	4/9/2010
PPIP	All PPIF Managers	"9/30/2009 and later"	$20 billion	Debt obligation with contingent interest promissory note	Each of the loans will be funded incrementally, upon demand by the fund manager.	LIBOR + 1%	The debt obligation for each fund matures at the earlier of the dissolution of the fund or 10 years.

Notes: Numbers affected by rounding.
[a] Announcement date of CPP S-Corporation Term Sheet.
[b] Amount includes AWCP commitments.
[c] Date from Treasury's 1/27/2009 *Transaction Report*. The Security Purchase Agreement has a date of 12/31/2008.

Sources: Treasury, "Loan and Security Agreement By and Between General Motors Corporation as Borrower and The United States Department of Treasury as Lender Dated as of December 31, 2008," 12/31/2008. Treasury, "General Motors Corporation, Indicative Summary of Terms for Secured Term Loan Facility," 12/19/2008; Treasury, "General Motors Promissory Note," 1/16/2009; Treasury, "Loan and Security Agreement By and Between Chrysler Holding LLC as Borrower and The United States Department of Treasury as Lender Dated as of December 31, 2008," 12/31/2008; Treasury, "Chrysler, Indicative Summary of Terms for Secured Term Loan Facility," 12/19/2008; Treasury, "Chrysler LB Receivables Trust Automotive Industry Financing Program, Secured Term Loan, Summary of Terms," 1/16/2009; OFS, response to SIGTARP draft report, 1/30/2009; Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/7/2010.

TABLE 2.4

EQUITY AGREEMENTS

TARP Program	Company	Date of Agreement	Cost Assigned	Description of Investment	Investment Information	Dividends	Term of Agreement
CPP – Public	286 QFIs	"10/14/2008[a] and later"	$200.1 billion	Senior Preferred Equity	1-3% of risk-weighted assets, not to exceed $25 billion for each QFI	"5% for first 5 years, 9% thereafter"	Perpetual
				Common Stock Purchase Warrants	15% of senior preferred amount	—	Up to 10 years
CPP – Private	368 QFIs	"11/17/2008[b] and later"	$4.0 billion	Preferred Equity	1-3% of risk-weighted assets, not to exceed $25 billion for each QFI	"5% for first 5 years, 9% thereafter"	Perpetual
				"Preferred Stock Purchase Warrants that are exercised immediately"	5% of preferred amount	9%	Perpetual
SSFI	AIG	4/17/2009	$41.6 billion[c]	Non-Cumulative Preferred Equity	$41.6 billion aggregate liquidation preference	10%	Perpetual
				Common Stock Purchase Warrants	2% of issued and outstanding common stock on investment date of 11/25/2008; the warrant was originally for 53,798,766 shares and had a $2.50 exercise price, but after the 6/30/2009 split, it is for 2,689,938.30 shares and has an exercise price of $50.	—	Up to 10 years
SSFI	AIG	4/17/2009	$29.8 billion[d]	Non-Cumulative Preferred Equity	Up to $29.8 billion aggregate liquidation preference. As of 9/30/2009, the aggregate liquidation preference was $3.2 billion.	10%	Perpetual (life of the facility is 5 years)
				Common Stock Purchase Warrants	150 common stock warrants outstanding; $0.00002 exercise price	—	Up to 10 years
TIP	Citigroup	12/31/2008	$20.0 billion[e]	Trust Preferred Securities	$20 billion	8%	Perpetual
				Warrants	10% of total preferred stock issued; $10.61 exercise price	—	Up to 10 years
AIFP	GMAC Inc.	12/29/2008	$5.0 billion	Mandatorily Convertible Preferred Stock[f]	$5 billion	9%	Converts to common equity interest after 7 years
				Preferred Stock Purchase Warrants that are exercised immediately	5% of original preferred amount	9%	Converts to common equity interest after 7 years
AIFP	GMAC Inc.	5/21/2009	$7.5 billion	Mandatorily Convertible Preferred Stock[g]	$4.5 billion	9%	Converts to common equity interest after 7 years
				Preferred Stock Purchase Warrants that are exercised immediately	5% of original preferred amount	9%	Converts to common equity interest after 7 years
				Common Equity Interest[g]	$3.0 billion	—	Perpetual

Continued on next page.

EQUITY AGREEMENTS (CONT.)

TARP Program	Company	Date of Agreement	Cost Assigned	Description of Investment	Investment Information	Dividends	Term of Agreement
AIFP	GMAC Inc.	5/29/2009	$0.9 billion	Common Equity Interest	This equity interest was obtained by exchanging a prior debt obligation with General Motors. See Table 2.3 for more information.	—	Perpetual
AIFP	GMAC Inc.	12/30/2009	$2.5 billion	Trust Preferred Securities	$2.5 billion	8%	Redeemable upon the repayment of the debenture
				Trust Preferred purchase warrants that are exercised immediately	5% of trust preferred amount		
AIFP	GMAC Inc.	12/30/2009	$1.3 billion	Mandatorily Convertible Preferred Stock	$1.3 billion	9%	Converts to common equity interest after 7 years
				Preferred Stock Purchase Warrants that are exercised immediately	5% of preferred amount		
AGP	Citigroup	12/23/2009	$2.2 billion	Trust Preferred Securities with warrants			
PPIP	All PPIF Managers	"9/30/2009 and later"	$10.0 billion	Membership interest in a partnership	Each of the membership interests will be funded upon demand from the fund manager.		8 years with the possibility of extension for 2 additional years.

Notes: Numbers affected by rounding.
[a] Announcement date of CPP Public Term Sheet.
[b] Announcement date of CPP Private Term Sheet.
[c] AIG exchanged Treasury's $40 billion investment in cumulative preferred stock (obtained on 11/25/2008) for non-cumulative preferred stock, effectively cancelling the original $40 billion investment.
[d] The Equity Capital Facility was announced as a $30 billion commitment, but Treasury reduced this amount by the value of the AIGFP Retention Payment amount of $165 million.
[e] Citigroup exchanged its $20 billion senior preferred equity (obtained on 12/31/2008) for trust preferred securities.
[f] On December 30, 2009, Treasury exchanged $5.25 billion of preferred stock, which it acquired on December 29, 2009, into mandatory convertible preferred stock ("MCP").
[g] On December 30, 2009, Treasury converted $3.0 billion of its existing MCP, which was invested in May 2009, into common equity. Treasury's equity ownership of GMAC increased from 35% to 56% because of this conversion.

Sources: "TARP Capital Purchase Program Agreement, Senior Preferred Stock and Warrants, Summary of Senior Preferred Terms," 10/14/2008; Treasury, "TARP Capital Purchase Program Agreement, (Non-Public QFIs, excluding S Corps and Mutual Organizations) Preferred Securities, Summary of Warrant Terms," 11/17/2008; Treasury, "Securities Purchase Agreement dated as of November 25, 2008 between American International Group, Inc. and United States Department of Treasury," 11/25/2008; Treasury, "TARP AIG SSFI Investment, Senior Preferred Stock and Warrant, Summary of Senior Preferred Terms," 11/25/2008; Treasury, "Securities Purchase Agreement dated as of January 15, 2009 between Citigroup, Inc. and United States Department of Treasury," 1/15/2009; Treasury, "Citigroup, Inc. Summary of Terms, Eligible Asset Guarantee," 11/23/2008; "Securities Purchase Agreement dated as of January 15, 2009 between Bank of America Corporation and United States Department of Treasury," 1/15/2009; Treasury, "Bank of America Summary of Terms, Preferred Securities," 1/16/2009; Treasury, "GMAC LLC Automotive Industry Financing Program, Preferred Membership Interests, Summary of Preferred Terms," 12/29/2008; Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/7/2010.

TABLE 2.5

LARGEST POSITIONS IN WARRANTS HELD BY TREASURY, BY PROGRAM, AS OF 3/31/2010

Participant	Transaction Date	Current Number of Warrants Outstanding	Current Strike Price	Stock Price as of 3/31/2010	"In" or "Out" of "the Money?"[a]	Amount "In the Money" or "Out of the Money" as of 3/31/2010
Capital Purchase Program ("CPP"):						
Citigroup Inc.	10/28/2008	210,084,034	$17.85	$4.05	OUT	($13.80)
Wells Fargo & Company	10/28/2008	110,261,688	$34.01	$31.12	OUT	($2.89)
Flagstar Bancorp, Inc.	1/30/2009	64,513,790	$0.62	$0.60	OUT	($0.02)
Hartford Financial Services Group, Inc.	6/26/2009	52,093,973	$9.79	$28.42	IN	$18.63
Systemically Significant Failing Institutions ("SSFI") Program:						
AIG[b]	11/25/2008	2,689,938	$50.00	$34.14	OUT	($15.86)
AIG[b]	4/17/2009	150	$0.00	$34.14	IN	$34.14
Targeted Investment Program ("TIP"):						
Citigroup Inc.	12/31/2008	188,501,414	$10.61	$4.05	OUT	($6.56)
Asset Guarantee Program ("AGP"):						
Citigroup Inc.	1/16/2009	66,531,728	$10.61	$4.05	OUT	($6.56)

Notes: Numbers affected by rounding.
[a] When a stock's current price rises above the warrant's strike price, it is considered "in the money." Otherwise, it is considered "out of the money."
[b] All warrant and stock data for AIG are based on the 6/30/2009 reverse stock split of 1 for 20.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, response to SIGTARP data call, 4/8/2010; Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com.

TABLE 2.6

DIVIDEND, INTEREST PAYMENTS, AND DISTRIBUTIONS BY PROGRAM ($ MILLIONS)

	Dividends	Interest	Distributions	Total
AGP	$321,366,667	—	—	$321,366,667
AIFP[a,b]	1,138,641,016	$583,820,931	—	1,722,461,947
ASSP	—	14,874,984	—	14,874,984
CPP	8,955,944,812	28,340,210	—	8,984,285,021
PPIP	—	9,671,733	$15,170,521	24,842,254
TIP	3,004,444,444	—	—	3,004,444,444
Total	**$13,420,396,938**	**$636,707,858**	**$15,170,521**	**$14,072,275,317**

Notes: Numbers affected by rounding. Data as of 3/31/2010. These numbers were calculated using dividend and interest payments by TARP recipients provided by Treasury on 3/31/2010. This information does not reconcile to the "TARP Budget" provided by Treasury on 4/12/2010. Distributions are investment proceeds from the PPIF's trading activities allocated to the partners, including Treasury, not later than 30 days after the end of each quarter.
[a] Includes $13 million fee received as part of the Popular exchange.
[b] Includes AWCP.

Source: Treasury, response to SIGTARP data call, 4/8/2010.

HOMEOWNERS SUPPORT PROGRAM

Making Home Affordable Program

According to Treasury, "millions of workers have lost their jobs or had their hours cut, and are now struggling to stay current on their mortgage payments."[46] There were nearly 2.8 million foreclosures initiated in 2009, and 2010 forecasts are even higher.[47] In response to this crisis, the Administration created the Making Home Affordable ("MHA") program on February 18, 2009, to help struggling homeowners reduce their monthly mortgages, thereby preventing avoidable foreclosures. With recently announced changes, MHA will be composed of several major initiatives: a loan modification program, a loan refinancing program, and additional support for reductions in mortgage principal for underwater borrowers.[48]

TARP funds support MHA programs, including the largest component of MHA: the Home Affordable Modification Program ("HAMP").[49] According to Treasury, HAMP and the parallel programs at the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") together comprise a $75 billion initiative that will, among other things, lower homeowners' monthly mortgage debt through incentive payments to loan servicers, borrowers, and loan holders (*i.e.*, lenders or investors — referred to as investors in this section), and protect against further loss of collateral value.[50] MHA now also includes foreclosure alternatives for those unable to complete a HAMP modification. Of the $75 billion reserved for HAMP and parallel GSE programs, $50 billion will be funded through TARP and used largely to modify, write down or extinguish private-label mortgages.

Of the $50 billion earmarked for TARP-funded mortgages, $10 billion is allocated to the Home Price Decline Protection ("HPDP") program, which is purportedly designed to "encourage additional [investor] participation and HAMP modifications in areas with recent price declines by helping to offset any incremental collateral loss on modifications that do not succeed."[51]

Treasury allocated $5.7 billion to the Second Lien Modification Program ("2MP"), through which participating servicers must modify second-lien mortgages when a corresponding first lien is modified under HAMP. Treasury also allocated $4.6 billion for foreclosure alternatives under the Home Affordable Foreclosure Alternatives ("HAFA") program, previously referred to as short-sales/deeds-in-lieu of foreclosure ("SS/DIL").[52]

On March 26, 2010, Treasury announced several new efforts or program revisions: temporary mortgage forbearance for unemployed homeowners; new guidelines for servicers to consider writing down principal on first mortgages greater than 115% of the home's value; pay-for-performance incentives for borrowers and servicers who modify loans guaranteed by the Federal Housing Administration

Private-Label Mortgages: Loans that are not owned or guaranteed by Fannie Mae, Freddie Mac, or a Federal agency.

Short Sale: A sale of a home, typically for less than mortgage value, by which the borrower sells the home and the investor collects the sales proceeds as satisfaction of the unpaid mortgage balance, thus avoiding foreclosure (the costly legal process by which the investor would otherwise assume ownership of the home).

Deed-in-Lieu of Foreclosure: Instead of going through the process of foreclosure, the borrower surrenders the deed to the home voluntarily to the investor, often as satisfaction of the unpaid mortgage balance.

Forbearance: A temporary postponement of loan payments approved by the servicer. Postponing the payments gives the borrower time to make up for missed payments that were caused by financial hardship.

For more information on HPDP and HAFA, see SIGTARP's October 2009 Quarterly Report, page 97, and SIGTARP's January 2010 Quarterly Report, page 98.

Underwater Mortgage: A situation in which a homeowner owes more on the mortgage than the home is worth, typically the result of a decline in the home's value.

Government-Sponsored Enterprises ("GSEs"): Private corporations created and chartered by the Government to reduce borrowing costs, the liabilities of which are not officially considered direct taxpayer obligations.

Permanent Modification: Under HAMP, a permanent modification lasts five years, after which the interest rate can increase incrementally by up to 1% per year, capped at the 30-year conforming fixed rate at the date of the initial modification.

Trial Modification: Under HAMP, a trial modification is generally intended to last three months.

("FHA"); additional incentives to encourage full or partial write downs of second mortgages in conjunction with first-mortgage HAMP modifications; and increased incentives through HAFA.[53] Treasury and HUD also jointly announced another new $14 billion HAMP-funded program for FHA refinancing of existing underwater first-lien mortgage loans.[54]

With these expansions of MHA, Treasury expects to use the full $50 billion in TARP funding allocated.[55] Before the changes, CBO estimated that, as of January 31, 2010, the program would cost no more than $22 billion, compared to OMB's estimated cost of $49 billion.[56]

TARP money is not used with respect to loans owned or guaranteed by two Government-sponsored enterprises ("GSEs") Fannie Mae and Freddie Mac. Instead, Fannie Mae or Freddie Mac pays incentives from its operating funds. When HAMP was announced in February 2009, the Administration estimated that the GSEs would contribute up to $25 billion to modify GSE-owned or guaranteed mortgages.[57]

Status of Funds

As of March 31, 2010, Treasury had signed agreements with 115 loan servicers[58] worth up to $39.9 billion.[59] Of that $39.9 billion, $90.9 million was spent on incentives for 65,482 TARP-funded permanent modifications.[60] Of that $90.9 million, approximately $68.4 million was used for incentive payments to servicers and $22.5 million went to investor payments.[61] Because borrowers only receive incentive payments (applied directly as a reduction in principal) after they have participated in the program for at least a year, no payments toward borrowers' principal reductions have been made.[62]

The amounts allocated for servicer incentives are not immediately paid. Rather, each allocation is the maximum amount, or cap, Treasury approved for each servicer based on the servicer's eligible loan portfolio. The average allocation was $347 million.[63] To date, the largest allocation is to Countrywide Home Loans Servicing LP, owned by Bank of America, which is eligible for up to $8.1 billion in TARP funds.[64] Table 2.7 provides details regarding the five largest HAMP allocations as of March 31, 2010.

As of March 31, 2010, 1,008,873 active mortgages were modified permanently or on a trial basis. Of those, 227,922 were active permanent modifications and 780,951 were trial modifications. A snapshot of HAMP modifications is shown in Table 2.8. The breakdown of incentive payments is shown in Table 2.9.

TABLE 2.7

FIVE LARGEST HAMP FUNDING ALLOCATIONS, AS OF 3/31/2010 ($ BILLIONS)

Institution	Ultimate Parent Company	Adjusted Funding Cap[a]
Countrywide Home Loans Servicing LP	Bank of America Corporation	$8.1
Wells Fargo Bank, NA	Wells Fargo & Company	7.1[b]
J.P. Morgan Chase Bank, NA	JPMorgan Chase & Co.	4.9
OneWest Bank	OneWest Bank Group, LLC	2.3
GMAC Mortgage, Inc.	GMAC, Inc.	2.1

Notes: Numbers affected by rounding.
[a] Funding cap amounts represent the funding allocated to each institution. Funds are not spent until successful completion of certain loan modification milestones.
[b] Amount increased because of Wachovia's merger with Wells Fargo Bank, NA.

Sources: Treasury, *Transactions Report*, 4/2/2010; Factiva website, http://fce.factiva.com/pcs/default.aspx, accessed 4/7/2010; Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/7/2010.

HAMP

According to Treasury, it designed HAMP "to help as many as three to four million financially struggling homeowners avoid foreclosure by modifying loans to a level that is affordable for borrowers now and sustainable over the long term."[65] The Administration envisions a "shared partnership" between the Government and investors to bring borrowers' monthly payments down to an "affordable" level — defined as a 31% monthly mortgage payment ratio, which is the ratio of the borrower's monthly mortgage payment on the first lien to the borrower's monthly gross income.

Under the existing program, the private-sector investor is responsible for all payment reductions necessary to bring a borrower's monthly payment down to 38% of the borrower's monthly gross income. The additional reductions needed to bring the monthly payment down to a 31% ratio will be shared equally between the investor and the Government.[66] Under the anticipated changes to the program, in addition to compensating lenders for the reduction of payments from a 38% to a 31% monthly mortgage payment ratio, Treasury will also compensate lenders for reducing principal on certain underwater mortgages.[67]

TABLE 2.8

HAMP SNAPSHOT, AS OF 3/31/2010

Number of HAMP Trials Started Since Program Inception	1,166,925
Active Permanent Modifications	227,922
Number of Trial Modifications Cancelled	155,173
Number of Permanent Modifications Cancelled	2,879

Notes: Survey data provided by servicers. Trial and permanent modifications as reported by the HAMP system of record.

Source: Treasury, "Making Home Affordable Program Servicer Performance Report through March 2010," no date, www.financialstability.gov/docs/report.pdf, accessed 4/14/2010.

TABLE 2.9

BREAKDOWN OF INCENTIVE PAYMENTS, AS OF 3/31/2010 ($ MILLIONS)

Servicer Incentive Payment ($1,000)	$65.5
Servicer Current Borrower Incentive Payment ($500)	2.9
Investor Current Borrower Incentive Payment ($1,500)	8.3
Investor Monthly Reduction Cost Share[a]	14.2
Total	**$90.9**

Notes: Numbers affected by rounding.
[a] Investor monthly reduction cost share is considered an incentive payment.

Source: Treasury, response to SIGTARP data call, 4/7/2010.

For more information on HAMP, see SIGTARP's April 2009 Quarterly Report, page 114.

HAMP Documentation Requirements

Under HAMP's initial guidance, much of the paperwork borrowers had to submit in order to qualify for a permanent modification was non-standardized, and did not have to be provided prior to the servicer initiating a trial modification, which could be offered based on unverified verbal information provided by the borrower.[68] Subsequently, on October 8, 2009, Treasury created a standard MHA request for modification and affidavit form ("RMA"), which incorporates a borrower's income and expense information, a revised hardship affidavit, a fraud notice, and portions of the HAMP trial-period plan.[69] On January 28, 2010, Treasury directed that verbal trial modifications would no longer be permitted, and that full documentation be required for every trial modification offered after April 15, 2010.[70] Thereafter, the servicer will need to receive the following documents, referred to as the "initial package:"[71]

- financial information from borrowers and co-borrowers, including the source of the hardship
- signed and completed requests for tax return transcripts (or the most recent federal income tax return, including all schedules and forms)
- income verification documentation (employment income, unemployed benefits, rental income, etc.)

Servicer Performance Report

The Administration released its first monthly servicer performance report on August 4, 2009, to "document the number of struggling homeowners already helped under the [MHA] program, provide information on servicer performance and expand transparency around the initiative."[72] Beginning with the November report, representing HAMP activity through September 30, 2009, Treasury added certain loan-level data from servicers.[73]

Overall Performance

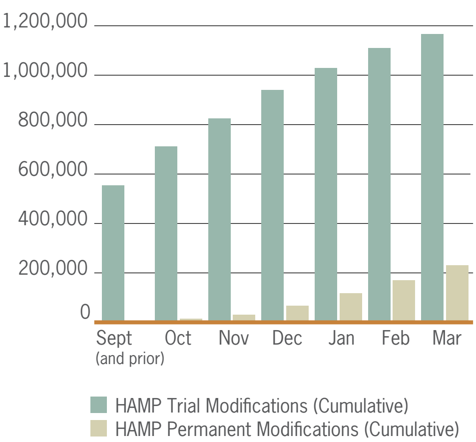
Figure 2.5 shows the monthly increases in HAMP trial and permanent modifications started.

Servicer Metrics

Activity by the five servicers initiating the most permanent HAMP modifications is shown in Table 2.10. Figure 2.6 shows the trial and permanent modifications started by each servicer as a percentage of that servicer's estimated eligible mortgages.

FIGURE 2.5

HAMP TRIAL AND PERMANENT MODIFICATIONS STARTED 9/2009 –3/2010



Notes: All trial modifications started are reported on the month the first payment is posted. Data based on numbers reported by servicers to the HAMP system of record.

Source: Treasury, "Making Home Affordable Program Servicer Performance Report Through March 2010," no date, http://financialstability.gov/docs/report.pdf, accessed 4/14/2010.

TABLE 2.10

TOP 5 HAMP SERVICERS BY NUMBER OF PERMANENT MODIFICATIONS

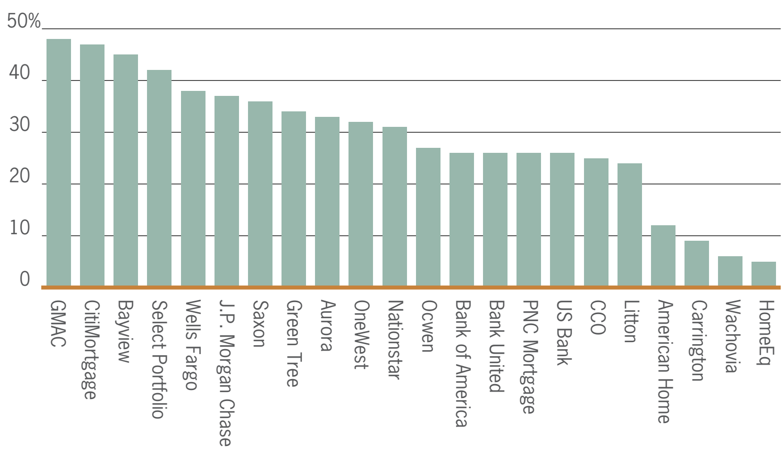
Servicer	Estimated Eligible Mortgages[a]	Active Trial Modifications[b]	Permanent Modifications	Active Trials and Permanents as a Share of Estimated Eligible Mortgages
Bank of America, NA[c]	1,085,894	250,658	32,900	26%
J.P. Morgan Chase Bank, NA[d]	431,341	129,992	31,460	37%
Wells Fargo Bank, NA[d]	378,480	114,918	30,014	38%
CitiMortgage, Inc.[e]	246,582	92,597	22,455	47%
GMAC Mortgage, Inc.	66,750	14,742	17,102	48%

Notes:
[a] Estimated eligible mortgages with 60+ day delinquencies are as of 2/28/2010.
[b] Active trial and permanent modifications as reported into the HAMP system of record by servicers are as of 3/31/2010.
[c] Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Servicers and Wilshire Credit Corporation.
[d] J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.
[e] Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB.

Source: Treasury, "Making Home Affordable Program Servicer Performance Report Through March 2010," no date, www.financialstability.gov/docs/report.pdf, accessed 4/14/2010.

FIGURE 2.6

TRIAL AND PERMANENT MODIFICATION TRACKER: TRIAL MODIFICATION STARTS AS A SHARE OF ESTIMATED ELIGIBLE MORTGAGES



Notes: Numbers affected by rounding. Treasury combines trial and permanent modifications when reporting the data shown above. Includes active trial and permanent modifications. March trials as a share of 60+ day delinquencies on 2/28/2010.

Source: Treasury, "Making Home Affordable Program Servicer Performance Report Through March 2010," no date, www.financialstability.gov/docs/report.pdf, accessed 4/14/2010.

MHA Update

During this quarter, Treasury introduced new MHA-related programs to help underwater and unemployed homeowners and provide pay-for-performance incentives for modification of FHA-guaranteed loans. Treasury also enhanced HAMP borrower protections and offered increased incentives on second-lien modifications and foreclosure alternative programs. The changes are expected to be fully implemented by fall.[74]

Assistance for Unemployed Homeowners

Under the new program, qualified homeowners who are otherwise HAMP eligible will receive temporary forbearance of a portion of their payments for a minimum of three and a maximum of six months.[75] Participating servicers are required to offer assistance if the homeowner:[76]

- is otherwise HAMP eligible
- can demonstrate that he or she is receiving unemployment insurance benefits
- requests temporary assistance within the first 90 days of delinquency

For qualifying homeowners, the mortgage payments will be adjusted to no more than a maximum of 31% of their monthly income, including their unemployment benefits.[77] If a borrower becomes employed at any time during the forbearance period, the forbearance ends and he or she will be responsible for the difference between the scheduled payments and the lesser payments made during the modification. The terms of repayment for this difference will be negotiated between the servicer and the borrower and, according to Treasury, will likely result in either a short-term payment plan or a permanent forbearance that will not have to be paid back until the home is sold or the loan is fully repaid. If the period expires before the borrower gets a job, the homeowner might be eligible for HAMP foreclosure alternatives, such as HAFA.[78] It is also possible that the borrower may qualify for a HAMP modification.

The unpaid interest during the time of the borrower's participation in the unemployment forbearance program will be added to the total amount the borrower owes, reducing any equity the borrower may have had or increasing the amount of negative equity, forcing the loan even further underwater. In a press release announcing the program, Treasury stated that this program would result in "no cost to government or taxpayers." However, Treasury officials informed SIGTARP that a planned increase in servicer incentive payments was designed in part to compensate them for additional costs resulting from the program revisions, including the unemployment forbearance program.[79]

Unemployment Assistance Example

In 2005, Family A took out a 30-year 9% fixed $250,000 mortgage and earned $6,500 a month. The monthly mortgage payment was $2,012 per month.

Today, all of Family A has been out of work for two months and is using savings to stay current. They are collecting total unemployment benefits of $2,000 per month.

Temporarily, Family A's mortgage will drop to 31% of its monthly unemployment income, reducing it by $1,380 per month while they look for new jobs. As shown in Table 2.11, a total of $8,280 in payments is thus postponed.

After six months of forbearance, all of Family A get jobs and resume paying $2,012 per month. The postponed amount is either repaid through a short-term plan or carried by the servicer as a long-term forbearance due when the loan is paid off. If Family A's new jobs pay less or other financial hardship continues, it will be considered for HAMP.

TABLE 2.11

UNEMPLOYMENT TEMPORARY ASSISTANCE EXAMPLE

	Existing Mortgage	Six Month Temporary Assistance
Balance	$239,700	$239,700
Remaining Years	26	26
Interest Rate	9.0%	9.0%
Monthly Payment	$2,012	$620
Savings	$1,380 per month, for a total of $8,280 over six months. This amount must eventually be repaid by the borrower. The servicer will decide the disposition of the unpaid amount.	

Note: Numbers affected by rounding.

Alternative Principal Write-Down Approach

On March 26, 2010, Treasury released a broad outline for a significant revision to HAMP to encourage servicers and investors to write down principal on underwater loans. The Principal Forgiveness program is expected to be operational by the fall. To be considered for principal write-down, the borrower must be HAMP eligible and owe more than 115% of his or her home's current value.[80] For such borrowers, Net Present Value Test: This test is used by the servicer to determine whether it will modify the mortgage, seek a foreclosure alternative or pursue foreclosure. The test compares investor returns if the mortgage is modified versus if nothing is done. If the result is positive, the investor would expect to receive a higher return from modifying the mortgage than from doing nothing.

the servicer must run two different Net Present Value ("NPV") tests. The original NPV test calculates investor return if the mortgage is modified per standard HAMP procedure, which relies primarily on interest rate deductions as the first step in the modification process to reach a 31% debt-to-income ratio ("DTI"), followed by term extensions and, finally, forbearance. Next, the servicer would run a second NPV test putting principal reduction at the beginning of the procedure and calculating the return to investors if the mortgage is modified through principal reductions, including payments from Treasury.[81] If the expected cash flow to the investor of a modification with principal forgiveness is both positive and greater than that from the original HAMP NPV test, servicers have the option of offering principal forgiveness.

When forgiveness is offered in conjunction with HAMP, the investor will initially postpone, or forbear, the principal amount owed above 115% in order to bring monthly payments down to 31% of the borrower's monthly mortgage payment ratio. For homeowners who remain current on their payments, one-third of the forborne amount is permanently forgiven every year for three years.[82]

Investors will be compensated for a percentage of the dollar value of the principal forgiven in the same three year increments. According to Treasury, incentives potentially range from 6 to 21 cents on the dollar, depending on the extent of the delinquency or the loan to value ratio.[83] In addition, investors will still receive the regular incentive payments available through HAMP for reducing payments from 38% to 31% of the borrower's monthly mortgage payment ratio.

Treasury will also require servicers to consider retroactively applying the benefits of this program for homeowners who previously received HAMP modifications and remained current.[84]

Table 2.12 indicates the schedule under which investors will be compensated to forgive principal. Although Treasury's chart includes compensation for principal that is reduced below 115%, as of March 31, 2010, Treasury had not determined whether it would make incentive payments to investors to reduce principal below 115%. Similarly, Treasury has not determined whether it will compensate investors who decrease principal to a level that lowers borrowers' monthly payments to less than a 31% ratio.[85]

According to Treasury, investors will be paid $0.06 per dollar of the unpaid principal balance that were six months or more delinquent in the previous year.

TABLE 2.12

INCENTIVES TO INVESTORS FOR EVERY DOLLAR OF LOAN PRINCIPAL REDUCED

Reduction of Principal (percentage)	< 115	115 to 140	> 140
Incentive Amount	$0.21	$0.15	$0.10

Note: Treasury has not committed to funding incentives for write-downs below 115% of the mortgage's value.

Source: Treasury, "Making Home Affordable Program Enhancements to Offer More Help for Homeowners," 3/26/2010, http://makinghomeaffordable.gov/docs/HAMP%20Improvements_Fact_%20Sheet_032510%20FINAL2.pdf, accessed 3/26/2010.

Example of a HAMP Modification with Alternative Principal Write-Down Approach

In 2005, Family B took out a 30-year 9% fixed $250,000 mortgage and had monthly income of $6,500. The monthly mortgage payment was $2,012.

Since then, home prices have dropped nearly 30% and Family B's home is only worth $180,000. A family member's illness reduced its income to $4,000.

Under HAMP, the servicer would first forbear principal to bring the loan down to 115% loan-to-value, or $207,000. This alone would not bring payments down to 31% DTI, so the servicer would then drop the interest rate from 9% to 5.4%, resulting in a monthly payment of $1,240, representing 31% DTI. The borrower then forgives the forborne principal over the course of three years (as long as the family remains current). As shown in Table Table 2.13, the reduction in principal and interest rate will reduce Family B's monthly payments by $772. After three years, Family B's principal reduction totals $32,700 and the investor's incentive payment, because the loan value was 133% of the home's value, is $4,900.

TABLE 2.13

HAMP MODIFICATION WITH ALTERNATIVE PRINCIPAL WRITE-DOWN EXAMPLE

	Existing Mortgage	Reduced Principal After 3 Years
Balance	$239,700	$207,000
Remaining Years	26	23
Interest Rate	9.0%	5.4%
Monthly Payment	$2,012	$1,240
Savings	$32,700 in principal reduction; $772 monthly payment reduction. The balance is reduced to $207,000 to reflect 115% of market value and additionally the interest rate is reduced to 5.4%, in order to reach a monthly payment of $1,240.	

Note: Numbers affected by rounding.

HAFA

HAFA enables servicers and borrowers to pursue short sales or deeds in lieu of foreclosure in cases where the borrower meets basic HAMP eligibility criteria but does not qualify or cannot complete the three-month trial period. HAFA provides financial incentives and reimbursements to borrowers, servicers, and investors in the form of relocation assistance incentives, "pay-for-success" incentives, and the release of subordinate liens. The program went into effect on April 5, 2010.

According to Treasury's March 26, 2010 guidance, the incentive payments for borrowers who agree to relinquish their homes increased from $1,500 to $3,000. Additionally, servicer incentives increased from $1,000 to $1,500 for each successful short sale or deed-in-lieu transaction. In the case of a short sale only, for the release of subordinate liens, the servicer "will authorize the settlement agent to allow a portion of the gross sale proceeds as payment(s) to subordinate mortgage/lien holder(s) in exchange for a lien release and full release of borrower liability."[86] Investors will be reimbursed for moneys used to extinguish second liens. The maximum allowable reimbursement increased to 6% of the outstanding loan balance, subject to an aggregate cap of $6,000.[87] For such short sales, HAFA will pay reimbursements for subordinate lien releases to a maximum of $2,000 per lien, which is to be earned on a one-for-three matching basis (for each $3 an investor pays to secure release of a subordinate lien, the investor gets $1, up to the $2,000 maximum).

2MP

2MP is purportedly designed to work in tandem with HAMP and includes homeowner relief for borrowers with second mortgages serviced by a participating 2MP servicer. As of March 31, 2010, Bank of America Corporation, Wells Fargo & Company, JPMorgan Chase & Co., and Citigroup Inc. all executed agreements to participate in the second lien program.[88] Collectively, these servicers represent 50% of all second liens. Under the program, if the first lien is modified under HAMP, a participating servicer must modify and/or extinguish the second lien as well. For a modification, the servicer will first reduce the interest rate, which is determined by the nature of the loan. If it is an interest-only loan (not-amortizing), the interest rate decreases to 2%, while the interest rate for amortizing second liens (those that require payments of both interest and principal) decreases to 1%.[89] When modifying the second lien, the servicer will also match the extension of the term of years for the modified first lien, and to the extent that there is forbearance and/or principal reduction for the modified first lien, the second lien will forbear a proportional amount.

The servicer will receive a $500 incentive payment at the time of modification. Additionally, the servicer will receive an annual pay-for-success fee of $250 for up to three years if a borrower's monthly second-lien payment is reduced by 6% or more and the borrower stays current on his payments. If that occurs, the borrower will receive an annual "pay for performance" principal balance reduction payment of up to $250 for up to five years.[90] Investors will receive a modification incentive payment equal to an annualized amount of 1.6% of the unmodified unpaid principal balance, paid on a monthly basis for up to five years. If the borrower misses three consecutive payments on his or her modified second lien, no further incentives payments will be made to the servicer. If the second lien is fully or partially extinguished, the investor will receive a payment of a percentage of the amount extinguished using the same schedule shown in Table 2.12, with a maximum payment of 6% for liens that have been in default for more than six months.

Expanded Borrower Protections in HAMP Programs

The new guidelines issued on March 26, 2010, changed certain HAMP provisions for offering expanded protection for borrowers. The new guidelines contain the following provisions:[91]

- require proactive outreach to borrowers who have missed two or more mortgage payments
- require servicers to consider a borrower in bankruptcy for HAMP
- prohibit referral to foreclosure for borrowers who are evaluated and found eligible for HAMP or until a borrower has been evaluated and found ineligible for HAMP

Implementation of FHA-HAMP

FHA-HAMP, which applies to borrowers with loans guaranteed by FHA, is similar to its TARP counterpart in that it reduces borrowers' monthly mortgage payments to 31% of their gross monthly income and requires the borrower to complete a three-month trial payment plan before permanently modifying the loan.[92] Under the new guidance, when a loan is modified under the FHA-HAMP program, borrowers and servicers will be eligible for pay-for-success incentive payments. Unlike HAMP, no payments under FHA-HAMP will be made to investors because those investors already have the benefit of the FHA insurance guarantee program. TARP funds will be used to pay the same pay-for-success incentive payments to borrowers and servicers as those made under HAMP.

Federal Housing Administration ("FHA") Refinance Program — TARP Interaction

FHA implemented a Refinance Program in the early 1980s. Under this program, a mortgage could be refinanced if, among other things, it was an existing FHA-insured mortgage, the borrower was current, and no cash was taken out after the mortgage was refinanced.[93] On March 26, 2010, Treasury and HUD announced program revisions that will give investors the option of refinancing underwater, non-FHA insured mortgages into an FHA-insured mortgage at 97.75% of the home's value, supported with up to $14 billion from TARP.[94] The FHA refinance option is voluntary for the servicers; therefore, not all underwater mortgage borrowers who qualify may benefit from a refinanced loan. Moreover, it is only available to borrowers with mortgages not currently insured by the FHA.[95] The $14 billion in TARP funds will go toward purchasing first-loss coverage (in the form of a "letter of credit") on certain mortgages, payments to holders of existing second liens for principal extinguishments, and $1,000 upfront servicer-incentive payments for each mortgage placed into the program.[96]

In order to qualify for an FHA refinance loan, homeowners must meet the following eligibility requirements:[97]

- be current on their existing mortgage
- occupy the home as their primary residence
- fully document their income
- qualify under standard FHA underwriting guidelines
- have at least a 500 FICO credit score
- have a DTI of less than 55%
- have a DTI for all housing-related debt (including second liens) of less than 31% after refinancing

The FHA refinanced loan will have the following characteristics:[98]

- The aggregate FHA insurance and TARP-supported loss coverage for the refinanced loan will be 97.75% of the current value of the home.
- The borrower's combined mortgage debt (including all liens) must be written down to a maximum of 115% of the current value of the home.
- The borrower's original first lien mortgage must be written down by at least 10%.
- The original first-lien investor has the option of converting any amount of the original mortgage that is greater than 97.75% of the value of the home to a subordinated second lien, up to 115% of the current value of the home. The balance of the mortgage above 115% would have to be forgiven. If a second lien already exists, the total combined mortgage amount after the refinance must not exceed 115% of the home's value.

The current value of the home will be determined consistent with FHA underwriting standards that, among other things, require third-party appraisal by a HUD-approved appraiser. By obtaining an FHA-guaranteed loan, the homeowner will receive a new monthly mortgage payment at a fixed interest rate. The total monthly mortgage payment (including all payments on subordinate liens) must not be greater than 31% of the borrower's monthly gross income.[99] Under the program, borrowers benefit from a lower monthly payment, a fixed interest rate, and forgiveness of principal that is more than 115% of the value of the home. Although investors will have to recognize a loss as a result of the mortgage write-down, they will receive cash payment for 97.75% of the current home value, and may maintain a subordinate second lien for up to 17.25% of the home's value (for a total balance of 115% of the home's value). Preexisting second-lien holders will receive incentive payments to extinguish their debts consistent with the schedule set forth in Table 2.12 or they may negotiate with the first lien holder for a portion of the new subordinate loan.[100]

According to Treasury, FHA will publish data on the number of loans refinanced on a quarterly basis. The published data will include the average percentage of write downs and the quantity of mortgage principal reduced.[101]

If a refinanced loan under this program defaults, it is anticipated that the letter of credit purchased by TARP will approximately compensate the refinancing investor for the first 7.75% of losses on each defaulted mortgage up to the maximum amount specified by the program guidelines. FHA will thus be responsible for the remaining approximately 90% of potential loss on each mortgage. Treasury has not publicly stated what portion of the $14 billion allocated to this program will be used for the three TARP expenses in the program: servicer incentives, payments to relinquish preexisting second liens, and first loss protection for FHA.

Example of an FHA Refinance

In 2005, Family C took out a 30-year 9% fixed $250,000 mortgage. The monthly mortgage payment was $2,012. Since then, home prices dropped nearly 30% and Family C's home is now worth $180,000.

Under the program, the investor will write down Family C's loan balance by approximately $32,700, resulting in $207,000 in total debt, which is 115% of the value of the home. A new FHA-arranged refinancing of that amount will pay the investor $175,950, or 97.75% of the home's value. The original investor will also receive a second lien for $31,050, or 17.25%, to bring the total mortgage debt to 115% of the home's value. The investor then writes off the remaining $32,700.

Table 2.14 shows that Family C's total monthly payment will fall to about $1,308 per month, for a savings of $8,448 per year.

TABLE 2.14

FHA REFINANCE EXAMPLE

	Existing Mortgage		FHA Refinance	
	Terms	**Loan to Value**	**Terms**	**Loan to Value**
Balance	$239,700	133%	$207,000	115%
Remaining Years	26		30	
First Lien	$239,700	133%	$175,950	97.75%
Second Lien	—		$31,050	17.25%
Interest Rate	9.0%		6.5%	
Monthly Payment	$2,012		$1,308	
Borrower saves in principal and interest			**$704 per month**	
Investor writes down principal amount			**$32,700**	

Note: Numbers affected by rounding.

What are HFAs and what do they do?
HFAs are agencies or authorities created by state law that are charged with helping persons and families of low or moderate income attain affordable housing. HFAs provide responsible and affordable housing resources to low- and moderate-income borrowers who might not be served elsewhere. The primary activities of HFAs are as follows:

- financing mortgages at low rates
- funding the development of affordable rental properties
- refinancing or modifying mortgage loans for at-risk borrowers.

Housing Finance Agency ("HFA") — The Hardest-Hit Fund

On February 19, 2010, the Administration announced that $1.5 billion in TARP money will be allocated to develop foreclosure prevention programs to help families in the five states hit hardest by declining home prices.[102] On March 29, 2010, the Administration expanded this program to include five more states and increased the potential subsidy by $600 million.[103] The $1.5 billion in initial funding will be provided to those states (Arizona, California, Florida, Michigan, and Nevada) in which the average home price fell more than 20% from the peak.[104] The additional $600 million will be allocated to Ohio, North Carolina, South Carolina, Oregon, and Rhode Island because of those states' high unemployment rates.[105] Each state's Housing Finance Agency ("HFA") will design programs tailored to that state. The first five states were to submit proposals to Treasury by April 16, 2010. Treasury's review period then begins.[106] The five new states' proposals are due June 1.[107] Treasury will determine whether the proposals meet EESA's requirements and the program's published guidelines. If Treasury approves, HFAs may be able to begin drawing down funds within four to six weeks. Treasury outlined categories of transactions that might be acceptable under EESA:[108]

- **Mortgage Modifications** — Programs may provide for mortgage modification of loans held by HFAs or other financial institutions or provide incentives for servicers / investors to modify loans.
- **Mortgage Modifications with Principal Forbearance** — Programs may provide for paying down all or a portion of an underwater loan and taking back a note from the borrower for that amount in order to facilitate additional modifications.
- **SS/DIL Foreclosures** — Programs may provide for assistance with short sales and deeds in lieu of foreclosure in order to prevent avoidable foreclosures.
- **Principal Reduction Programs for Borrowers with Severe Negative Equity** — Programs may provide incentives for financial institutions to write down a portion of the unpaid principal balance for homeowners with severe negative equity.
- **Unemployment Programs** — Programs may provide for assistance to unemployed borrowers to help them avoid preventable foreclosures.
- **Second Lien Reductions** — Programs may provide incentives to reduce or modify second liens.

As of March 31, 2010, Treasury had not determined how it will evaluate HFA proposals. SIGTARP will monitor and document the program's developments in future quarterly reports.

Table 2.15 shows the $2.1 billion allocation by state.

TABLE 2.15

AMOUNT ALLOCATED TO EACH STATE
($ MILLIONS)

California	$699.6
Florida	418.0
Ohio	172.0
North Carolina	159.0
Michigan	154.5
South Carolina	138.0
Arizona	125.1
Nevada	102.8
Oregon	88.0
Rhode Island	43.0
Total	**$2,100.0**

Sources: Treasury, "HFA Hardest-Hit Fund FAQs," 3/5/2010, www.makinghomeaffordable.gov/docs/HFA%20FAQ%20%20030510%20FINAL%20(Clean).pdf, accessed 3/8/2010; Treasury, "Update to HFA Hardest-Hit Fund FAQs," 3/29/2010, www.financialstability.gov/docs/Hardest%20Hit%20public%20QA%200%2029%2010.pdf, accessed 3/29/2010.

TARP TUTORIAL: WHAT DO "UNDERWATER" HOMEOWNERS DO?

Underwater Mortgage: A situation in which a homeowner owes more on the mortgage than the home is worth, typically the result of a decline in the home's value.

Introduction

The bursting of the real estate bubble left many homeowners owing more on their mortgages than their homes were worth, a situation known as being "underwater" or "upside down." These homeowners have "negative equity."

Recent data on negative equity homes indicates that 11.3 million U.S. homes had negative equity at the end of the fourth quarter of 2009 — approximately 24% of all residential mortgages.[109] This tutorial summarizes actions taken both by underwater homeowners and some of the problems raised by such actions.

Whom Does Negative Equity Affect?

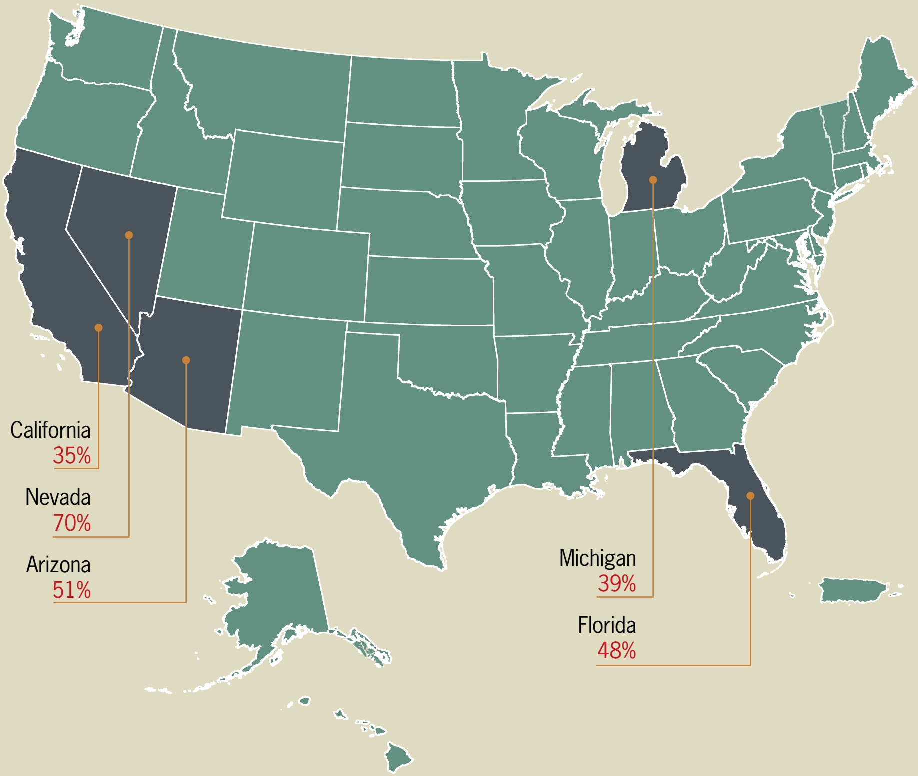
With so many homeowners underwater, almost everyone has been hurt, including:

- **Borrowers:** Borrowers become exposed when their home equity turns negative. Refinancing or moving becomes nearly impossible because they cannot make enough money selling the house to pay off the mortgage.
- **Lenders/Investors:** Some studies show that underwater borrowers are much more likely to default, and negative equity has been described as the greatest predictor of default. Foreclosure in this situation is usually very costly to lenders and investors because they are forced to sell the property for less than they lent the borrower.
- **Communities:** When properties with negative equity are concentrated in one area, that neighborhood or community suffers because those property owners have both fewer resources and less incentive to maintain their own homes. Homeowners might not make basic repairs or maintain their houses because they have no equity and think eventually the lender will foreclose on them. Additionally, the distressed sales that often accompany foreclosed underwater mortgages drag down the values of all homes in the neighborhood. Lenders who foreclose upon homes, but are unable to sell them, may not make the necessary repairs or maintenance. Vacant homes also attract vandals, squatters, and criminal activity.

According to Treasury, the states with the hardest-hit housing markets are Nevada, California, Florida, Arizona, and Michigan.[110] See Figure 2.7 for the geographic distribution of underwater mortgages for the top five states. In these five states, average property values have declined more than 20%.[111] These states had the highest number of negative equity residential properties at the end of 2009.[112]

FIGURE 2.7

GEOGRAPHIC DISTRIBUTION OF UNDERWATER MORTGAGES FOR TOP FIVE STATES



Note: Percentages represent number of underwater mortgages as a percentage of total residential mortgages as of 12/31/2009.

Source: Real Estate Channel, "24% of All U.S. Residential Mortgages Now Underwater, Says CoreLogic Q-4 Report, " 2/23/2010, www.realestatechannel.com/us-markets/residential-real-estate-1/real-estate-news-first-american-corelogic-underwater-mortgages-negative-equity-mortgages-upside-down-home-equity-home-foreclosures-loan-defaults-2075.php, accessed 3/31/2010.

Some question the link between negative equity and default rates. In 2009, a senior Treasury official remarked: "Data from past cycles suggest negative equity alone is unlikely to be sufficient to cause default, and though this cycle could be different, there is little evidence suggesting a dramatic change in behavior."[113] However, others have described negative equity as "the most important predictor of default,"[114] and Treasury's modifications to the Home Affordable Modification Program ("HAMP") appear to acknowledge the dangers presented by negative equity. When borrowers have negative equity, unemployment often acts as a catalyst increasing the probability for default.[115]

A study published in 2008 by the Federal Reserve Bank of Boston found that, during the downturn of housing prices in the early 1990s, negative equity had only a weak influence on a borrower's decision to default. The study concluded that the overwhelming majority of negative equity households will not lose their homes. More than 100,000 homeowners who had negative equity were examined, and the study found that fewer than 10% of these owners eventually lost their homes to foreclosure.[116]

More recent market observers believe that the current financial crisis is different because the amount of negative equity is larger; one recent report published by First American CoreLogic estimated that, as an owner-occupant's negative equity approaches 25%, owners begin to default on their loans.[117] It has also been widely reported that defaults based on negative equity are becoming more widespread as the social stigma of defaulting decreases. Recent reports have also indicated that homeowners, for the first time, prioritize paying other debts, such as credit cards, before paying their mortgages.[118]

The deeper underwater the homeowner sinks, the greater the incentive to default on the loan. It can be expected that the tipping point for defaulting is even lower for absentee investor-owners and "house flippers."

What Options Do Underwater Homeowners Have?

Every situation in which a homeowner is underwater on his or her mortgage is likely to be different. An underwater borrower's best course of action will require a cost-benefit analysis, one that balances personal factors against financial factors. The following are illustrative.

Financial Factors:

- How far underwater is the property?
- Can the borrower meet current payments successfully?
- How painful are the financial and non-financial costs, such as an impact on the borrower's credit rating?
- What levels of assistance are available from the Government, lender, family, or others?
- Is the mortgage loan recourse or non-recourse?

Recourse Loan: A loan in which the borrower is legally liable to repay a debt even if the asset mortgaged cannot be liquidated to cover the loan balance. In a default, a recourse loan gives the lender the right to seize and sell the mortgaged asset, in addition to other assets or property of the borrower, up to the value of the loan.

Non-recourse Loan: A secured loan whereby the borrower is relieved of the obligation to repay the loan upon surrender of the collateral.

Personal Factors:

- How strongly does the borrower feel a moral obligation to pay back the loan?
- How much attachment does the owner have to the house?
- How attractive are alternative housing options?

Some statistics illustrate these concepts:

- The average mortgage in the U.S. is about $200,000.[119]
- The average negative equity share for underwater properties in the U.S. during the fourth quarter of 2009 was 23.8%.[120] This will present an approximate $47,600 gross negative equity position.
- Although there is a connection between being underwater and subsequently falling delinquent on a mortgage, most underwater homeowners are current on their mortgages.

Option #1: Wait It Out

Underwater borrowers frequently focus on the magnitude of their theoretical losses. A 23.8% difference between value and mortgage principal can seem daunting. But it may not be so daunting when compared with the costs of taking other actions, including the costs of moving, the impairment of the borrower's credit rating after defaulting on a mortgage, and the possibility of being legally pursued by the lender if the mortgage loan provides recourse to the borrower's other assets.

Option #2: Seek Offsetting Revenue or Value

A classic tactic to meet a financial shortfall is to bring in more revenue. For example, the borrower may rent out a room in the house.

Option #3: Obtain a Loan Modification

The lender may be willing to rewrite the terms of the original mortgage loan to address the homeowner's current financial situation, such as through TARP's HAMP. A borrower's credit rating may be harmed, however, from a mortgage modification.

Changes to the loan may include reducing the interest rate, extending the number of years to repay the loan, and forbearing or reducing the amount of the loan.[121] Recent changes to HAMP, as well as new state and local programs financed through the "HFA Hardest-Hit Fund," will require that lenders consider alternative modification approaches

Loan Modification: Involves making a permanent change in one or more terms of the existing loan, such as the interest rate, the term, or converting from an adjustable-rate mortgage to a fixed-rate mortgage.

that will emphasize principal write-downs for underwater homeowners. Treasury will also be offering incentives to lenders to write down second liens in the HAMP Second Lien Modification Program.[122] Private lenders may also consider principal write-downs outside Government programs, such as Bank of America's recent announcement that it will write down a total of $3 billion of principal for certain qualifying mortgages in its own portfolio.[123]

Refinancing: Paying off an existing mortgage and replacing it with a new mortgage. Typically, the proceeds from the new loan are used to pay off the debt of the old loan.

Option #4: Refinance

Home refinancing involves paying off the existing mortgage of a home and replacing it with a new mortgage.[124] Refinancing a loan may be difficult if a home is underwater,[125] although the Government's Home Affordable Refinance Program ("HARP") will permit certain borrowers to refinance to up to 125% of the value of the loan. In addition, recently announced Federal Housing Administration ("FHA") program adjustments supported by TARP will support refinancing for underwater homeowners if certain criteria are met. Under this program, which is expected to be available to underwater homeowners by fall 2010,[126] lenders may voluntarily write down the principal of the original first mortgage on the underwater home by at least 10%. Lenders will also be provided with incentives to write down the principal balance owed on second liens so that both the first and second lien on the underwater property total no more than 115% of the current value of the home.[127] In order to qualify, homeowners must be current on their existing mortgage, must occupy the home as the principal residence, and must have a qualifying credit score.[128]

For more information about loan modifications, refinancing, and principal write-down options available to homeowners, see "MHA Update" and "Federal Housing Administration ("FHA") Refinance Program – TARP Interaction" in this section.

Reasons to consider refinancing are as follows:

- lowering the interest rate (refinancing can result in a lower interest rate and a lower monthly payment)[129]
- adjusting the terms of the mortgage[130]
- switching from an adjustable-rate mortgage ("ARM") to a fixed-rate mortgage[131]
- securing an ARM with better terms[132]

Private Mortgage Insurance ("PMI"): Mortgage insurance provided by non-Government insurers to protect a lender against losses if a borrower defaults. Lenders may require borrowers to purchase this if the loan-to-value ratio of the loan is 80% or higher.

Option #5: Make a Partial Payment

If the homeowner's mortgage is insured by private mortgage insurance ("PMI"), the insurer may provide a one-time, interest-free loan to bring the delinquent account up to date. The interest-free loan becomes due and payable when the homeowner is able to refinance, pay off the mortgage, or sell the property.[133]

Option #6: Offer a Short Sale

If the property cannot be sold for the full amount of the outstanding loan balance, the homeowner may be able to work with the lender so that the lender will accept, as full payment of the loan, whatever the home actually sells for, even if it is less than what is owed on the property. Such an arrangement is known as a "short sale," or "pre-foreclosure sale."[134] In a short sale, the bank agrees to release the borrower from owing the difference between what the home sells for and the outstanding amount of the mortgage (an amount typically termed a "deficiency payment").

Although the lender must write off the resulting loss, the lender avoids the costs and complications associated with foreclosure. A borrower's credit rating will typically suffer from a short sale, and there also may be income tax consequences in such a situation[135] because some states may require the homeowner to recognize as income the amount of the forgiven deficiency payment.

Under HAMP's Home Affordable Foreclosure Alternatives ("HAFA") program, Treasury provides incentives to qualifying borrowers who complete a short sale.

Option #7: Offer a Deed-In-Lieu of Foreclosure

In this approach, the borrower offers the lender the deed to the house in exchange for release from all or a portion of any difference between the loan amount and the collateral value.

Similar to a short sale, this approach enables the lender to avoid the time and expense of pursuing a legal case for months or even years. If agreed to, the borrower generally is required to move out of the house, although it might be possible to stay in the house as a renter. Similar to short sales, there are incentives in HAFA to facilitate these transactions.

There may also be income tax consequences in such a situation[136] similar to those in a short sale. Although this option does not save the homeowner's home, it is typically less damaging to the homeowner's credit rating than a bankruptcy or a foreclosure.[137]

Short Sale: A sale of a home, typically less than mortgage value, by which the borrower sells the home and the lender collects the sales proceeds as satisfaction for the unpaid mortgage balance, thus avoiding foreclosure (which is the legal process by which the lender assumes ownership of the home).

Deficiency Payment: A payment made by the borrower to the lender in an amount usually equal to the difference between what the lender is able to sell the home for in a foreclosure sale and what was owed by the borrower on the loan.

Deed-in-Lieu of Foreclosure: Instead of going through the process of foreclosure, the borrower surrenders the deed to the home voluntarily to the lender, often as satisfaction of the unpaid mortgage balance.

Option #8: Pursue Leaseback

In a leaseback, the borrower transfers the deed to the house to the lender, who then immediately leases the house back to the original borrower/occupant. Both Fannie Mae and Freddie Mac have implemented such programs, which are available to certain borrowers whose houses have been foreclosed upon and whose loans were owned by Fannie Mae or Freddie Mac.[138]

Deficiency Judgment: A court order that authorizes a lender of a recourse loan to collect part of an outstanding debt resulting from the foreclosure and sale of a homeowner's property or from the repossession of a property securing a debt. A deficiency judgment will take place after the foreclosed or repossessed property is sold and the proceeds collected are insufficient to pay the mortgage in full.

Option #9: Declare Bankruptcy

Filing for bankruptcy potentially provides the underwater homeowner with the option of surrendering the home and walking away from the debt without a resulting deficiency judgment and without incurring any tax consequences.[139] A bankruptcy will, however, have a severe impact on the borrower's credit report.[140]

According to U.S. Bankruptcy Law, "a bankruptcy discharge releases the debtor from personal liability for *certain* specified types of debts. In effect, the debtor is no longer legally required to pay any debts that are discharged."[141] The discharge is a permanent order prohibiting the creditors of the debtor from taking any form of collection action on discharged debts, including legal action and communications with the debtor, such as telephone calls, letters, and personal contacts. Secured debts, such as debt secured by collateral or real property (a home mortgage), are generally not extinguished in a bankruptcy filing.[142] Depending on the type of bankruptcy the homeowner files, the debtors' personal liability may be discharged; however, the lender can still repossess the property because the bankruptcy discharge does not release the lien on the property.[143]

According to the Internal Revenue Service, in the case of a discharged mortgage debt, the Mortgage Forgiveness Debt Relief Act of 2007, enacted on December 20, 2007, allows taxpayers to exclude, for Federal tax purposes, income realized as a result of the discharge of a debt resulting from the modification of the terms of the mortgage, or foreclosure on a homeowner's principal residence.[144] This relief is effective for calendar years 2007 through 2012.[145]

For more information about bankruptcy, see SIGTARP's July 2009 Quarterly Report to Congress, "TARP Tutorial: Bankruptcy," page 97.

Option #10: Default

The last option for underwater homeowners is to stop making the mortgage payments — defaulting. If no other option is available, this will typically lead to a foreclosure on the home. In cases of negative equity, some borrowers may choose to default "strategically" as they decide that it makes more economic sense for them to walk away from their mortgages. Renting at a lower price may be a more economically rational decision than continuing to make payments on a severely underwater home.

Typically, in a foreclosure, the bank will seize the property, the homeowner will be evicted, and the home will be sold at auction. In a foreclosure, the period between when a homeowner stops making payments until such time as he or she is evicted can last up to two years.[146] During this period, the homeowner essentially can remain in the home rent-free.[147] Foreclosure may result in a deficiency judgment against the homeowner.[148]

After a foreclosure, the homeowner's credit will be impaired for 5 to 10 years. As with short sales, if a deficiency judgment is not pursued, the forgiven debt may be considered income to the homeowner in certain states and therefore reported as taxable income.[149]

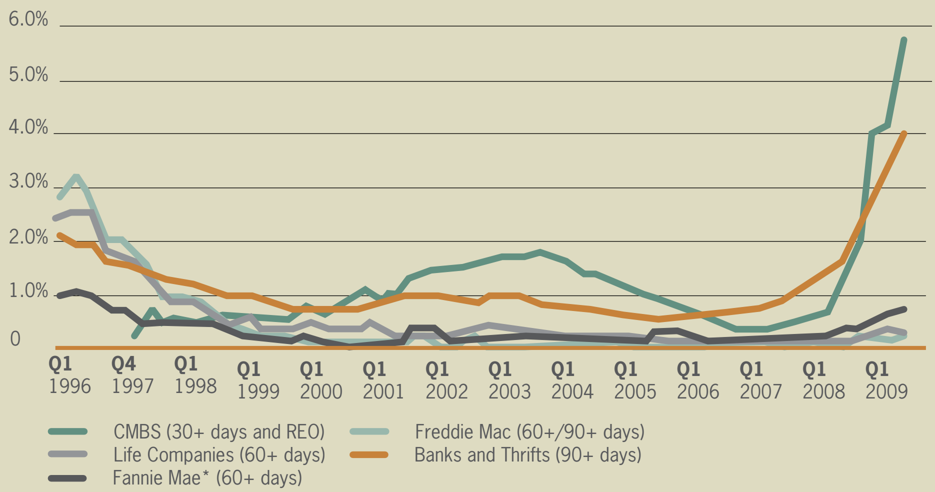
Options Available to Underwater Commercial Property Owners

The credit crisis is also affecting the commercial property market. According to a report published on February 10, 2010, by the Congressional Oversight Panel ("COP"), more than *half a trillion* dollars' worth of commercial real estate loans set to come due between now and 2014 are considered underwater. Commercial property values have fallen more than 40% since the beginning of 2007; vacancy rates have increased about 8% for multifamily housing and 18% for commercial office space.[150] Rents have also declined 40% for office space and 33% for retail space.[151] These conditions are leading to an increase in commercial mortgage delinquencies.

Figure 2.8 published by the Mortgage Bankers Association illustrates delinquency rates on the various categories of commercial mortgage-backed investor groups from the first quarter of 1996 through the fourth quarter of 2009. The chart demonstrates that

FIGURE 2.8

COMMERCIAL/MULTIFAMILY MORTGAGE DELIQUENCY RATES AMONG MAJOR INVESTOR GROUPS



Notes: Selected delinquency rates at the end of the period. Delinquency rates shown are not comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.

Source: Q4 2009, MBA Commercial/Multifamily, Mortgage Delinquency Rates for Major Investor Groups, www.mortgagebankers.org/files/Research/CommercialNDR/4Q09CommercialNDR.pdf, accessed 3/12/2010. Chart taken verbatim from Mortgage Banker's Association.

Commercial Mortgage-Backed Securities ("CMBS"): A type of bond backed by one or more mortgages on commercial real estate (*e.g.*, office buildings, rental apartments, hotels) rather than by residential real estate loans.

delinquency rates among commercial mortgage-backed securities ("CMBS") loan portfolios and loan portfolios held by Federal Deposit Insurance Corporation-insured banks and thrifts are at their highest levels since the beginning of the report.[152] These delinquencies appear to be on an upward trend.

Data published in RealPoint Research's March 2010 "Monthly Delinquency Report" forecasts CMBS delinquencies to grow to between 8% and 9% by mid-2010. According to the report, delinquency rates on CMBS could grow as high as 11% to 12% by the end of 2010.

What Happens to Underwater Commercial Properties?

Many of the options available to underwater commercial property owners are similar to the traditional options available to underwater residential property owners discussed above, other than relief through TARP or HARP. As set forth in COP's report, the typical options for resolving defaulting or non-performing commercial loans are as follows:[153]

- The lender or servicer proceeds with foreclosure on the property.
- The lender and owner participate in a "workout" arrangement in which the principal balance or interest rate, or both, are reduced.
- The lender can agree to modify the terms of the loan so that it can be repaid over a longer period of time on the same terms.

Lenders proceeding to foreclose on a property in default may use alternatives to "hostile foreclosure," such as accepting a deed-in-lieu of foreclosure, agreeing with the property owner to a "friendly foreclosure" (in which the owner does not fight the foreclosure process), or a short sale.[154]

Resolving underwater commercial properties may differ slightly from resolving underwater residential mortgages in three ways:

- An underwater commercial property owner who declares bankruptcy may temporarily forestall the foreclosure process. In such a bankruptcy, unlike in residential real estate, the bankruptcy court may order a write-down of the loan balance.[155]
- Commercial mortgages typically are non-recourse,[156] so that there are fewer repercussions for borrowers if they default because they will not be liable for the unrecovered amounts of the loan.[157] Also, commercial real estate is typically owned by corporate entities created for the sole purpose of holding the subject property, insulating the shareholders from the effects of a default.[158]
- In contrast to residential mortgage foreclosures, in which foreclosed properties often sit vacant for many months, in a commercial property foreclosure, the lender can more readliy arrange for a new borrower to step in and purchase the foreclosed property.[159]

Historically, commercial property owners are more likely to walk away from underwater properties than are residential homeowners, in part because it is strictly a business decision that may have few consequences to the borrower.[159]

Write-down: A reduction in the principal balance of a loan. Write-downs may reduce the incentive for a borrower to default because the new principal balance usually is lower than what the property would sell for.

FINANCIAL INSTITUTION SUPPORT PROGRAMS

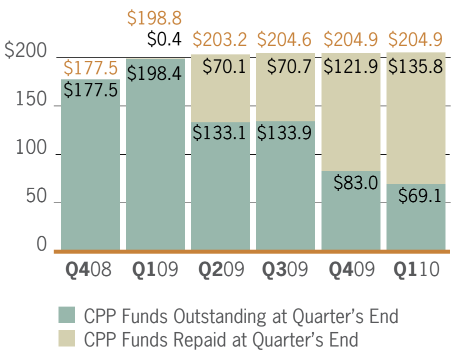
Treasury created five TARP programs in which it made capital investments or asset guarantees in exchange for equity in financial institutions. Two, the Capital Purchase Program ("CPP") and Capital Assistance Program ("CAP"), were open to all qualifying financial institutions ("QFIs"). The other three, the Systemically Significant Failing Institutions program ("SSFI"), the Targeted Investment Program ("TIP"), and the Asset Guarantee Program ("AGP"), were available on a case-by-case basis to institutions needing assistance beyond what is available through CPP. Treasury does not expect to make new investments through these established programs, although it is launching new ones to support small-business lending that mirror CPP.[160] Treasury may also alter the terms of its existing CPP investments by converting the preferred shares that it originally received into common shares of stock or other forms of equity to help improve the capital structure of struggling CPP recipients.[161]

As of March 31, 2010, CPP, CAP, TIP, and AGP were effectively closed to new investment. For further information on the closing of these programs, see previous SIGTARP Quarterly Reports.

FIGURE 2.13

SNAPSHOT OF CPP FUNDS OUTSTANDING AND REPAID, BY QUARTER

$ Billions



Notes: Numbers affected by rounding. Data as of 3/31/2010 and reflected in calendar quarters.

Source: Treasury, *Transactions Report*, 4/2/2010.

Capital Purchase Program

Treasury's goal for CPP was to invest in healthy, viable banks as a way of promoting financial stability, maintaining confidence in the financial system, and permitting lenders to meet the nation's credit needs.[162] Through CPP, $204.9 billion of TARP money was invested in 707 different QFIs.[163]

The Treasury Secretary announced on December 9, 2009, that TARP will wind down, saying that CPP, "through which the majority of TARP investments in banks have been made, is effectively closed."[164] However, Treasury announced plans to launch a structurally similar program to stimulate small-business lending through capital investments in small banks.

As of March 31, 2010, CPP recipients had paid approximately $8.96 billion in dividends, $28.3 million in interest, and repurchased approximately $2.9 billion in warrants. Additionally, Treasury received approximately $1.5 billion from the sale of warrants through public Treasury warrant auctions.[165] For a summary of CPP funds outstanding and associated repayments, see Figure 2.13.

As of February 17, 2010, the Congressional Budget Office ("CBO") estimates that CPP will generate $2 billion in gains, while the Office of Management and Budget ("OMB") estimates that CPP will cost $1 billion.[166]

Status of Funds

By March 31, 2010, Treasury had purchased $204.9 billion in preferred stock and subordinated debentures from 707 different QFIs in 48 states, the District of Columbia, and Puerto Rico. Figure 2.14 shows the geographical distribution of funded QFIs. Although the eight largest investments accounted for $134.2 billion of the program, CPP also had many more modest investments: 331 of 707 recipients received $10 million or less. Table 2.16 and Table 2.17 show the distribution of the investments by amount.

TABLE 2.16

CPP INVESTMENT SUMMARY BY TRANSACTION

	Original[a]	Current[b]
Total Investment	$204.9 Billion	$66.7 Billion
Largest Capital Investment	$25 Billion	$25 Billion
Smallest Capital Investment	$301,000	$301,000
Average Capital Investment	$277.6 Million	$103.9 Million
Median Capital Investment	$10.3 Million	$10.2 Million

Notes: Numbers affected by rounding. Data as of 3/31/2010.
[a] These numbers are based on total Treasury CPP investment since 10/28/2008.
[b] Amount does not include those investments that have already been repaid and is based on total investments outstanding.

Source: Treasury, *Transactions Report*, 4/2/2010.

TABLE 2.17

CPP INVESTMENT SIZE BY INSTITUTION

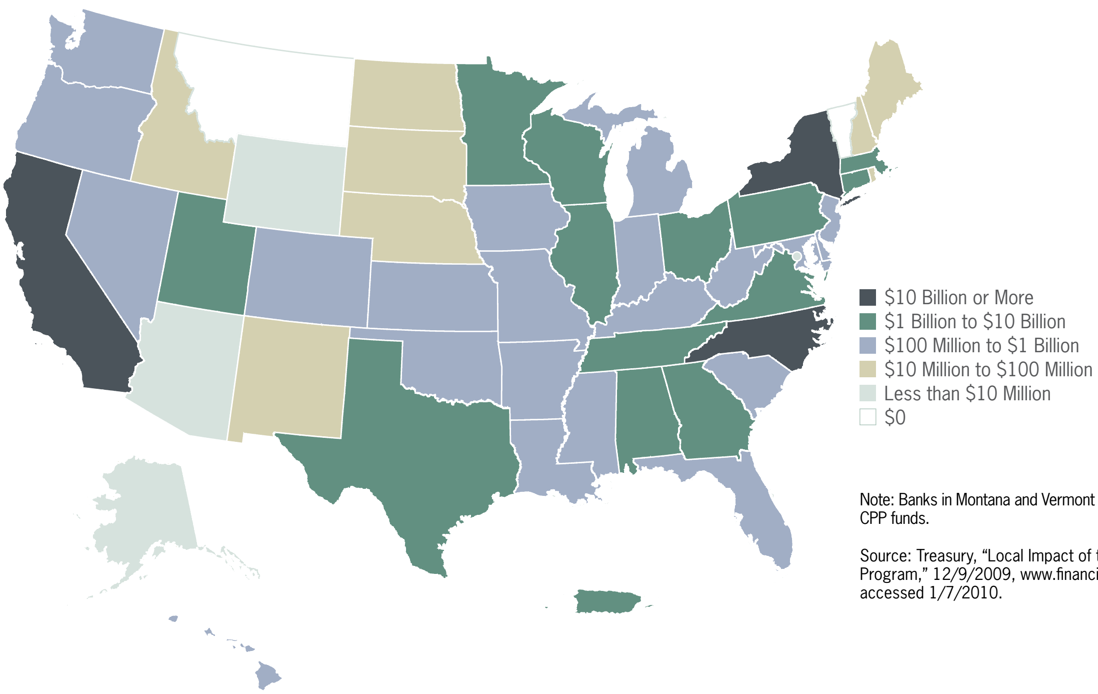
	Original[a]	Outstanding[b]
$10 Billion or More	6	1
$1 Billion to $10 Billion	19	9
$100 Million to $1 Billion	57	43
Less than $100 Million	625	589
Total	**707**	**642**

Notes: Numbers affected by rounding. Data as of 3/31/2010. Data is based on the institutions' total CPP investments. There are more than 30 institutions that have received multiple transactions through CPP.
[a] These numbers are based on total Treasury CPP investment since 10/28/2008.
[b] Current amount does not include those investments that have already been repaid and is based on total investments outstanding.

Source: Treasury, *Transactions Report*, 4/2/2010.

FIGURE 2.14

TRACKING CAPITAL PURCHASE PROGRAM INVESTMENTS ACROSS THE COUNTRY



Note: Banks in Montana and Vermont did not receive any CPP funds.

Source: Treasury, "Local Impact of the Capital Purchase Program," 12/9/2009, www.financialstability.gov, accessed 1/7/2010.

TABLE 2.18

CPP SHARE REPURCHASES GREATER THAN $1 BILLION, AS OF 3/31/2010

Repurchase Date	Institution	Amount of Repurchase
6/17/2009	JPMorgan Chase & Co.	$25.0
12/23/2009	Wells Fargo & Company	25.0
12/09/2009	Bank of America Corporation	25.0
6/17/2009	Morgan Stanley	10.0
6/17/2009	The Goldman Sachs Group, Inc.	10.0
2/10/2010	The PNC Financial Services Group Inc.	7.6
6/17/2009	U.S. Bancorp	6.6
6/17/2009	Capital One Financial Corporation	3.6
6/17/2009	American Express Company	3.4
3/31/2010	Hartford Financial Services Group, Inc.	3.4
6/17/2009	BB&T Corp.	3.1
6/17/2009	The Bank of New York Mellon Corporation	3.0
3/17/2010	Comerica Inc.	2.3
6/17/2009	State Street Corporation	2.0
6/17/2009	Northern Trust Corporation	1.6
Total		**$131.6**

Notes: Numbers affected by rounding. Data as of 3/31/2010.

Source: Treasury, *Transactions Report*, 4/2/2010.

Repayment of Funds

As of March 31, 2010, 74 banks had repaid CPP investments by repurchasing from Treasury some or all of their preferred shares, including seven of the eight largest CPP investments.[167] Treasury received approximately $135.8 billion in principal repayments, leaving approximately $69.1 billion outstanding.[168] Table 2.18 shows the amount of outstanding CPP funds, adjusting for repayments. For a full listing of CPP share repurchases, see Appendix D: "Transaction Detail."

Program Administration

As previously discussed, Treasury does not anticipate investing more in QFIs or small banks under CPP. However, the program still requires administering. Ongoing responsibilities include:

- managing the portfolio of assets acquired through the program
- collecting dividends and interest payments on outstanding investments
- disposing of warrants as CPP investments are repaid
- overseeing the program's wind-down
- restructuring the investments for certain troubled financial institutions

Dividends and Interest

As of March 31, 2010, Treasury collected $8.98 billion in both dividends and interest from its CPP investments.[169] Meanwhile, 104 QFIs missed scheduled dividend payments to Treasury totaling $188.98 million.[170] Approximately $5.2 million of the $188.98 million in missed CPP dividend payments are non-cumulative, and Treasury has no legal right to missed dividends that are non-cumulative. Of the 104 QFIs missing the deadline, 17 have since paid their outstanding dividends. One has not paid the Government any dividends over the last five quarters.[171] If a QFI misses six quarterly payments, Treasury has the right to appoint two members of the institution's board of directors.[172] As of March 31, 2010, only five quarters had passed; thus, no such appointments have occurred.

Table 2.19 lists banks missing one or more payment as of March 31, 2010. For a complete listing of CPP recipients and institutions making dividend or interest payments, see Appendix D: "Transaction Detail."

Non-cumulative Dividends: Dividends that do not accrue when a company does not make a dividend payment.

For more information on CPP repayment, see SIGTARP's July 2009 Quarterly Report, page 48.

TABLE 2.19

CPP-RELATED MISSED DIVIDEND PAYMENTS, AS OF 3/31/2010

Institution	Dividend Type	Number of Missed Dividend Payments	Value of Missed Dividends ($ Thousands)
Alliance Financial Services Inc.	Cumulative	1	$251.7
Anchor BanCorp Wisconsin, Inc.	Cumulative	4	5,729.2
Beach Business Bank	Non-Cumulative	2	163.5
Bern Bancshares, Inc.*	Cumulative	1	13.4
Blue Valley Ban Corp	Cumulative	4	1,087.5
BNCCORP, Inc.	Cumulative	1	273.8
Cascade Financial Corporation	Cumulative	2	974.3
Cecil Bancorp, Inc.	Cumulative	1	144.5
Central Pacific Financial Corp.	Cumulative	3	5,062.5
Central Virginia Bankshares, Inc.	Cumulative	1	142.3
Centrue Financial Corporation	Cumulative	3	1,225.1
CIT Group Inc.	Cumulative	2	58,250.0
Citizens Bancorp	Cumulative	3	425.1
Citizens Bancshares Co.	Cumulative	1	340.5
Citizens Bank & Trust Company	Non-Cumulative	3	98.1
Citizens Commerce Bancshares, Inc.	Cumulative	2	171.7
Citizens Republic Bancorp, Inc.	Cumulative	1	3,750.0
City National Bancshares Corporation	Cumulative	1	117.9

Continued on next page

CPP-RELATED MISSED DIVIDEND PAYMENTS, AS OF 3/31/2010

Institution	Dividend Type	Number of Missed Dividend Payments	Value of Missed Dividends ($ Thousands)
Commerce National Bank	Non-Cumulative	3	150.0
Commonwealth Business Bank	Non-Cumulative	4	419.7
Community Bank of the Bay	Non-Cumulative	4	72.5
Community First Bank	Non-Cumulative	2	45.9
Congaree Bancshares, Inc.**	Cumulative	2	89.5
Corning Savings and Loan Association*	Non-Cumulative	1	8.6
DeSoto County Bank*	Non-Cumulative	1	25.6
Dickinson Financial Corporation II	Cumulative	3	5,969.9
Duke Financial Group, Inc. (Peoples Bank of Commerce)	Cumulative	1	251.7
Exchange Bank	Non-Cumulative	1	585.9
Farmers & Merchants Bancshares, Inc.*	Cumulative	1	149.9
FC Holdings, Inc. (First Community Bank, National Association)	Cumulative	2	573.4
Fidelity Federal Bancorp	Cumulative	1	89.7
First BanCorp	Cumulative	2	15,000.0
First Banks, Inc.	Cumulative	3	12,074.5
First Federal Bancshares of Arkansas, Inc.	Cumulative	1	206.3
First Security Group, Inc.	Cumulative	1	412.5
First Sound Bank	Non-Cumulative	1	92.5
First Southwest Bancorporation, Inc.	Cumulative	1	74.9
FPB Bancorp, Inc.	Cumulative	1	72.5
Fresno First Bank	Non-Cumulative	2	33.4
Georgia Primary Bank	Non-Cumulative	3	193.5
Goldwater Bank, N.A.*	Non-Cumulative	1	70.0
Grand Mountain Bancshares, Inc.	Cumulative	3	119.2
Green Circle Investments, Inc. / Peoples Trust & Savings Bank*	Cumulative	1	32.7
Hampton Roads Bankshares, Inc.	Cumulative	2	2,008.7
Harbor Bankshares Corporation	Cumulative	1	85.0
Heartland Bancshares, Inc.	Cumulative	1	93.1
Heritage Commerce Corp.	Cumulative	2	1,000.0
IA Bancorp, Inc / Indus American Bank*	Cumulative	1	49.9
Idaho Bancorp	Cumulative	3	282.0
Independent Bank Corporation	Cumulative	2	1,800.0
Integra Bank Corporation	Cumulative	2	2,089.7
Intermountain Community Bancorp/Panhandle State Bank	Cumulative	1	337.5
Intervest Bancshares Corporation	Cumulative	1	312.5
Investors Financial Corporation of Pettis County, Inc. (Excel Bank)	Cumulative	1	83.9

Continued on next page

CPP-RELATED MISSED DIVIDEND PAYMENTS, AS OF 3/31/2010

Institution	Dividend Type	Number of Missed Dividend Payments	Value of Missed Dividends ($ Thousands)
Lone Star Bank	Non-Cumulative	4	171.6
Maryland Financial Bank	Non-Cumulative	2	46.3
Midtown Bank & Trust Company*	Non-Cumulative	1	71.1
Midwest Banc Holdings, Inc.	Cumulative	4	4,239.2
Millennium Bancorp, Inc.*	Cumulative	1	98.9
Monarch Community Bancorp, Inc.	Cumulative	1	84.8
Northeast Bancorp*	Cumulative	1	52.8
Northern States Financial Corporation / Norstates Bank	Cumulative	2	430.3
Omega Capital Corp./ Front Range Bank	Cumulative	2	76.7
One Georgia Bank	Non-Cumulative	3	230.6
One United Bank	Non-Cumulative	4	603.2
OSB Financial Services, Inc.	Cumulative	2	255.9
Pacific Capital Bancorp	Cumulative	4	9,031.7
Pacific City Financial Corporation/ Pacific City Bank	Cumulative	3	662.2
Pacific Coast National Bancorp	Cumulative	4	224.5
Pacific Commerce Bank**	Non-Cumulative	2	87.3
Pacific International Bancorp Inc	Cumulative	3	243.8
Pathway Bancorp	Cumulative	2	101.5
Patterson Bancshares, Inc	Cumulative	3	150.9
Peninsula Bank Holding Co.	Cumulative	4	312.5
Pierce County Bancorp	Cumulative	2	185.3
Popular, Inc.	Cumulative	1	11,687.5
PremierWest Bancorp	Cumulative	2	1,035.0
Premier Service Bank	Non-Cumulative	4	215.0
Presidio Bank	Non-Cumulative	1	134.4
Redwood Capital Bancorp*	Cumulative	1	51.8
Regent Bancorp, Inc*	Cumulative	1	136.0
Ridgestone Financial Services, Inc. / Ridgestone Bank	Cumulative	2	297.0
Rising Sun Bancorp	Cumulative	2	163.0
Rogers Bancshares, Inc.	Cumulative	2	681.3
Royal Bancshares of Pennsylvania, Inc.	Cumulative	3	1,140.3
Saigon National Bank	Non-Cumulative	5	96.6
Seacoast Banking Corporation of Florida/Seacoast National Bank	Cumulative	4	2,500.0
Seacoast Commerce*	Non-Cumulative	1	14.2
Security State Bank Holding-Company (Bank Forward)	Cumulative	1	225.5
Sonoma Valley Bancorp	Cumulative	1	118.0

Continued on next page

CPP-RELATED MISSED DIVIDEND PAYMENTS, AS OF 3/31/2010

Institution	Dividend Type	Number of Missed Dividend Payments	Value of Missed Dividends ($ Thousands)
South Financial Group, Inc./ Carolina First Bank	Cumulative	1	4,337.5
Sterling Financial Corporation/Sterling Savings Bank	Cumulative	3	11,362.5
Syringa Bancorp	Cumulative	2	218.0
Tennessee Valley Financial Holdings, Inc.	Cumulative	1	40.9
The Bank of Currituck	Non-Cumulative	1	54.8
The Connecticut Bank and Trust Company	Non-Cumulative	3	178.6
The Freeport State Bank	Non-Cumulative	2	8.2
TIB Financial Corp/TIB Bank	Cumulative	2	925.0
Tri-State Bank of Memphis*	Non-Cumulative	1	69.8
TriState Capital Holdings, Inc.*	Cumulative	1	313.4
UCBH Holdings, Inc.	Cumulative	3	11,202.6
United American Bank	Non-Cumulative	4	467.6
U.S. Century Bank	Non-Cumulative	1	684.5
US Metro Bank*	Non-Cumulative	2	81.9
Total			**$188,980**

Notes: Numbers affected by rounding. Approximately $5.2 million of the $188.98 million in missed CPP dividend payments are non-cumulative and Treasury has no legal right to missed dividends that are non-cumulative.
*CPP recipients that have since fully paid missed dividends.
**CPP recipients that have partially paid missed dividends.

Source: Treasury, response to SIGTARP data call, 4/6/2010.

Warrant: The right, but not the obligation, to purchase a certain number of shares of common stock at a fixed price. Because warrants rise in value as the company's share price rises, they permit Treasury (and the taxpayer) to benefit from a firm's potential recovery.

Warrant Disposition

EESA mandates that Treasury receive warrants when it invests in troubled assets, with exceptions for certain small institutions. Warrants give Treasury the right to purchase, at a predetermined price, shares of common stock for publicly traded institutions or preferred stock or debt for private institutions.[173] CPP warrants expire 10 years from the date of the CPP investment. As of March 31, 2010, Treasury had not exercised its right under the warrants to purchase common shares in any of the program's publicly traded institutions.[174] For private institutions, warrants are immediately exercised upon closing of the initial investment.[175]

Repurchase of Warrants by Financial Institutions

QFIs that repaid their CPP investments have the option of buying back their warrants. As of March 31, 2010, 34 public institutions bought back warrants for a total of $2.92 billion, and 6 private institutions, the warrants of which were immediately

TABLE 2.20

TOP 10 CPP WARRANT REPURCHASES (PUBLIC), AS OF 3/31/2010

Repurchase Date	Institution	Number of Warrants Repurchased	Amount of Repurchase ($ Millions)
7/22/2009	The Goldman Sachs Group, Inc.	12,205,045	$1,100.0
8/12/2009	Morgan Stanley	65,245,759	950.0
7/29/2009	American Express Company	24,264,129	340.0
7/15/2009	U.S. Bancorp	32,679,102	139.0
8/05/2009	The Bank of New York Mellon Corporation	14,516,129	136.0
8/26/2009	Northern Trust Corporation	3,824,624	87.0
7/22/2009	BB&T Corp.	13,902,573	67.0
7/08/2009	State Street Corporation[a]	2,788,104	60.0
12/30/2009	Trustmark Corporation	1,647,931	10.0
5/27/2009	FirstMerit Corporation	952,260	5.0
Total		**172,025,656**	**$2,894.0**

Notes: Numbers affected by rounding. This table represents warrants for common stock issued to Treasury by publicly traded TARP recipients.
[a] State Street Corporation reduced its original amount of warrants issued through a qualified equity offering.

Source: Treasury, *Transactions Report*, 4/2/2010.

TABLE 2.21

CPP REPURCHASES OF PREFERRED SHARES RESULTING FROM IMMEDIATE EXERCISE OF WARRANTS (PRIVATE), AS OF 3/31/2010

Repurchase Date	Institution	Number of Warrants Repurchased	Amount of Repurchase ($ Thousands)
4/15/2009	Centra Financial Holdings, Inc.	750	$750.0
4/22/2009	First ULB Corp.	245	245.0
5/27/2009	First Manitowoc Bancorp, Inc.	600	600.0
11/10/2009	Midwest Regional Bancorp, Inc.	35	35.0
11/18/2009	1st United Bancorp, Inc.	500	500.0
12/23/2009	Midland States Bancorp, Inc.	509	509.0
Total		**2,639**	**$2,639.0**

Notes: Numbers affected by rounding. This table represents the preferred shares held by Treasury as a result of the exercise of warrants issued by non-publicly traded TARP recipients. These warrants were exercised immediately upon the transaction date.

Source: Treasury, *Transactions Report*, 4/2/2010.

exercised as additional preferred share purchases, bought back those shares for a total of $2.6 million.[176] Table 2.20 lists public institutions that paid back TARP and repurchased warrants. Table 2.21 lists private institutions that had done so as of March 31, 2010.[177]

December 31, 2009, marked the last day under CPP when an institution could cancel as many as half its outstanding warrants through a qualified equity offering that repaid the TARP funds. Table 2.22 lists 38 institutions that successfully completed the qualified equity offering. For a full listing of all warrant repurchases, see Appendix D: "Transaction Detail."

Qualified Equity Offering: A cash sale in an amount at least equal to Treasury's original investment of common stock or certain types of preferred stock that qualify as Tier 1 capital.

For more information on CPP warrant disposition, see SIGTARP's January 2010 Quarterly Report, page 58.

TABLE 2.22

CPP-RELATED QUALIFIED EQUITY OFFERINGS, AS OF 3/31/2010

Institution	Investment Date	Investment Size ($ Millions)	Repurchase Date	Investment Outstanding ($ Millions)	Warrant Exercise Price	Adjusted Number of Warrant Shares
State Street	10/28/2008	2000	6/17/2009	—	Warrants Repurchased	
East West Bancorp	12/5/2008	306.5	N/A	306.5	15.15	1,517,555
PrivateBancorp, Inc.	1/30/2009	243.8	N/A	243.8	28.35	645,013
SVB Financial Group	12/12/2008	235	12/23/2009	—	49.78	354,058
Umpqua Holdings Corp.	11/14/2008	214.2	2/17/2010	—	14.46	1,110,898
MB Financial Inc.	12/5/2008	196	N/A	196	29.05	506,024
First Niagara Financial Group	11/21/2008	184	5/27/2009	—	Warrants Repurchased	
United Community Banks, Inc.	12/5/2008	180	N/A	180	12.28	1,099,542
National Penn Bancshares, Inc.	12/12/2008	150	N/A	150	15.3	735,294
Western Alliance Bancorporation	11/21/2008	140	N/A	140	13.34	787,107
CVB Financial Corp	12/5/2008	130	9/2/2009	—	Warrants Repurchased	
F.N.B. Corporation	1/9/2009	100	9/9/2009	—	11.52	651,042
First Busey Corporation	3/6/2009	100	N/A	100	13.07	573,833
Pinnacle Financial Partners, Inc.	12/12/2008	95	N/A	95	26.64	267,455
Iberiabank Corporation	12/5/2008	90	3/31/2009	—	Warrants Repurchased	
First Financial Bancorp	12/23/2008	80	2/24/2010	0	12.9	465,117
Columbia Banking System Inc.	11/21/2008	76.9	N/A	76.9	14.49	398,023
Flushing Financial Corporation	12/19/2008	70	10/28/2009	—	Warrants Repurchased	
Nara Bancorp, Inc.	11/21/2008	67	N/A	67	9.64	521,266
First Financial Holdings Inc.	12/5/2008	65	N/A	65	20.17	241,696
Union Bankshares Corporation	12/19/2008	59	11/18/2009	—	Warrants Repurchased	
Lakeland Financial Corporation	2/27/2009	56	N/A	56	21.2	198,269
Center Financial Corporation	12/12/2008	55	N/A	55	9.54	432,390
Home Bancshares, Inc.	1/16/2009	50	N/A	50	26.03	144,065
Seacoast Banking Corporation of Florida	12/19/2008	50	N/A	50	6.36	589,623
The Bancorp, Inc.	12/12/2008	45.2	3/10/2010	—	3.46	980,203
First Community Bancshares Inc.	11/21/2008	41.5	7/8/2009	—	35.26	88,273
OceanFirst Financial Corp.	1/16/2009	38.3	12/30/2009	—	Warrants Repurchased	
Eagle Bancorp, Inc.*	12/5/2008	38.2	12/23/2009	23.2	7.44	385,434
Centerstate Banks of Florida Inc.	11/21/2008	27.9	9/30/2009	—	Warrants Repurchased	
Washington Banking Company	1/16/2009	26.4	N/A	26.4	8.04	246,082
Heritage Financial Corporation	11/21/2008	24	N/A	24	13.04	138,037
Middleburg Financial Corporation	1/30/2009	22	12/23/2009	—	15.85	104,101
MidSouth Bancorp, Inc.	1/9/2009	20	N/A	—	14.37	104,384
Bar Harbor Bankshares**	1/16/2009	18.8	2/24/2010	—	26.81	52,455
Monarch Financial Holdings, Inc.	12/19/2008	14.7	12/23/2009	—	Warrants Repurchased	
Center Bancorp, Inc.	1/9/2009	10	N/A	10	8.65	86,705
Central Valley Community Bancorp	1/30/2009	7	N/A	7	6.64	79,067
Total		**5,327.4**				**280.1**

Notes: Numbers affected by rounding.
*Eagle Bancorp has partially redeemed the CPP preferred.
** Bar Harbor has not yet provided an official notice of its qualified equity offering for Treasury approval.

Source: Treasury, Warrant Disposition Report, 1/20/2010, Treasury, Respone to SIGTARP data call, 4/8/2010, Treasury, *Transactions Report*, 4/2/2010.

Treasury Warrant Auctions

When a CPP recipient decides not to buy back its warrants directly from Treasury or cannot reach agreement on a repurchase price, Treasury holds a modified Dutch auction to sell the warrants publicly. Potential investors submit bids to the auction agent (Deutsche Bank) at specified increments above a minimum price. Once Deutsche Bank receives all bids, it determines the final price and distributes the warrants to the winning bidders.

As of March 31, 2010, Treasury had successfully auctioned all its warrants in Bank of America, Washington Federal, Inc., Signature Bank, Texas Capital Bancshares, Inc., Capital One, JP Morgan Chase, and TCF Financial after each opted not to buy back its warrants directly after repaying TARP.[178] Since January 1, 2010, Treasury has held five public auctions in all (including two different classes of Bank of America warrants) raising approximately $1.6 billion. The auction of Bank of America A warrants was for the warrants Treasury received for its investment in Bank of America under TIP, and the B warrant auction was for the warrants it received under CPP. Final closing information for all auctions is shown in Table 2.23.

Dutch Auction: For Treasury's warrant auctions (buyers bid for different quantities at once) the accepted price is set at the lowest bid of the group of high bidders whose collective bids fulfill the amount offered by Treasury.

Auction Agent: A firm (such as an investment bank) that buys a series of securities from one institution for resale — also called an "underwriter."

For more information on CPP warrant auctions, see SIGTARP's January 2010 Quarterly Report, page 60.

TABLE 2.23

TREASURY AUCTIONS, AS OF 3/31/2010

	Date of Auction	# of Warrants Offered	Minimum Bid Price	Minimum Bid Size	Clearing Price	Proceeds to Treasury
Texas Capital Bancshares, Inc.	3/11/2010	758,086	$ 6.50	100 warrants	$6.50	$6.7 million
Signature Bank	3/10/2010	595,829	16.00	100 warrants	19.00	11.3 million
Washington Federal, Inc	3/9/2010	1,707,456	5.00	100 warrants	5.00	15.6 million
Bank of America A Auction (TIP)	3/3/2010	150,375,940	7.00	100 warrants	8.35	1,255.6 million
Bank of America B Auction (CPP)	3/3/2010	121,792,790	1.50	100 warrants	2.55	310.6 million
TCF Financial	12/15/2009	3,199,988	1.50	100 warrants	3.00	9.6 million
JP Morgan Chase	12/10/2009	88,401,697	8.00	100 warrants	10.75	950.3 million
Capital One	12/3/2009	12,657,960	7.50	100 warrants	11.75	148.7 million

Note: Numbers affected by rounding.

Sources: Signature Bank, "Prospectus Supplement," 3/10/2010, http://files.shareholder.com/downloads/SBNY/865263367x0x358381/E87182B5-A552-43DD-9499-8B56F79AEFD0/8-K__Reg_FD_Offering_Circular.pdf, accessed 3/11/2010; Texas Capital Bancshares, Inc, "Prospectus Supplement," 3/11/2010, www.sec.gov/Archives/edgar/data/1077428/000095012310023800/d71405ae424b5.htm, accessed 3/12/2010; Bank of America, "Form 8-K," 3/3/2010, www.sec.gov/Archives/edgar/data/70858/000119312510051260/d8k.htm, accessed 3/4/2010; Bank of America, "Prospectus Supplement," 3/1/2010, www.sec.gov/Archives/edgar/data/70858/000119312510044940/d424b7.htm, accessed 3/4/2010; Bank of America, "Prospectus Supplement," 3/1/2010, www.sec.gov/Archives/edgar/data/70858/000119312510044945/d424b7.htm, accessed 3/4/2010; Washington Federal, "Prospectus Supplement," 3/9/2010, www.sec.gov/Archives/edgar/data/936528/000119312510052062/d424b5.htm, accessed 3/10/2010;TCF Financial, "Prospectus Supplement," 12/16/2009, www.sec.gov/Archives/edgar/data/814184/000104746909010786/a2195869z424b5.htm, accessed 12/29/2009; JP Morgan Chase, "Prospectus Supplement," 12/11/2009, www.sec.gov/Archives/edgar/data/19617/000119312509251466/d424b5.htm, accessed 12/29/2009; Capital One Financial, "Prospectus Supplement," 12/3/2009, www.sec.gov/Archives/edgar/data/927628/000119312509247252/d424b5.htm, accessed 12/4/2009; Treasury, *Transactions Report*, 4/2/2010, www.financialstability.gov/docs/transaction-reports/4-2-10%20Transactions%20Report%20as%20of%203-31-10.pdf, accessed 4/2/2010.

Undercapitalized: A condition in which a financial institution does not meet its regulator's requirements for sufficient capital to operate under a defined level of adverse conditions.

CPP Recapitalizations and Restructurings

If a CPP bank is undercapitalized and in danger of becoming insolvent, it may propose a restructuring (or recapitalization) plan in "an attempt to preserve value" and stabilize itself. Under this process, the bank asks Treasury to conduct a formal review of its proposal. The bank's proposal will discuss its recapitalization plan at length, may estimate how much capital it plans to raise from private investors, and may include discussion of a discount on Treasury's shares.[179]

According to Treasury, after it receives a restructuring proposal, an external asset manager performs due diligence on the bank and analyzes the proposal.[180] The external asset manager interviews bank managers, gathers non-public information, and conducts loan loss estimates and capital structure analysis. The manager submits its evaluation to Treasury, which in turn decides whether to restructure its CPP investment. According to Treasury, CPP-recipient restructuring may result in accepting less than par for the original CPP security, in effect resulting in a loss to Treasury. Treasury is willing to engage in these transactions however, because it believes that inaction may lead to the bank failing, resulting in a total loss to the taxpayer.[181]

For more information on CPP recipient restructurings approved by Treasury, see SIGTARP's October 2009 Quarterly Report regarding Banco Popular, page 61, and SIGTARP's July 2009 Quarterly Report regarding Citigroup, page 66.

Citigroup Common Stock Sale

On March 29, 2010, Treasury announced its intention to sell the approximately 7.7 billion shares of Citigroup common stock that it held after converting the $25 billion in preferred stock shares that it had received under CPP. Treasury agreed to a 90-day lockout period, which ended March 16, 2010 to facilitate Citigroup's December 22, 2009, equity offering. In exchange for the 90-day lockout period, Citigroup agreed to pay all the costs associated with a sale of any securities issued to Treasury by Citigroup or any of its subsidiaries in connection with TARP. Treasury hired Morgan Stanley as its capital markets advisor in connection with its Citigroup position. Treasury announced its intention to sell its Citigroup common shares into the market through various means in an orderly and measured fashion over the course of 2010, subject to market conditions pursuant to a prearranged written trading plan.[182]

For more information on Citigroup's December 22, 2009, equity offering, see SIGTARP's January 2010 Quarterly Report, page 73.

Midwest Banc Holdings Exchange

As part of a Federal Reserve Board-approved capital plan, Midwest Banc Holding, Inc. ("Midwest") asked Treasury on October 15, 2009, to convert into common stock the $84.4 million in preferred shares Treasury received for its CPP investment.

The capital plan required Midwest to: convert into common stock all of its Series A preferred shares and approximately $78.8 million of its senior and subordinated debt; raise at least $125 million in private capital; and make anti-dilution adjustments as necessary.[183]

On January 4, 2010, Midwest converted all of its Series A preferred stock to common stock at 11% of par value (or an 89% discount), thereby completing the first part of its capital plan.[184] Subsequently, on February 25, 2010, Treasury agreed to exchange its full CPP investment ($84.8 million in preferred stock and $4.5 million in unpaid dividends) in Midwest for mandatorily convertible preferred stock ("MCP").[185] The new stock's liquidation preference is similar to the original's and will have the same 5% annual dividend rate from the issue date until February 15, 2014, after which the rate becomes 9%.[186] Treasury's new MCP is worth approximately 16% of the par value of the previous preferred shares resulting in an 84% loss in value.[187] Treasury may convert the new MCP into common stock at any time but Midwest can convert the MCP to common stock only if it completes its capital plan. Unless otherwise converted, the new MCP automatically converts seven years from the issue date. Additionally, Midwest agreed with Treasury to revise the exercise price of its 4.3 million outstanding warrants issued through CPP from $2.97 to approximately $0.31 per share.[188]

As of March 31, 2010, Midwest had not completed two steps of the capital plan. It had neither converted its senior and subordinated debt to common stock at a price less than 25% of the par value of such debt nor raised new equity capital. As a result of its poor financial position, the Federal Reserve issued Midwest a prompt corrective action order.[189]

Sterling Financial Corporation Exchange

In a letter dated March 16, 2010, Treasury tentatively agreed to exchange its entire CPP investment ($303 million)[190] in Sterling Financial Corporation ("Sterling") for MCP. The MCP will have the same 5% annual dividend rate from the issue date until December 5, 2013, after which the rate becomes 9%.[191]

However, before Sterling receives final approval for the exchange from Treasury it needs to meet several criteria, including acquiring the consent of a substantial number of its trust preferred securities holders to buy back those securities, raising at least $650 million by issuing new common equity, and reaching a definitive conversion agreement with Treasury.[192]

After Sterling meets all the criteria set by Treasury and the exchange is

Mandatorily Convertible Preferred Stock ("MCP"): A type of preferred share that can be converted to common stock at the issuer's discretion if specific criteria are met by a certain date.

Prompt Corrective Action Order: A federal law that requires Federal bank regulators to take necessary actions to resolve the problems of insured depository institutions at the least possible long-term loss to the Deposit Insurance Fund.

completed, Sterling will be able to convert the MCP to common stock at its discretion.[193]

First Merchants Corporation Exchange

On March 23, 2010, Treasury consented to a partial exchange with First Merchants Corporation, in which Treasury would convert up to $58 million of its $116 million in First Merchants preferred stock for up to $58 million in First Merchants trust preferred securities.[194]

The exchange is contingent on First Merchants maintaining its current Tier 1 capital ratio, paying Treasury all accrued and unpaid dividends on the preferred stock, and entering into definitive documentation that is acceptable to Treasury. The exchange is also subject to First Merchants raising capital through a registered direct private placement of between 2.1 and 4.2 million common shares.[195] On March 30, 2010, First Merchants announced it had completed a direct private placement of 4.2 million common shares, raising $24.1 million.[196]

Direct Private Placement: Sale of securities to investors meeting minimum net worth and sophistication requirements, thus receiving an exception from normal Securities and Exchange Commission securities registration requirements.

Use of Funds

As reported in the January 2010 Quarterly Report, Treasury finally adopted SIGTARP's longstanding recommendation that it collect and report data concerning TARP recipients' use of TARP funds in December 2009. Specifically, Treasury agreed to obtain and report publicly qualitative data from each TARP recipient on its use of TARP funds, backed by data from the institutions' regulators and Treasury's own analysis. In March 2010, Treasury sent its use of funds survey to TARP recipients. Responses are due before April 19, 2010.

Small-Business Lending Initiatives

During the past quarter, Treasury unveiled two new small-business related initiatives that are similar to TARP's Capital Purchase Program ("CPP") in that both exchange capital for shares of the approved institutions' preferred stock or subordinated debt. The first, the Community Development Capital Initiative ("CDCI"), will directly use TARP funds. According to Treasury's description of its intended legislative proposal, the other initiative, the Small Business Lending Fund ("SBLF"), will operate outside of TARP, although it will use $30 billion in previously authorized TARP money.[197] As of March 31, 2010, the Administration's proposal had not been formally introduced in Congress.

Community Development Capital Initiative

Under CDCI, TARP will make capital investments in the preferred stock or subordinated debt of eligible banks and credit unions certified as Community Development Financial Institutions ("CDFIs"). In general, these organizations provide financial services to under-served communities.[198] The Obama Administration announced CDCI on February 3, 2010, as an initiative to "improve access to credit for small businesses."[199] The "CDFI" designation is a certification granted by Treasury's CDFI Fund division. There had not been any transactions under CDCI as of March 31, 2010.[200] Treasury announced that it would invest up to $1 billion in the program.[201] As of February 17, 2010, CBO estimated that the program will cost the Government less than $500 million; OMB did not have an estimated program cost, as the agency's cutoff date for analysis was December 31, 2009.[202]

CDCI has two components: one for banks and one for credit unions. In exchange for Treasury's investment, the Government will earn annual dividends or effective interest of 2% (which is lower than CPP's 5%) on the instruments issued by CDFIs. In the eighth year, the dividend rises to 9%. Under this program, TARP can invest up to a total of 5% of an institution's total risk-weighted assets.[203] Credit unions are member-owned, non-profit entities that have a different capital structure than banks, which are shareholder-owned, for-profit entities.[204] Credit unions may apply for Government funds totaling up to 3.5% of their total assets — approximately matching the 5% of risk-weighted assets for banks. Participating credit unions, S-corps, electing institutions, and mutual banks will issue subordinated debt in lieu of preferred stock issued by banks, bank holding companies, thrifts, and savings and loan holding companies.[205]

Terms for Senior Securities and Dividends

CDCI is open to qualifying financial institutions certified as CDFIs or that have applied for CDFI status by April 30, 2010. The original deadline for both existing and prospective CDFIs to receive funds was extended from April 2, 2010, to April 30, 2010.[206] The applications for new funding must be reviewed and approved by each financial institution's regulator.[207]

Under CPP, Treasury funded 22 CDFIs (see Table 2.15); however there are a total of 61 CDFIs and 141 credit unions that are eligible to participate in CDCI.[208] A CDFI that is already utilizing CPP may request to convert those shares into CDCI shares, thereby reducing the dividend percentage it must pay the Government from 5% to 2%.[209] According to Treasury, CDFIs will not be required to issue warrants, due to the *de minimus* exception in the Emergency Economic Stabilization Act of 2008 ("EESA"), which grants Treasury the authority to waive the warrant requirements for qualifying institutions in which Treasury has invested

Community Development Financial Institutions ("CDFIs"): Financial institutions eligible for Treasury funding to serve the CDCI's targeted demographic under the CDFI Fund. CDFIs were created in 1994 by the Riegle Community Development and Regulatory Improvement Act.

Under-Served Communities: Either geographic areas or demographic groups that Treasury's CDFI Fund division determines lack adequate access to financial services.

Total Risk-Weighted Assets: A bank's total assets after making adjustments based on each individual asset's risk factor.

Dividend: Distributions of cash or stock to shareholders as announced by the company's board of directors.

TABLE 2.24

CPP PARTICIPANTS ELIGIBLE FOR CDCI, AS OF 4/2/2010

Name of Institution	City	State	Investment Description	Investment Amount
Broadway Financial Corporation	Los Angeles	CA	Preferred Stock	$15,000,000
Carver Bancorp, Inc.	New York	NY	Preferred Stock	18,980,000
Citizens Bancshares Corporation	Atlanta	GA	Preferred Stock	7,462,000
City National Bancshares Corporation	Newark	NJ	Preferred Stock	9,439,000
Community Bank of the Bay	Oakland	CA	Preferred Stock	1,747,000
First American International Corp.	Brooklyn	NY	Preferred Stock	17,000,000
First Independence Corporation	Detroit	MI	Preferred Stock	3,223,000
Guaranty Capital Corporation	Belzoni	MS	Subordinated Debentures	14,000,000
Harbor Bankshares Corporation	Baltimore	MD	Preferred Stock	6,800,000
IBC Bancorp, Inc.	Chicago	IL	Subordinated Debentures	4,205,000
IBW Financial Corporation	Washington	DC	Preferred Stock	6,000,000
Legacy Bancorp, Inc.	Milwaukee	WI	Preferred Stock	5,498,000
Liberty Financial Services, Inc.	New Orleans	LA	Preferred Stock	5,645,000
M&F Bancorp, Inc.	Durham	NC	Preferred Stock	11,735,000
Mission Community Bancorp	San Luis Obispo	CA	Preferred Stock	5,116,000
Mission Valley Bancorp	Sun Valley	CA	Preferred Stock	5,500,000
OneUnited Bank	Boston	MA	Preferred Stock	12,063,000
PGB Holdings, Inc.	Chicago	IL	Preferred Stock	3,000,000
Premier Bancorp, Inc.	Wilmette	IL	Subordinated Debentures	6,784,000
Southern Bancorp, Inc.	Arkadelphia	AR	Preferred Stock	11,000,000
Tri-State Bank of Memphis	Memphis	TN	Preferred Stock	2,795,000
University Financial Corp, Inc.	St. Paul	MN	Subordinated Debentures	11,926,000
Total				**$184,918,000**

Note: Numbers affected by rounding.

Source: Treasury, *Transactions Report*, 4/2/2010.

$100 million or less.[210] Table 2.24 lists all CPP participants that are currently eligible for CDCI.

If, during the application process, a CDFI bank's primary regulator deems it undercapitalized, Treasury will match private investments on a dollar-for-dollar basis up to 5% of the bank's risk-weighted assets, but only if the combined investment is enough to give the institution adequate capitalization leading the regulator to deem it healthy and viable.[211] The private capital must be junior to Treasury's investment.[212] The following examples are illustrative.

Example A: A CDFI needs additional capital equaling 4% of its risk-weighted assets to reach the standard set by its regulator. If it raises 2% (of risk-weighted assets) from private investors, Treasury would match the investment so that the institution reaches its viability standard.[213] This provides the CDFI with a 4% capital infusion.

Example B: A CDFI needs additional capital equaling 4% of its risk-weighted assets to reach the standard set by its regulator. If it raises 3% (of risk-weighted assets) from private investors, Treasury would match the investment, thereby pushing the institution above its viability standard. This provides the CDFI with a 6% capital infusion, and the institution exceeds its minimum capital requirement.

Example C: A CDFI needs additional capital equaling 4% of its risk-weighted assets to reach the standard set by its regulator. If it raises 6% (of risk-weighted assets) from private investors, Treasury would match 5% (of risk-weighted assets), the maximum the program allows. This provides the CDFI with an 11% capital infusion, and it exceeds its minimum capital requirement.

Example D: A CDFI needs additional capital equaling 11% of its risk-weighted assets to reach the standard set by its regulator. Unless the CDFI can raise at least 6% from private investors, the capital requirement cannot be met and the CDFI cannot participate in the program.

As of April 2, 2010, OFS received the following from current CPP participants:[214]

- 20 applications to exchange CPP capital for CDCI capital from current CDFIs
- four applications to exchange CPP capital for CDCI capital from bank/thrifts that are not currently CDFIs
- one application for increased funding under CDCI for a current CPP CDFI (which CDFI also filed a CPP/CDFI exchange application)

Small Business Lending Fund ("SBLF")

On February 2, 2010, the Administration announced it will seek new legislation to create the Small Business Lending Fund ("SBLF") to provide up to $30 billion to stimulate small-business lending.[215]

As described in Treasury's "Summary Response to SIGTARP's Outstanding Recommendations" in Appendix H: "Correspondence," Treasury does not intend to include TARP oversight mechanisms in its proposed legislation. SIGTARP's objection to possibly being excluded from SBLF oversight can be found in Appendix H. According to Treasury, SBLF would be structured as follows:[216]

- SBLF would not be an EESA- or TARP-related program.
- SBLF would be funded with $30 billion that special legislation would transfer from TARP's original allocation.

- Under SBLF, banks increasing small-business lending above 2009 levels would receive incentives through reduced dividend or interest obligations.

The proposal includes two different incentives for lenders to increase small-business lending. First, eligible financial institutions would be able to receive capital investments in amounts up to 3% or 5% of their risk-weighted assets, based on each institution's size. Banks with $1 billion or less in assets could receive capital investments of up to 5% of risk-weighted assets, whereas banks with assets between $1 billion and $10 billion would be eligible for up to 3%.[217]

Second, Treasury would decrease dividend or interest rates from an initial 5% by 1% for every 2.5% increase in small-business lending made within the next two years above the 2009 levels. Through this arrangement, the dividend or interest rate could be reduced to as little as 1%. Because the dividend rate a bank pays is based on its percentage increase in small-business lending, it would be required to report the increase from its 2009 baseline.[218]

Example: Bank A, with $500 million in risk-weighted assets, held $250 million in business loans at the end of every quarter of 2009. In 2010 it earns approval to draw capital equal to 5% of its risk-weighted assets from SBLF (the maximum) — $25 million. It then boosts small-business lending to $275 million after two years (a 10% increase). As a result, although it received capital with an initial dividend rate of 5%, the rate would drop to 1%.

Executive Compensation: Payments to a corporation's employees, particularly those executives who have policymaking authority at the corporation, in exchange for their services. These payments often include base salary, bonuses, grants of shares and stock options, and other company benefits (including, for example, health care and retirement benefits).

Because Treasury's proposed legislation for SBLF would be outside of TARP, participants would not be subject to the executive compensation limits or the requirements to issue warrants to Treasury or other restrictions required under EESA, nor, as Treasury currently contemplates SBLF, would the administration of the program or its participants be subject to TARP oversight, including that of SIGTARP.[219] According to Treasury, eligible banks that have previously received CPP funds will be able to convert into SBLF. Under the Treasury proposal for SBLF, CPP recipients would be allowed to refinance CPP securities for SBLF securities. Because the SBLF proposal is still pending, the final terms for such refinancing have not been determined.[220] Due to the removal of executive oversight restrictions, lower potential interest rates, and, apparently, less oversight, SIGTARP anticipates that most eligible banks will choose to convert.

Systemically Significant Failing Institutions Program/AIG Investment Program

According to Treasury, the Systemically Significant Failing Institutions ("SSFI") program was established to "provide stability and prevent disruptions to financial markets from the failure of institutions that are critical to the functioning of the nation's financial system."[221] The Government has allocated $69.8 billion through SSFI in American International Group, Inc. ("AIG"), the program's sole participant.[222] As of February 17, 2010, CBO estimated that SSFI will ultimately cost Treasury $36 billion; OMB estimated a cost of approximately $50 billion.[223]

Status of SSFI Funds

On November 25, 2008, Treasury made its initial investment in AIG with the purchase of $40 billion of cumulative preferred AIG stock and common stock warrants. In addition to this equity investment, on April 17, 2009, Treasury committed to fund an equity capital facility under which AIG could draw up to $29.8 billion in exchange for more preferred stock and additional common stock warrants. As of March 31, 2010, AIG had drawn down $7.54 billion from the equity capital facility.[224]

AIG Update

On February 26, 2010, AIG reported a net loss of $8.9 billion for the quarter ending December 31, 2009 — its first quarterly loss following profits of $455 million and $1.8 billion, respectively, for each of the two previous quarters.[225]

Dividend Payments

As of March 31, 2010, AIG had not paid dividends for five consecutive quarters (bringing its total arrears to $4.2 billion[226]). As a result, under the documents governing Treasury's preferred AIG shares, Treasury has the right to elect the greater of two directors and a number of directors (rounded upward) equal to 20% of the total number of directors of AIG after giving notice to such election to AIG's board. On April 1, 2010, Treasury executed and delivered a written consent to AIG which appointed, at Treasury's direction, Donald H. Layton and Ronald A Rittenmeyer as directors of AIG.[227]

The term of these directors will extend until the earlier of (i) AIG's next annual meeting of shareholders (or special meeting called for that purpose), (ii) the removal of such directors as provided for in the Certificates of Designations for Treasury's preferred stock, or (iii) dividends payable on Treasury's preferred stock have been declared and paid in full for four consecutive quarterly dividend periods. At the next annual meeting of shareholders of AIG (scheduled for May 2010), Treasury can re-elect these directors or elect replacements.

Because, at present, AIG's board consists of 12 members, Treasury has the right to elect an additional individual as director. Treasury continues to move forward with a process to identify additional potential candidates to fill that position.[228]

Use of Funds Report

As part of AIG's equity capital facility agreement with Treasury, it must submit a report describing how it plans to use the facility's proceeds.[229] As of March 31, 2010, the funds drawn down on the equity capital facility have been used to meet capital

Cumulative Preferred Stock: A type of stock that requires a defined dividend payment. If the company does not pay the dividend, it still owes the missed dividend to the stock's owner.

Equity Capital Facility: A commitment to invest equity capital in a firm under certain future conditions.

solvency requirements resulting from declines in the value of investments and to purchase shares of United Guaranty Corporation ("UGC"), an AIG subsidiary. In addition, funds have been used to provide capital support to UGC and to settle payments for UGC.[230] Additional drawdowns totaling approximately $2.2 billion were made on February 19, 2010, and March 16, 2010. These drawdowns were used to fund three transactions:[231]

- AIG's redemption of 100% of its preferred shares held by National Union Fire Insurance Company of Pittsburgh ("NUFI") for approximately $1.94 billion
- continued capital support for UGC totaling approximately $48 million
- purchase of AIG shares from AIA subsidiaries AIA(B) and Philam Life AIG and purchase of AIG shares held by the ALICO (Japan) unit for approximately $213.5 million

Federal Reserve Credit Facility Reduction

As discussed in SIGTARP's January 2010 Quarterly Report, on December 1, 2009, FRBNY received $25 billion in preferred equity interests in two special purpose vehicles ("SPVs") established to hold the outstanding stock of AIG's largest foreign insurance subsidiaries, American Life Insurance Company ("ALICO") and AIA Group, Limited ("AIA"), as satisfaction for $25 billion owed by AIG under the Revolving Credit Facility (a Federal Reserve facility not involving TARP funds) and a corresponding reduction in the amount available under the facility. This transaction decreased AIG's outstanding principal balance on the facility from $42 billion to $17 billion and reduced its total borrowing capacity under the facility from $60 billion to $35 billion.[232] As of March 31, 2010, AIG's total outstanding principal balance under the facility was $21.7 billion.[233]

Revolving Credit Facility: A line of credit for which the borrower pays a commitment fee and is then allowed to use up to a guaranteed maximum amount of funds when they are needed.

Special Purpose Vehicle ("SPV"): An off-balance-sheet legal entity that holds the transferred assets presumptively beyond the reach of the entities providing the assets and is legally isolated.

Face Value: The nominal value or dollar value of a security stated by the issuer.

Sale of Business and Assets

On March 1, 2010, AIG announced the signing of an agreement to sell its AIA unit to Prudential plc for approximately $35.5 billion, including approximately $25 billion in cash, $8.5 billion in face value of equity and equity-linked securities, and $2.0 billion in face value of Prudential preferred stock. AIG will use the cash portion of the proceeds to redeem FRBNY's approximately $16 billion of preferred interests in the AIA SPV and to repay approximately $9 billion of its debt under the Revolving Credit Facility. AIG will sell the $10.5 billion of Prudential securities, subject to minimum holding periods and market conditions. The proceeds will be used to repay outstanding debt under the Revolving Credit Facility.[234]

On March 8, 2010, AIG announced the signing of an agreement to sell ALICO to MetLife, Inc., for approximately $15.5 billion, including $6.8 billion in cash and the remainder in equity securities of MetLife, subject to closing adjustments. AIG will use the cash portion of the proceeds to redeem approximately $6.8 billion of the preferred interests held by FRBNY in the ALICO SPV. AIG will sell the remaining MetLife securities over time, subject to minimum holding periods and market conditions. The net cash proceeds from this sale will be used first to redeem the remainder of the preferred shares in the ALICO SPV held by FRBNY and then to repay outstanding debt under the Revolving Credit Facility.[235] In addition to these two transactions, AIG continues to explore opportunities to sell other non-core assets and raise capital. AIG must pay off its FRBNY debt before it can repay Treasury for the TARP investments.[236]

AIG is continuing to make progress in the "wind down" of its financial products unit. The unit's notional exposure is now under $1 trillion, as compared to $2 trillion in September 2008. In addition, the number of employees at the financial products unit has been reduced from more than 400 to less than 250. It is now anticipated that the wind-down process will be substantially completed by the end of 2010.[237]

Targeted Investment Program and Asset Guarantee Program

Through the Targeted Investment Program ("TIP"), Treasury invested $40 billion of TARP funds in Citigroup, Inc. ("Citigroup") and Bank of America Corporation ("Bank of America"). Treasury invested $20 billion in Citigroup on December 31, 2008, and $20 billion in Bank of America on January 16, 2009.[238] By December 2009, both banks had repaid the TIP investments.[239] The program is effectively closed.[240]

Under the Asset Guarantee Program ("AGP"), Treasury, the FDIC, the Federal Reserve, and Citigroup agreed to share losses on a pool of Citigroup assets valued at approximately $301 billion. Although Treasury's asset guarantee was not a direct cash investment, it exposed taxpayers to a potential TARP loss of $5 billion. In return, Treasury received approximately $4 billion in Citigroup trust preferred securities. This program was terminated without any TARP losses on December 23, 2009.[241] Treasury still holds the $2.2 billion in Citigroup trust preferred shares it acquired through the termination of AGP. As of February 17, 2010, CBO estimates that the additional assistance given to Bank of America and Citibank under TIP and AGP will result in a $5 billion gain to taxpayers; OMB projects a $7 billion gain.[242]

Bank of America

Bank of America repaid the $45 billion in TARP assistance it received under the TIP and CPP programs by December 31, 2009. After Bank of America repaid its principal balance, Treasury still owned warrants of the institution's shares. On March 3, 2010, Treasury auctioned two groups of Bank of America warrants with net proceeds of approximately $1.56 billion.[243] (For more information on the auction of Bank of America warrants, see the "Capital Purchase Program" section of this report.) This auction effectively disposed of Treasury's remaining holdings in the company and ended Bank of America's participation in CPP and TIP.[244]

ASSET SUPPORT PROGRAMS

Three programs under TARP have been designed to support markets for specific asset classes: the Term Asset-Backed Securities Loan Facility ("TALF"), the Public-Private Investment Program ("PPIP"), and the Unlocking Credit for Small Businesses ("UCSB") program.

TALF provides up to $200 billion in Federal Reserve financing through the Federal Reserve Bank of New York ("FRBNY"), backed by up to $20 billion in TARP loss protection, to support asset-backed securities ("ABS") transactions.[245] TALF closed its lending program for non-mortgage-backed ABS and legacy commercial mortgage-backed securities ("CMBS") on March 31, 2010; the last subscription closed on March 11, 2010.[246] The last scheduled subscription for newly issued CMBS is June 18, 2010, which will mark the close of the program.[247]

PPIP utilizes equity and debt financing provided by Treasury through TARP to facilitate purchases of legacy mortgage-backed securities ("MBS") held by various financial institutions.

Finally, through the UCSB/Small Business Administration ("SBA") loan support initiatives, Treasury launched a program to purchase SBA 7(a) securities and proposed that Congress transfer $30 billion of TARP money to a non-TARP initiative intended to extend credit to small businesses.

Term Asset-Backed Securities Loan Facility ("TALF")

In November 2008, the Federal Reserve and Treasury announced TALF, under which FRBNY would issue up to $200 billion in loans collateralized by ABS, with the ultimate goal to make credit available to consumers and small businesses; up to $20 billion of TARP money would be used to fund the purchase by a special purpose vehicle, TALF LLC, of any surrendered collateral.[248]

Under TALF, FRBNY issues loans secured by ABS collateral on a non-recourse basis. Because TALF loans are non-recourse, borrowers may walk away, surrender the collateral to FRBNY, and have no further obligations (unless the borrower breaches any of its representatives, warranties or covenants).

As of March 31, 2010, there had been no surrender of collateral and therefore, no loss of TARP funds.[249] Through that same date, TALF LLC incurred approximately $824,000 in administrative expenses since its formation on February 4, 2009.[250] CBO projects TALF will cost Treasury approximately $1 billion, while OMB projects it will produce a $1 billion gain.[251]

Eligible collateral assets for TALF loans are:

- **non-mortgage-backed ABS** — certain ABS backed by collateral other than commercial or residential real estate loans (eligibility criteria are discussed in detail in SIGTARP's Quarterly Report to Congress dated October 21, 2009, pages 75–76).

- **legacy CMBS** — CMBS issued before January 1, 2009
- **newly issued CMBS** — CMBS issued on or after January 1, 2009

The program, however, is now closed to loans with non-mortgage-backed ABS and legacy CMBS as collateral. Therefore, the only eligible collateral for new TALF loans are newly issued CMBS.

Program Updates

The following program-related developments occurred over the last quarter, which are discussed in greater detail in this section:

- Final subscriptions have been placed for ABS and legacy CMBS.
- A third collateral monitor was hired to analyze TALF's CMBS portfolio.
- FRBNY announced the rejection of 29 legacy CMBS CUSIPs during the first quarter of 2010.

Final Quarter for Subscriptions of ABS and Legacy CMBS

When TALF was extended on August 17, 2009, from its original December 31, 2009 termination date because markets still had not recovered, the Federal Reserve Board extended the availability of TALF loans collateralized by newly issued ABS and legacy CMBS through March 31, 2010; TALF loans collateralized by newly issued CMBS were made available through June 30, 2010, in order to provide the market enough time to arrange newly issued CMBS transactions.[252] The Federal Reserve does not anticipate further extension of the program.

Third Collateral Monitor Added for CMBS Portfolio

For more information on the TALF risk assessment process, see SIGTARP's October 2009 Quarterly Report, page 78, and SIGTARP's January 2010 Quarterly Report, page 78.

FRBNY previously hired two TALF collateral monitors — Trepp, LLC ("Trepp") and Pacific Investment Management Company ("PIMCO").[253] The collateral monitors are independent third parties engaged by FRBNY to assess the riskiness of the pools of assets collateralizing the ABS and CMBS and to provide other analytical and reporting services related to the TALF portfolio. Trepp is engaged to support CMBS asset classes; PIMCO is supporting all asset classes.

On February 16, 2010, FRBNY hired BlackRock Financial Management, Inc. ("BlackRock") as a third collateral monitor to provide an independent, qualitative viewpoint on selected assets of legacy CMBS CUSIPs and to analyze FRBNY's entire TALF CMBS portfolio of collateral.[254] In addition to the stress valuations performed by Trepp and PIMCO, BlackRock used a different methodology to evaluate TALF-eligible legacy CMBS that are collateralizing outstanding TALF loans.[255] The BlackRock contract expired on March 31, 2010.[256]

Conflict-of-Interest Mitigation

BlackRock is one of the eight fund managers participating in PPIP and is also the primary provider of risk and analytical support for FRBNY's MBS Purchase Program.[257] A separate BlackRock business division worked with FRBNY in managing portfolios for Maiden Lane LLC (regarding the Bear Stearns and J.P. Morgan merger) and for Maiden Lane II LLC and Maiden Lane III LLC (which involved the AIG restructuring).[258] The collateral monitor agreement includes specific provisions restricting information sharing and mitigating conflicts of interest between the two entities:[259]

- FRBNY approved all collateral monitor staff members engaged in TALF, and all were required to execute acknowledgment agreements regarding their confidentiality requirements and complete compliance training.
- TALF team members were physically separated from PPIP team members.
- Collateral monitors were required to identify and provide mitigation plans for potential conflicts of interest. SIGTARP is entitled to review the TALF-specific inspection results and audit reports produced by FRBNY, the Board of Governors of the Federal Reserve System, the Board's Inspector General, and the Federal Open Market Committee.

Rejected CUSIPs

FRBNY rejected 29 CUSIPs in the first quarter of 2010.[260] For more information on why FRBNY rejects CUSIPs, see the January 2010 Quarterly Report, page 79.

On January 5, 2010, FRBNY announced it had identified and corrected a methodological error in the implementation of the FRBNY's stressed scenario analysis, which led to the acceptance of legacy CMBS CUSIP 059497AX5, which would have been rejected as collateral if the methodology had been correct.[261]

CUSIP: Unique identifying number assigned to all registered securities in the United States and Canada.

TALF Subscription Activity

FRBNY offered 13 TALF non-mortgage-backed ABS subscriptions as of March 31, 2010, totaling approximately $58.7 billion in TALF loans settled.[262] Of the non-mortgage-backed ABS loans settled, $36.9 billion was outstanding.[263] Table 2.25 includes all non-mortgage-backed ABS TALF loans settled since the inception of the program.

On March 11, 2010, the final TALF subscription using non-mortgage-backed collateral closed.[264]

Subscriptions Using Commercial Mortgage-Backed Collateral

FRBNY had facilitated 10 TALF CMBS subscriptions as of March 31, 2010, totaling approximately $12.1 billion in TALF loans settled. Of the CMBS loans settled, $10.3 billion was outstanding.[265] Table 2.26 includes all CMBS TALF loans settled

TABLE 2.25

TALF LOANS SETTLED BY ABS SECTOR (NON-MORTGAGE-BACKED COLLATERAL) ($ BILLIONS)

ABS Sector	1st Quarter 2009	2nd Quarter 2009	3rd Quarter 2009	4th Quarter 2009	1st Quarter 2010	Totals
Auto Loans	$ 1.9	$ 6.1	$ 4.5	$ 0.2	—	$ 12.7
Student Loans	—	2.5	3.6	1.0	1.8	8.9
Credit Card Receivables	2.8	12.4	8.4	1.8	0.9	26.3
Equipment Loans	—	1.0	0.1	0.3	0.2	1.6
Floor Plan Loans	—	—	1.0	1.5	1.4	3.9
Small-Business Loans	—	0.1	0.4	0.9	0.7	2.1
Servicing Advance Receivables	—	0.4	0.1	0.6	0.1	1.2
Premium Finance	—	0.5	0.5	—	1.0	2.0
Total	**$ 4.7**	**$23.0**	**$18.6**	**$6.3**	**$6.1**	**$58.7**

Notes: Numbers affected by rounding. Data as of 3/31/2010. The first subscription in the program was in March 2009; therefore, the first quarter of 2009 represents one subscription while the remaining quarters represent three subscriptions.

Source: FRBNY, "TALF Non-CMBS Operations," no date, www.newyorkfed.org/markets/TALF_recent_operations.html, accessed 3/12/2010.

TABLE 2.26

TALF LOANS SETTLED (CMBS COLLATERAL) ($ BILLIONS)

Type of Collateral Assets	2nd Quarter 2009	3rd Quarter 2009	4th Quarter 2009	1st Quarter 2010	Total
Newly Issued CMBS	$ —	$ —	$ 0.1	$ —	$ 0.1
Legacy CMBS	—	4.1	4.5	3.3	12.0
Total	**$ —**	**$4.1**	**$4.6**	**$3.3**	**$12.1**

Notes: Numbers affected by rounding. Data as of 3/31/2010. The first subscription in the program was in June 2009; therefore, the second quarter of 2009 represents one subscription while the remaining quarters represent three subscriptions.

Source: FRBNY, "TALF CMBS Operations," no date, www.newyorkfed.org/markets/CMBS_recent_operations.html, accessed 4/1/2010.

since the inception of the program. Three possible subscriptions remain for newly issued CMBS.[266]

Next Steps — What Is TALF Now that the Active Lending Phase Is Substantially Complete?

TALF loans have maturities of up to five years.[267] Now that TALF is closed for new loans secured by ABS and legacy CMBS and will close for all asset classes on June 30, 2010, FRBNY's responsibilities under the program will shift primarily to portfolio management, which includes the following duties:[268]

- documentation maintenance
- overseeing custodians responsible for holding the ABS collateral
- calculating and collecting principal and interest on TALF loans
- collecting interest on existing TALF loans

- disbursing excess spread to TALF borrowers per the governing documents
- ongoing monitoring of TALF portfolio
- collecting and managing collateral assets if a borrower defaults on a loan or surrenders the collateral without recourse in lieu of repayment

In addition to managing the portfolio of TALF loans, if TALF borrowers surrender collateral, the collateral is purchased by a special purpose vehicle, TALF LLC. According to Treasury, the funding for TALF LLC comes first from interest on TALF loans then from Treasury's TARP commitment of up to $20 billion, and finally from FRBNY. As of March 31, 2010, TALF LLC had assets of $404 million, including approximately $100 million in initial TARP funding and approximately $305 million in interest payments and interest income earned from permitted investments.[269] It has not purchased collateral from FRBNY.[270]

According to the Security and Intercreditor Agreement amongst TALF LLC, the FRBNY, and Treasury, payments by TALF LLC from all amounts available in the collateral account (other than amounts available in the loan proceeds account) will first be used to cover the operating expenses of TALF LLC and to fund the expense reimbursement account. Funds will then be distributed in the following order:

1. the principal due to the FRBNY and funding of the FRBNY's senior loan commitment
2. the principal due to Treasury
3. the interest due to FRBNY
4. the interest due to Treasury

Any remaining funds will be shared by FRBNY and Treasury according to a 10% and 90% split, respectively.[271]

Public-Private Investment Program

The Public-Private Investment Program ("PPIP") is purportedly designed to purchase legacy securities from financial institutions through Public-Private Investment Funds ("PPIFs"), which are partnerships that combine capital from private-sector investors and public equity investments and non-recourse debt from TARP funds.

PPIP is designed as an eight-year program with the possibility of two one-year extensions.[272] As of March 31, 2010, Treasury had committed $30 billion of equity and debt financing to PPIP.[273] As of January 31, 2010, CBO estimated that PPIP will cost Treasury approximately $1 billion; OMB estimated the cost or gain at less than $500 million.[274]

Excess Spread: Interest generated by an asset less its financing costs, charge-offs, servicing costs, and any other related expenses. For TALF, the difference between interest received from the underlying ABS or CMBS collateral and the interest payments on the TALF loan.

Legacy Securities: Real estate-related securities lingering on the balance sheets of financial institutions because of pricing difficulties resulting from market disruption.

For an analysis of the impact of NRSROs on TARP and the overall financial market, see SIGTARP's October 2009 Quarterly Report, page 113.

Non-Agency Residential Mortgage-Backed Securities ("non-agency RMBS"): A financial instrument backed by a group of residential real estate mortgages that are not guaranteed by a Government-sponsored enterprise ("GSE"), such as the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac").

Legacy Securities Program

According to Treasury, the Legacy Securities Program was designed to "restart the market for legacy securities, allowing banks and other financial institutions to free up capital and stimulate the extension of new credit."[275]

The securities eligible for purchase by PPIFs are asset-backed and supported by real estate-related loans, including non-agency residential mortgage-backed securities ("non-agency RMBS") and CMBS that meet the following criteria:[276]

- issued before January 1, 2009 (legacy)
- bear an original AAA rating, or equivalent, from two or more credit rating agencies designated as nationally recognized statistical ratings organizations ("NRSROs")
- secured directly by actual mortgages, leases, or other assets, and not other securities (other than certain swap positions, as determined by Treasury)
- located primarily in the United States (the loans and other assets securing the non-agency RMBS and CMBS)
- purchased from financial institutions eligible for TARP participation

PPIF Purchasing Power

Through March 31, 2010, the eight remaining fund managers had raised $6.3 billion of private-sector equity capital, which Treasury matched for a total equity capital of $12.5 billion. Treasury also provided $12.5 billion of debt capital, resulting in $25.1 billion of PPIF purchasing power. Of that $25.1 billion, PPIFs had purchased approximately $10 billion of PPIP-eligible assets, as of March 31, 2010.[277]

Generally, PPIF managers have six months from the completion date of their first private-sector equity investment to raise additional private-sector equity. Oaktree was the final PPIF to begin raising private-sector equity capital; its

TABLE 2.27

PUBLIC-PRIVATE INVESTMENT PROGRAM ($BILLIONS)

	Private-Sector Equity Capital	Treasury Equity	Treasury Debt	Total Purchasing Power
Invesco Legacy Securities Master Fund, L.P.	$0.9	$0.9	$1.7	$3.4[c]
Wellington Management Legacy Securities PPIF Master Fund, LP	1.1	1.1	2.1	4.3
AllianceBernstein Legacy Securities Master Fund, L.P.	1.1	1.1	2.1	4.2
BlackRock PPIF, L.P.	0.7	0.7	1.4	2.8
AG GECC PPIF Master Fund, L.P.	0.9	0.9	1.8	3.7
RLJ Western Asset Public/Private Master Fund, L.P.	0.6	0.6	1.2	2.4
Marathon Legacy Securities Public-Private Investment Partnership, L.P.	0.4	0.4	0.8	1.7
Oaktree PPIP Fund, Inc.	0.6	0.6	1.3	2.5
Current Totals as of 3/31/2010	**$6.3**	**$6.3**	**$12.5**	**25.1**
Maximum Potential Totals	**$10.00**	**$10.00[a]**	**$20.00[b]**	**$40.00**

Note: Numbers affected by rounding.
[a] Represents Treasury's maximum equity obligation if limited partners other than Treasury fund their maximum equity obligations.
[b] Represents Treasury's maximum debt obligation if limited partners other than Treasury fund their maximum equity obligations.
[c] Fundraising period completed.

Source: PPIF Monthly Performance Reports submitted by each PPIF Manager, March 2010.

fundraising period ends June 18, 2010.[278] Table 2.27 shows all equity and debt invested under the program.

Disclosure of PPIF Transactions and Holdings

Since the PPIFs commenced trading operations in October 2009, SIGTARP has been in discussions with Treasury and PPIF managers concerning the appropriate disclosure of information about PPIF activity. As previously stated, SIGTARP believes that transparency in PPIP is vital to the program's overall success and credibility. However, as urged by Treasury and PPIF managers, SIGTARP acknowledges that publishing security-by-security information poses a risk during the ramp-up period while PPIF managers are still building their portfolios, and that this may not be in the best interest of taxpayers and other PPIF investors. Specifically, disclosing such data could reveal PPIF managers' investment strategies, putting them at a disadvantage relative to private investors who could anticipate a PPIF manager's strategy, purchase the targeted securities, then sell those securities back to the PPIF at a higher price.

Accordingly, and consistent with SIGTARP's previous recommendation that contemplated a temporary redaction of information that could harm taxpayer interests, SIGTARP will not disclose security-by-security information for active PPIFs in this report. SIGTARP anticipates that it will disclose such data in future quarterly reports. As indicated below, SIGTARP is publishing data related to the closed PPIF.

TCW Final Analysis

As previously reported, one of the initial nine PPIF managers, The TCW Group, Inc. ("TCW"), is no longer a PPIF manager. Its PPIF was liquidated after the dismissal of its chief investment officer and PPIF portfolio manager, who was identified as a key person in its agreement with Treasury. (For more information, see SIGTARP's January 2010 Quarterly Report, page 88.) On January 4, 2010, TCW entered into a winding-up and liquidation agreement with Treasury, dissolving its PPIF. Private investors received a letter explaining the agreement and allowing them to invest in other PPIFs.[279]

As of December 31, 2009, by which time the TCW PPIF was already frozen, its portfolio comprised $477.8 million in non-agency RMBS, 87.2% of the underlying mortgages were classified as Alt-A, and 12.8% were classified as Prime. Appendix J: "UST/TCW Fund Holdings" contains a security-by-security listing of the RMBS holdings that were in the fund as of December 31, 2009, before it was liquidated, as reported by TCW to SIGTARP.

On January 13, 2010, TCW repaid the outstanding $200 million loan to Treasury, plus interest of $342.2 thousand.[280] It also repaid Treasury's full equity investment, plus a $20.1 million profit.[281]

Key Person: An individual recognized as being necessary for the operation of an investment fund.

Fund Performance

The performance of each PPIF — its gross and net returns since inception — is listed in Table 2.28, as reported by PPIF managers. The returns are calculated based on a methodology requested by Treasury. Each PPIF has three years to buy legacy securities in the market on behalf of its private and Government investors.[282] The program strives for "predominantly a long-term buy and hold strategy" of up to eight years for each PPIF. Extensions of up to two additional years are allowed but require Treasury's written permission.[283]

The data in Table 2.28 is a snapshot of the funds' performance over the quarter ending March 31, 2010, and may not be predictive of the funds' performance over

TABLE 2.28

PPIF INVESTMENT STATUS, AS OF 3/31/2010

Manager		1-Month Return (percent)[a]	3-Month Return (percent)[a]	Cumulative Since Inception (percent)[a]
AG GECC PPIF Master Fund, L.P.	Gross	7.94	16.23	21.88
	Net	7.89	15.98	20.55
AllianceBernstein Legacy Securities Master Fund, L.P.	Gross	2.39	6.20	6.46
	Net	2.18	5.68	5.08
BlackRock PPIF, L.P.	Gross	2.55	10.95	12.65
	Net	2.44	10.59	11.77
Invesco Legacy Securities Master Fund, L.P.	Gross	0.95	7.52	11.54
	Net	0.84	7.11	10.14
Marathon Legacy Securities Public-Private Investment Partnership, L.P.	Gross	2.28	7.02	7.03
	Net	2.17	6.58	5.14
Oaktree PPIP Fund, L.P.	Gross	3.45	N/A	6.26
	Net	1.91	N/A	1.09
RLJ Western Asset Public/Private Master Fund, L.P.	Gross	1.34	3.59	7.47
	Net	1.25	3.42	6.79
Wellington Management Legacy Securities PPIF Master Fund, LP	Gross	0.61	8.14	7.27
	Net	0.52	7.72	6.39

Notes: Oaktree has not actively traded for three months and therefore does not have a three-month return.
The performance indicators are listed as reported by PPIF managers without further analysis by SIGTARP. The net returns include the deduction of certain management fees and expenses. Further, several fund managers have told SIGTARP that they are capitalizing start-up expenses in the first few quarters, which accounts for some of these expenses.
[a] Time-weighted, geometrically linked returns. The net returns include the deduction of management fees and partnership expenses attributable to Treasury.

Sources: PPIF Monthly Performance Reports submitted by each PPIF manager, March 2010. SIGTARP; Response to Initial Report, 3/23/2010.

the long term. According to some PPIF managers, it would be premature to draw any long-term conclusions because, among other things, some PPIF managers have not fully implemented investment strategies and have not yet fully drawn down on capital commitments from Treasury.

According to Treasury, each PPIF manager may trade in both RMBS and CMBS, except for Oaktree, which may purchase only CMBS.[284] Figure 2.15 shows the collective value of securities purchased by all PPIFs as of March 31, 2010, broken down by RMBS and CMBS.

PPIF investments can be classified by underlying asset type. For non-agency RMBS, the underlying assets are mortgages for homes occupied by up to four families; all non-agency RMBS investments are considered residential. For CMBS, the assets are commercial real estate mortgages: office, retail, multi-family, hotel, industrial (such as warehouses), mobile home parks, mixed-use (a combination of commercial and residential), and self storage. Figure 2.16 breaks down CMBS investment distribution by sector. The aggregate CMBS portfolio had large concentrations in office loans (32%) and retail loans (26%).

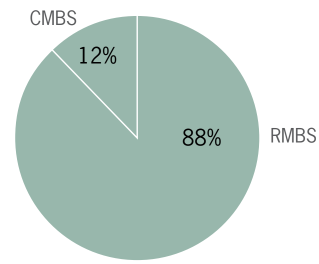
Non-agency RMBS and CMBS can be classified by estimated risk (sometimes referred to as "quality"). Investors are most concerned with whether the borrower(s) will default and the underlying collateral will be sold at a loss. There are no universal standards for ranking mortgage quality, and the designations vary depending on context. In general, the highest quality rankings are granted to mortgages with the highest requirements for the borrower's credit, completeness of documentation, and underwriting standards. Treasury characterizes these investment-quality levels of risk for non-agency RMBS:[285]

- **Prime** — Mortgage loan made to a borrower with good credit that generally meets the lender's strictest underwriting criteria. Non-agency prime loans generally exceed the dollar amount eligible for purchase by Government-sponsored enterprises (jumbo loans), but may include lower balance loans as well.
- **Alt-A** — Mortgage loan made to a borrower with good credit but with limited documentation or other characteristics that do not meet the standards for Prime loans. An Alt-A loan may have a borrower with a lower credit rating, a higher loan-to-value ratio, or limited or no documentation compared to a Prime loan.
- **Subprime** — Mortgage loan made to a borrower with a poor credit rating.
- **Option Adjustable Rate Mortgage ("ARM")** — Mortgage loan that gives the borrower a set of choices of how much interest and principal to pay each month. This may result in negative amortization (an increasing loan principal balance over time).

FIGURE 2.15

AGGREGATE COMPOSITION OF PPIF PURCHASES, AS OF 3/31/2010

percent of $10 Billion

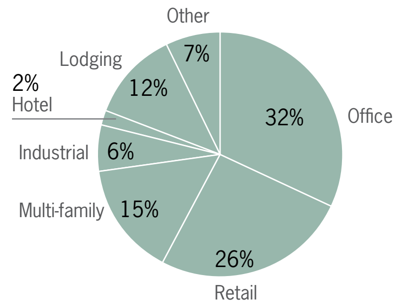


Note: Numbers affected by rounding.

Source: PPIF Monthly Performance Reports, March 2010.

FIGURE 2.16

AGGREGATE CMBS PURCHASES BY SECTOR, AS OF 3/31/2010



Notes: Numbers affected by rounding. Calculated based on monthly data supplied by PPIF managers.

Source: PPIF Monthly Performance Reports, March 2010.

Treasury characterizes these investment-quality levels of risk for CMBS:[286]

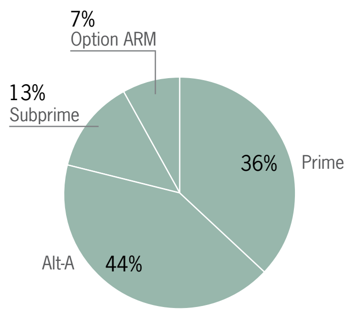
- **Super Senior** — Most senior originally rated AAA bonds in a CMBS securitization with the highest level of credit enhancement. Credit enhancement refers to the percentage of the underlying mortgage pool by balance that must be written down before the bond experiences any losses. Super Senior bonds often comprised 70% of a securitization and therefore had 30% credit enhancement at issuance.
- **AM (Mezzanine)** — Mezzanine-level originally rated AAA bond. Creditors receive interest and principal payments after super senior creditors but before junior creditors. AM bonds often comprise approximately 10% of a CMBS securitization.
- **AJ (Junior)** — The most junior bond in a CMBS securitization that attained a AAA rating at issuance.

Figure 2.17 and Figure 2.18 show the distribution of the PPIP-held non-agency RMBS and CMBS investments by respective risk levels, as reported by PPIF managers.

Non-agency RMBS and CMBS can be classified geographically — by the states

FIGURE 2.17

AGGREGATE RMBS PURCHASES BY QUALITY, AS OF 3/31/2010
percent of $8.8 Billion

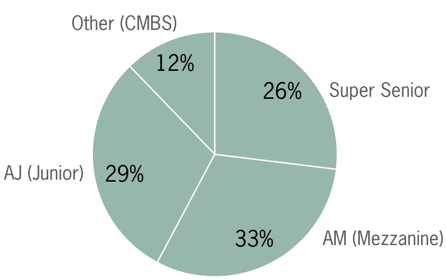


Note: Numbers affected by rounding.

Sources: PPIF Monthly Performance Reports, March 2010; Treasury, response to SIGTARP draft report, 4/17/2010. Treasury, response to SIGTARP draft report, 4/17/2010.

FIGURE 2.18

AGGREGATE CMBS PURCHASES BY QUALITY, AS OF 3/31/2010
percent of $1.2 Billion

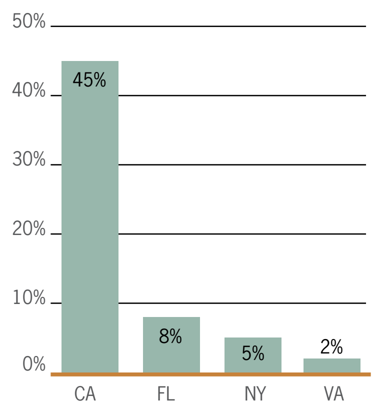


Note: Numbers affected by rounding.

Source: PPIF Monthly Performance Reports, March 2010.

FIGURE 2.19

AGGREGATE GEOGRAPHICAL DISTRIBUTION — PERCENT OF TOTAL RMBS, AS OF 3/31/2010

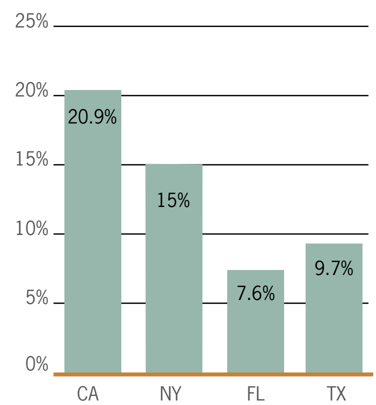


Notes: Only states with the largest representation shown. Calculated based on monthly data supplied by PPIF managers.

Source: PPIF Monthly Performance Reports, March 2010.

FIGURE 2.20

AGGREGATE GEOGRAPHICAL DISTRIBUTION — PERCENT OF TOTAL CMBS, AS OF 3/31/2010



Notes: Only states with the largest representation shown. Calculated based on monthly data supplied by PPIF managers.

Source: PPIF Monthly Performance Reports, March 2010.

represented by the underlying mortgages. Figure 2.19 and Figure 2.20 show the states with the greatest representation in the underlying non-agency RMBS and CMBS investments in the PPIFs, as reported by PPIF managers.

Non-agency RMBS and CMBS can also be classified by delinquency of the underlying mortgages. Figure 2.21 and Figure 2.22 show the distribution of the PPIP-held non-agency RMBS and CMBS investments by respective delinquency levels, as reported by PPIF managers.

Departure of AG GECC Key Person

On February 22, 2010, SIGTARP was notified that Joseph Parsons, a GE representative on the Investment Committee of AG GECC GP, LLC, announced his departure. Although Mr. Parsons is a key person listed in the Master Fund limited partnership agreement, his absence does not trigger the freezing of the AG GECC PPIF or the halting of its transactions under Treasury's contract with AG GECC.[287] Treasury's agreement with AG GECC GP, LLC provided that Treasury would freeze the PPIF only if, at any time, a majority of the named key persons or two specific named key persons, not including Mr. Parsons, departed.[288]

Unlocking Credit for Small Businesses ("UCSB")/Small Business Administration ("SBA") Loan Support Initiative

To encourage banks to extend more credit to small businesses, Treasury announced the Unlocking Credit for Small Businesses ("UCSB") program on March 16, 2009, stating it would purchase up to $15 billion in securities backed by pools of Small Business Administration ("SBA") loans from two SBA programs: 7(a) and 504 Community Development Loan.[289] On March 19, 2009, Treasury made its first purchase of 7(a) securities under this program in the amount of $21.4 million.[290] Treasury now expects to buy no more than $1 billion in securities via UCSB.[291]

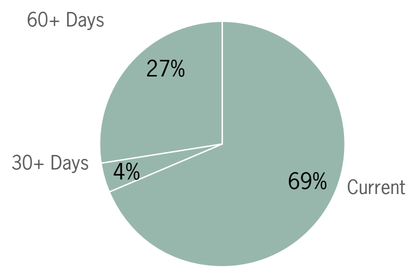
SBA 7(a) Loan Program Mechanics

The 7(a) program was established to provide financing for start-up and existing small businesses that might have difficulty qualifying for traditional loans. It helps finance a wide variety of business needs, including working capital; machinery, equipment, furniture and fixture, and land and building purchases; leasehold improvements; and debt refinancing, subject to certain conditions. Repayment terms range from 10 years for working capital funds to 25 years for other assets.[292]

Borrowers must meet lenders' and SBA's criteria. The SBA does not directly issue 7(a) loans to small businesses but rather provides a partial guaranty against default. Borrowers must apply through approved SBA lenders, which then determine whether to grant the loan and if SBA backing is required. In the event of default, the lender receives partial reimbursement from SBA based on the guaranty terms. The business owner, however, remains liable for the loan's full amount.[293]

FIGURE 2.21

AGGREGATE AVERAGE RMBS DELINQUENCIES BY MARKET VALUE, AS OF 3/31/2010

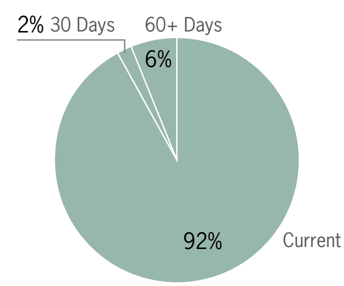


Note: Numbers affected by rounding.

Source: PPIF Monthly Performance Reports, March 2010.

FIGURE 2.22

AGGREGATE AVERAGE CMBS DELINQUENCIES BY MARKET VALUE, AS OF 3/31/2010



Notes: Numbers affected by rounding. Calculated based on monthly data supplied by PPIF managers.

Source: PPIF Monthly Performance Reports, March 2010.

7(a) Loan Program: SBA program guaranteeing a percentage of loans for small businesses that cannot otherwise obtain conventional loans at reasonable terms.

504 Community Development Loan Program: SBA program combining Government-guaranteed loans with private-sector mortgage loans to provide loans of up to $10 million for community development.

Pool Assembler: A firm authorized to create and market pools of SBA-guaranteed loans.

TARP Support for 7(a)

To raise cash, banks typically sell portions of their 7(a) loans to third parties on the secondary market known as pool assemblers, which pool or securitize the loans for sale to investors. Such sales free up cash for banks to make more small-business loans.[294] During the recession, 7(a) activity slowed.[295] Under TARP's 7(a) support program, Treasury purchases pools of 7(a) loans anonymously on the secondary market through an approved pool assembler.[296]

Treasury initiated the program and signed a contract with the sole pool assembler to date, Coastal Securities, on March 2, 2010.[297] According to Treasury, Earnest Partners, as Treasury's investment advisor, is conducting a survey to determine how similar securities are trading and the current volume of trades and also to assess other market information. As Treasury purchases 7(a) loan securities, a second firm, Gifford Fong Associates, is providing independent valuation services to determine whether received bids are financially viable and appropriately priced.[298] Earnest Partners will purchase the securities anonymously but can buy only from Coastal Securities at this stage.[299]

Purchasing decisions on 7(a) loan securities are determined by a pricing committee within Treasury, which reviews each bid based on market data and an independent valuation assessment.[300] On March 19, 2010, Treasury bought $21.4 million in three floating rate 7(a) securities from Costal Securities, its first purchases under this program.[301] The CUSIPs for these securities are as follows:[302]

- Floating Rate SBA 7(a) Security CUSIP 83164KYN7 for $4.4 million
- Floating Rate SBA 7(a) Security CUSIP 83165ADC5 for $8.3 million
- Floating Rate SBA 7(a) Security CUSIP 83165ADE1 for $8.7 million

TARP TUTORIAL: FEDERAL SUPPORT FOR SMALL-BUSINESS LENDING

Overview and Description of Market

In December 2009, Treasury stated that it is shifting TARP's focus and will limit future TARP investments to "housing, small business, and securitization markets that facilitate consumer and small-business loans."[303] This section examines the broader role of small businesses, both in the economy and in the financial system, and the Government's support of small-business lending.

What Is a Small Business?

The Small Business Administration ("SBA") defines a small business as "[a business] that is organized for profit; has a place of business in the U.S.; operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor; is independently owned and operated; and is not dominant in its field on a national basis. The business may be a sole proprietorship, partnership, corporation, or any other legal form."[304] How small a "small business" is varies by industry and is usually measured either in average receipts or average number of employees. These are some examples of maximum size standards for the "small" category:[305]

- $7 million in average annual sales receipts for retail stores and service firms
- 500 to 1,500 employees for manufacturers
- 100 employees for wholesale trade firms
- 500 employees for mining companies

No other Federal department or agency may categorize a business as a "small business" without SBA approval.[306] Its definition of small business will be used throughout this section.

Importance of Small Businesses to the U.S. Economy

The Government's intention to provide assistance to the small business sector underscores its belief in the vital role small businesses can play in reviving growth in the U.S. economy. This sector is a significant part of the workforce and contributes greatly to the country's Gross Domestic Product ("GDP"). Three characteristics contribute to the small-business sector's dynamic role throughout the economy in shifting resources from outdated processes and industries to more productive ones — a large percentage of high-tech workers, a higher patent-to-employee ratio than for large businesses, and small

The Small Business Administration ("SBA") is an independent Federal agency with a mission to aid, counsel, assist, and protect the interests of small businesses, to preserve free competitive enterprise, and to maintain and strengthen the overall economy. A more complete description of the SBA, as well as a description of its programs, can be found later in this section.

Gross Domestic Product: A measure of the total market value of all final goods and services produced in the U.S. during any quarter or year. GDP equals total consumer spending, business investment, Government spending and investment, and the value of exports minus the value of imports.

businesses' short average duration.[307] The small business sector's positive impact on net new job growth underscores its vitality to eventual economic recovery.

Small-Business Employment

Small businesses account for approximately half of all private-sector employment. This ratio fluctuates in response to economic cycles and conditions, but it has been relatively stable over the past few decades. In 2006, the last year for which data are available, small and big businesses employed roughly the same number of people, 60 million each, as shown in Figure 2.9.[308]

The Financial Crisis

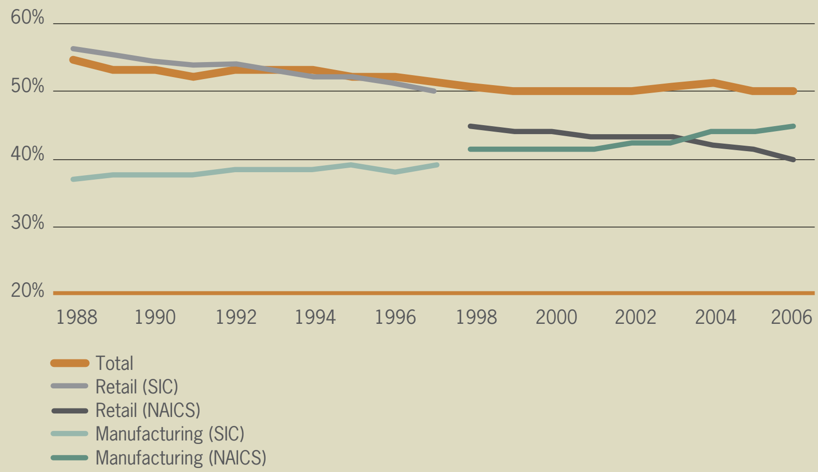
Since the onset of the financial crisis, lending to small businesses has dropped, making it difficult to launch or expand small businesses, meet payrolls, or acquire inventory.

Lending Market Response to the Recession

Small businesses rely heavily on banks for financing. After self-financing, small business owners get approximately 40% of their financing from banks, 30% from trade creditors,

FIGURE 2.9

SMALL BUSINESSES' SHARE OF EMPLOYMENT FROM 1988 – 2006



Note: The North American Industry Classification System ("NAICS") was adopted in 1997 to replace the Standard Industry Classification ("SIC") system.

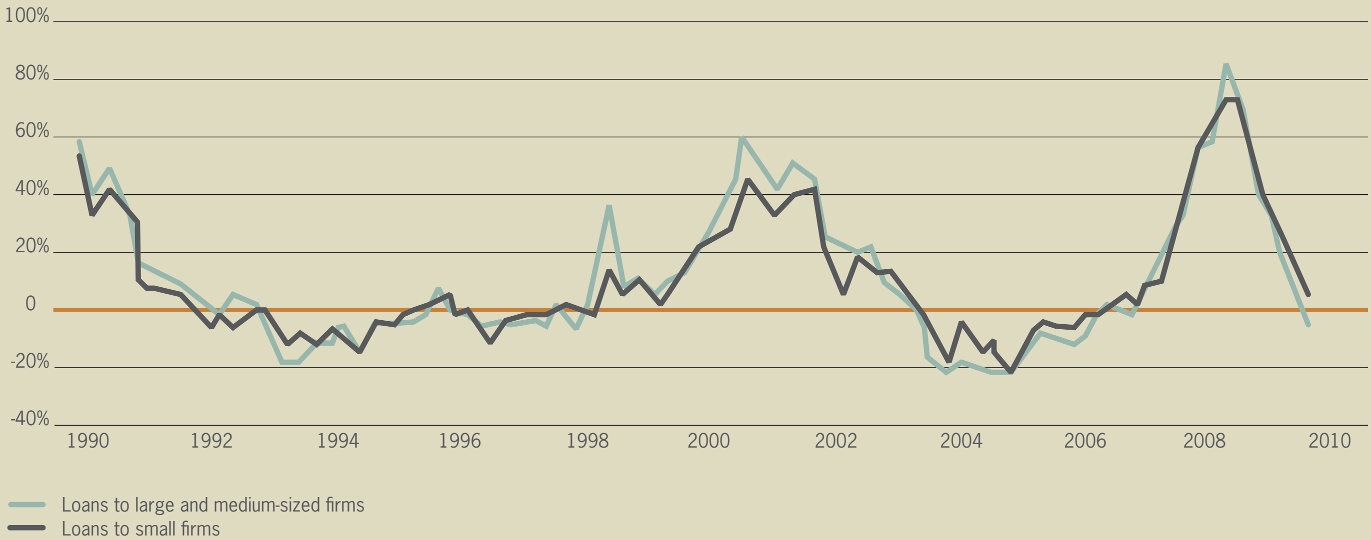
Source: SBA, "An Analysis of Small Business and Jobs," 3/2010, www.sba.gov/advo/research/rs359tot.pdf, p.5, accessed 3/31/2010.

and 10% from commercial finance companies.[309] As the recession set in, banks and other lenders tightened credit standards, restricting lending to all but the strongest borrowers and "reducing the amount of credit, increasing haircuts on positions financed, and shortening the term for which credit was extended."[310]

These new and sudden restrictions caught many small business owners off guard. For example, banks are typically allowed to cancel some working capital lines of credit at any time. In that event, small business owners may suddenly find that an expected source of credit has not only disappeared, but they must repay what they already borrowed sooner than expected.[311] A small business's finances are usually intertwined with its owner's finances, which only exacerbates the problem. For example, many small business owners use credit cards for business purchases.[312] Often banks unilaterally reduce available credit or increase interest rates on credit cards.[313] With this combination, many small business owners faced a reduction or withdrawal of the credit available to the business and were unable to make up the difference with personal funds. When a bank abruptly pulls credit and raises interest rates on existing debt, even a business that is otherwise stable may suddenly be unable to pay its bills and be forced to restrict business activities or even file for bankruptcy.

FIGURE 2.10

NET PERCENTAGE OF DOMESTIC RESPONDENTS TIGHTENING STANDARDS FOR COMMERCIAL AND INDUSTRIAL LOANS



Source: Federal Reserve, "The January 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices," 2/1/2010, www.federalreserve.gov/boarddocs/snloansurvey/201002/fullreport.pdf., accessed 3/3/2010.

Credit Underwriting: The process used by a financial institution to determine the risks involved in providing credit to a borrower and to measure those risks against standards established by the financial institution's board of directors. For a small business loan, credit underwriting standards can be applied to the firm, the owner, or both.

Although a recent survey showed that most banks have finally stopped tightening credit-underwriting standards as illustrated in Figure 2.10, most have not relaxed standards either.[314] The same survey showed that the few banks that continued tightening credit terms were more restrictive to small firms than to larger firms.[315]

Lending by Small Banks vs. Large Banks

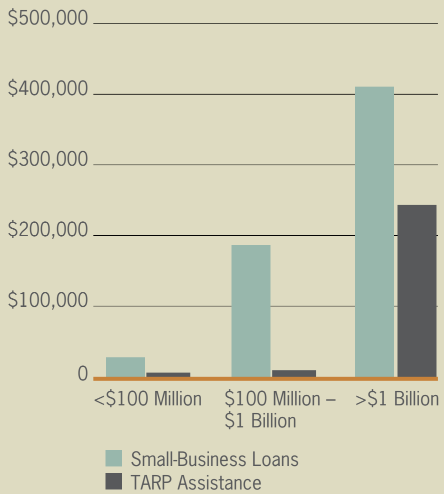
Federal banking regulators do not specifically collect data on loans to small businesses. For reporting purposes, small-business loans are categorized as business loans with original amounts of $1 million or less. Even that data is only collected every June 30.[316] As of June 30, 2009, commercial banks with total assets of $1 billion or more (classified as large banks) represented 89.5% of all commercial banking assets and originated 65.8% of small-business loans.[317] Small-business loans are a larger portion of small banks' loan portfolios, as shown in Figure 2.11. Large banks have received a much larger portion of TARP assistance, as shown in Figure 2.12.

From June 30, 2008, to June 30, 2009, outstanding small-business loans dropped $14.5 billion, or 2.3%. Small banks with less than $100 million in assets had the largest percentage decline ($2.3 billion or 7.9%) while large banks had the largest decline in loan volume ($7.6 billion or 1.8%).[318] According to the Federal Deposit Insurance Corporation

FIGURE 2.12

SMALL-BUSINESS LOANS VS. TARP ASSISTANCE BY BANK SIZE, AS OF 6/30/2009

$ MILLIONS

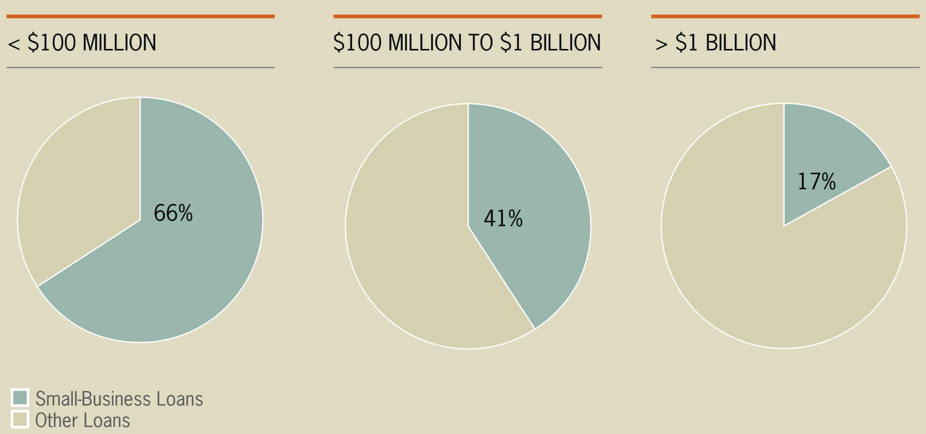


Notes: Business loans with original amounts less than $1 million used as a proxy for small-business loans. Bank size for TARP assistance based on risk-weighted assets, calculated based on participation in CPP.

Sources: FDIC, "Statistics on Banking," no date, www2.fdic.gov/SDI/SOB/, accessed 3/30/2010. Treasury, "*Transactions Report*," 7/2/2009, www.financialstability.gov/docs/transaction-reports/transactions-report_070209.pdf, accessed 4/1/2010.

FIGURE 2.11

CONCENTRATION OF SMALL-BUSINESS LOANS BY BANK SIZE/ASSETS, AS OF 6/30/2009



Note: Business Loans with original amounts less than $1 million used as a proxy for Small Business Loans.

Source: FDIC, "Statistics on Banking," no date, www2.fdic.gov/sdi/sob, accessed 3/20/2010.

("FDIC"), all commercial bank lending declined in 2009. During the fourth quarter, commercial and industrial loans dropped the most, at $54.5 billion or 4.3%. During all of 2009, total commercial banking assets fell by a net $731.7 billion, or 5.3%, the largest one-year percentage drop since the FDIC was formed in 1933.[319]

Small Business Administration ("SBA")

Congress established the Small Business Administration ("SBA") in 1953 to "aid, counsel, assist and protect, insofar as is possible, the interests of small businesses." SBA's mission is to help small businesses start and grow by providing loan assistance.[320] SBA supports small businesses primarily by guaranteeing loans from private lenders, as well as offering debt financing, surety bonds, equity financing, grants, and other forms of financial assistance.[321] To guarantee private loans, SBA uses several programs, including 7(a), CDC/504, microloan, and the disaster assistance loan program. As of September 30, 2009, SBA's outstanding loan portfolio of $90.5 billion primarily consisted of the following programs:[322]

- **7(a) Loan Program:** Section 7(a) of the Small Business Act authorizes SBA to guarantee loans to small businesses. As SBA's primary program, it assists start-up and existing businesses that are unable to secure loans without a guarantee. A business may borrow up to $2 million through this program.[323] As of fiscal year-end 2009, the program had an outstanding principal balance of $49.7 billion.[324]
- **Certified Development Company ("CDC") 504 Loan Program:** Provides long-term, fixed-rate financing so borrowers may purchase long-term fixed assets for expansion or modernization, including real estate and equipment. CDC is a private, not-for-profit corporation that works with SBA and private lenders.[325] As of fiscal year-end 2009, the program had an outstanding principal balance of $23.8 billion.[326]
- **Microloan Program:** SBA provides funds to intermediaries that lend to small businesses, making small and short-term loans to start-ups, newly established businesses, and growing businesses. Although SBA does not directly lend to qualifying businesses, it gives funds to non-profit, community-based lenders, which in turn lend up to $35,000 to qualified borrowers.[327]
- **Disaster Assistance Loan Program:** Provides low-interest loans of up to $2 million to homeowners, renters, any size business, and most private non-profit organizations to replace or repair assets damaged or destroyed in a Government-declared

disaster.[328] For the fiscal year ending September 30, 2009, SBA approved 21,780 of these loans, totaling $1.1 billion.[329] As of fiscal year-end 2009, the program had an outstanding principal balance of $8.4 billion.[330]

Venture Capital: A type of private equity capital typically provided for early-stage, high-growth potential companies in the interest of generating a return through an eventual realization event, such as the sale of the company, a merger, or an initial public offering.

Seed and Venture Capital Program (Equity Financing)

The SBA also provides venture capital through its public-private investment partnership with SBA's Small Business Investment Company ("SBIC"). In 1958, Congress created SBIC to help businesses raise the necessary capital for growth. Although licensed and regulated by SBA, SBIC is a privately owned and managed fund that raises private capital and borrows at favorable interest rates. The for-profit organization makes long-term loans to, or equity investments in, qualifying start-ups with growth potential.[331] Generally, SBIC makes three types of investments:[332]

- **Loans with Warrants** — SBIC provides loans to the qualifying business and receives as part of the loan terms warrants to purchase common stock at a predetermined price within a specified time period.
- **Convertible Debentures** — loans that can be converted to common stock at SBIC's discretion
- **Stock Purchases**

For the definition of warrants, see "Capital Purchase Program" in Section 2: "TARP Overview" in this report.

Since its inception, SBIC has invested approximately $50.6 billion.[333] As of the end of fiscal year 2009, SBA had more than $8.2 billion invested with SBIC. When combined with private capital of approximately $8.7 billion, the program had invested more than $16.9 billion, including loans with an outstanding principal balance of $6.8 billion.[334]

SBA America's Recovery Capital ("ARC") Loan Program

The ARC program aims to help stressed businesses meet debt obligations. ARC loans can be put toward principal and interest payments on existing, qualifying debts, thereby freeing up money for investment, job creation, and retention. ARC loans are 100% guaranteed by SBA, and there are no SBA fees. Although ARC borrowers do not pay interest, SBA pays interest to the lenders. Usually, the loans extend for up to five years.[335] Businesses can qualify for only one ARC loan, which is capped at $35,000.[321] As of December 31, 2009, more than $167 million was lent through ARC.[336]

Bonding Program (Surety Bonds)

A surety bond is an agreement between a surety (such as a bank), a contractor, and a project owner, which states that if the contractor is unable to perform the contract, the surety will take responsibility for project completion. The Bonding Program is for small and minority contractors who cannot secure surety bonds through regular commercial channels. Through the surety bond program, SBA offers bid, payment, and performance bond guarantees. The guarantee makes SBA liable for a pre-determined loss percentage if the contractor breaches the contract terms.[337] Contractors can obtain multiple guarantees, but the amount of each contract that can be guaranteed is limited to $5 million.[338] The fiscal year 2010 Federal budget includes $1 billion for the surety bond program.[339]

Bid Bond: Guarantees that the bidder on a contract will enter into the contract and furnish any required payment and performance bonds.

Payment Bond: Guarantees that the contractor will pay anyone who furnishes labor, materials, equipment, and/or supplies for the contract.

Performance Bond: Guarantees that the contractor will complete the contract in accordance with its terms.

SBA Grant Program

The Program for Investment in Micro-Entrepreneurs ("PRIME") makes grants to organizations providing management, technical, or financial assistance. Generally, these grants go to non-profit organizations, intermediary lenders, and state and local governments that help business owners and low-income entrepreneurs access capital to start or expand their companies. Through PRIME, SBA supports large and small micro-enterprise development organizations — as well as those serving urban, rural, and Native American tribal communities — by making grants for four purposes: technical assistance, capacity building, research and development, and discretionary purposes.[340]

The American Recovery and Reinvestment Act of 2009 ("ARRA")

ARRA, enacted February 17, 2009, authorized another $730 million for SBA to help small businesses get private loans. This funding provides:[341]

- $375 million to temporarily eliminate the guarantee fees that borrowers normally pay to get SBA-backed loans (In addition, it raises the guarantee amount for 7(a) loans to 90%. 7(a) loans are normally guaranteed by as much as 85% on loans of up to $150,000, and 75% on loans of more than $150,000.)[342]
- $255 million to create a new program, America's Recovery Capital ("ARC") Loan Program, to help stressed businesses pay off debts and expenses
- $30 million for the microloan program
- $24 million for technical assistance grants to microlenders
- $15 million to expand SBA's surety bond guarantee program

AUTOMOTIVE INDUSTRY SUPPORT PROGRAMS

During the financial crisis, Treasury, through TARP, launched the Automotive Industry Financing Program ("AIFP"), under which two additional subprograms fall — the Auto Supplier Support Program ("ASSP") and the Auto Warranty Commitment Program ("AWCP"). According to Treasury, AIFP was established "to prevent a significant disruption of the American automotive industry that poses systemic risk to financial market stability and will have a negative effect on the real economy of the United States."[343]

The auto industry has not received Government assistance since the capital infusion of $3.8 billion into GMAC through AIFP on December 30, 2009. The ASSP, designed to allay fears that auto companies would not be able to make their payments to the auto parts suppliers, terminated for GM on April 5, 2010, and for Chrysler on April 7, 2010.[344]

As of March 31, 2010, Treasury committed $84.8 billion to General Motors Corporation ("GM"), GMAC, Chrysler, and Chrysler Financial through these programs. The companies have paid back approximately $4.6 billion.[345] As of February 17, 2010, CBO estimates AIFP will result in a $34 billion cost to Treasury, compared to OMB's estimated cost of $31 billion.[346]

For a breakdown of Treasury's investments under the Automotive Industry Support Programs, see SIGTARP's January 2010 Quarterly Report, pages 90-91.

Automotive Industry Financing Program

As of March 31, 2010, Treasury had invested $80.7 billion through AIFP to support automakers and their financing arms in order to "avoid a disorderly bankruptcy of one or more automotive companies."[347] As of March 31, 2010, Treasury had received approximately $1.7 billion in dividends and interest payments on these investments.[348] AIFP-related principal repayments included approximately $2.4 billion from GM and $1.8 billion from Chrysler Financial.[349]

General Motors

As of March 31, 2010, Treasury committed approximately $52.4 billion to GM, including $2.9 billion through ASSP and AWCP. Of the $49.5 billion committed directly to GM through AIFP, $19.4 billion was granted pre-bankruptcy and $30.1 billion during bankruptcy. Most of Treasury's GM investment was converted either into common and preferred stock in New GM (the company that emerged from bankruptcy) or into debt assumed by New GM. As a result, Treasury's $49.5 billion investment in GM was converted to a 60.8% common equity stake in New GM, $2.1 billion in preferred stock in New GM, and $7.1 billion of debt assumed by New GM. As part of the warranty program wind-down, $360 million of the debt was repaid on July 10, 2009. In addition, New GM repaid $1 billion on December 18, 2009; $35 million on January 21, 2010; and $1 billion on March 31, 2010.[350]

Under the terms of the sale of certain assets from Old GM to New GM under Section 363 of the Bankruptcy Code, the United Auto Workers ("UAW"), bondholders, Treasury, and the governments of Canada and Ontario are the owners of New GM.[351]

The operating agreement between GM and the Federal Government, which is monitoring GM's restructuring efforts, provides that GM will make a "reasonable best effort" to conduct an initial public offering ("IPO") by July 10, 2010, the first anniversary of its emergence from bankruptcy.[352] Treasury may reduce its ownership in GM by gradually selling its shares following an IPO.[353] According to Treasury, the state of the securities markets and other factors — such as GM's profitability, liquidity, market share, and sales volume — will determine the timing.[354]

For more detail on New GM's ownership, see SIGTARP's October 2009 Quarterly Report, page 93.

Debt Repayments

GM has made several payments on its outstanding loan to Treasury and expects to pay it in full by June 30, 2010. The source of funds for these quarterly payments will be other TARP funds currently held in an escrow account.[355] GM made the first and second of the quarterly $1 billion payments to Treasury on December 18, 2009, and March 31, 2010.[356] After these two quarterly principal payments, GM's remaining Treasury debt is approximately $4.7 billion, as of March 31, 2010.[357] For more information on this arrangement, see SIGTARP's audit report, "Additional Insight on Use of Troubled Asset Relief Program Funds," dated December 10, 2009, available at www.SIGTARP.gov.

Restructuring Plans

According to the approved restructuring plans submitted to Treasury, New GM will move forward by focusing on its four core brands — Chevrolet, Cadillac, Buick, and GMC cars, trucks, and crossovers — and by developing energy-saving technologies, including advanced internal combustion engines, biofuels, fuel cells, and hybrids. By the end of 2010, New GM's goals will be to operate only 34 assembly plants (down from 47 in 2008) and to reach a capacity-utilization rate of 100% during 2011.[358]

In May 2009, New GM began to accelerate its dealer consolidation efforts, reducing the number of New GM dealers in the United States from 6,000 to approximately 3,600 by the end of the year.[359] As a result, 1,454 dealers received notice that their franchise agreements would be terminated.[360] On December 16, 2009, Congress passed legislation requiring GM and Chrysler to offer binding arbitration to dealers whose outlets were being closed under the companies' bankruptcy reorganizations.[361] In March 2010, New GM announced an offer to reinstate 666 of the approximately 1,169[362] dealers that had appealed the loss of their franchises.[363] These reinstatements are not yet final.

Chrysler

As of March 31, 2010, Treasury committed approximately $13.8 billion to Chrysler, including $1.3 billion through ASSP and AWCP. Of the approximately $12.5 billion committed directly to Chrysler through AIFP, Treasury retains an investment in New Chrysler of $9 billion in debt and an ownership stake in 9.9% of the company's equity.[364]

Chrysler filed for Chapter 11 bankruptcy on April 30, 2009. Pursuant to a sale under Section 363 of the Bankruptcy Code, most of its assets were sold to a new entity, Chrysler Group LLC ("New Chrysler"), on June 10, 2009. The remaining assets and debt, including the $3.5 billion original loan and the $1.9 debtor-in-possession loan remained with the old company, renamed Old Carco LLC ("Old Chrysler"), which is still in bankruptcy.[365]

Chrysler terminated franchise agreements with 789[366] dealers, or about 25% of its U.S. network, in June 2009 as it emerged from bankruptcy under new management led by Italy's Fiat SpA. Chrysler began accepting arbitration requests following the passage of Congressional legislation in December 2009. As of March 2010, Chrysler had offered to reinstate 50 of the 418 dealers appealing the loss of their franchises.[367] These reinstatements are not yet final.

For a summary of Treasury's investments in GMAC, see SIGTARP's January 2010 Quarterly Report, page 94.

Automotive Financing Companies

GMAC

As of March 31, 2010, Treasury owned 56.3% of GMAC's common stock, $2.5 billion in trust-preferred securities, and $11.4 billion in mandatorily convertible preferred ("MCP") shares.[368]

Status of Funds

Treasury's latest capital injection and share conversions increased the quality of GMAC's capital. GMAC told the Congressional Oversight Panel that it aims to launch an IPO within the next two years.[369] Treasury would have the option of selling a portion of its ownership during an IPO.[370]

Chrysler Financial

The Government loaned $1.5 billion to support Chrysler Financial's retail loan originations in January 2009. In July 2009, Chrysler Financial repaid the loan, with interest.[371]

Auto Supplier Support Program/Auto Warranty Commitment Program

On March 19, 2009, Treasury announced the $5 billion Auto Supplier Support Program ("ASSP") to "help stabilize the automotive supply base and restore credit flows in a critical sector of the American economy."[372] As of July 1, 2009, the total commitment was reduced from $5 billion to $3.5 billion.[373] Because of worries about the auto manufacturers' ability to pay their invoices, suppliers had not been able to borrow from banks using their receivables as collateral. ASSP allowed automotive parts suppliers to access Government-backed protection for money owed them for the products they shipped to manufacturers. New Chrysler and New GM participated in the program with commitments of $1 billion for New Chrysler and $2.5 billion for New GM and added receivables related to participating suppliers.[374] ASSP continued to operate through the last quarter but was terminated for GM on April 5, 2010, and for Chrysler on April 7, 2010, at which time both GM and Chrysler repaid the full amount of their borrowings; GM repaid $290 million and Chrysler $123 million, plus interest.[375] For a summary of ASSP investments, see SIGTARP's January 2010 Quarterly Report, page 95.

EXECUTIVE COMPENSATION

As discussed in SIGTARP's previous quarterly reports, TARP recipients are subject to executive compensation restrictions. The rules set forth in Section 111 of the Emergency Economic Stabilization Act of 2008 ("EESA") have been changed by Congress and interpreted and implemented by successive Treasury regulations and notices. These include the Interim Final Rule on TARP Standards for Compensation and Corporate Governance (the "Rule"), which Treasury issued on June 10, 2009.[376] This Rule consolidated all previous executive compensation-related regulations into a single directive and implemented the restrictions mandated by Congress in the American Recovery and Reinvestment Act of 2009 ("ARRA").[377]

As long as a TARP recipient has an outstanding "obligation" to Treasury (as defined by ARRA, this does not include warrants to purchase common stock), it must adhere to the guidelines set forth under the Rule.[378]

However, some program participants are exempt from the Rule:[379]

- TALF recipients, since they do not directly receive TARP assistance (instead, TARP funds purchase collateral surrendered to TALF)
- PPIP participants, because none owns more than 50% of any PPIF, which is the actual TARP recipient (PPIP rules cap ownership interests in any PPIF at 9.9%)
- Making Home Affordable ("MHA") program participants, who are statutorily exempt under ARRA

For more information on the Rule and a summary of the timeline on TARP executive compensation restrictions, see SIGTARP's July 2009 Quarterly Report, page 118.

For more information on executive compensation issues and findings, refer to SIGTARP's audits, "Despite Evolving Rules on Executive Compensation, SIGTARP Survey Provides Insights on Compliance," issued on August 19, 2009, and "Extent of Federal Agencies Oversight of AIG Compensation Varied and Important Challenges Remain," issued on October 14, 2009.

Special Master

Treasury created the Office of the Special Master for TARP Executive Compensation (the "Special Master") on June 15, 2009, and appointed Kenneth R. Feinberg to the position. Special Master Feinberg's responsibilities include:[380]

Senior Executive Officer ("SEO"): A "named executive officer" of a TARP recipient as defined under Federal securities law, which generally includes the principal executive officer ("PEO"), principal financial officer ("PFO"), and the next three most highly compensated executive officers.

Exceptional Assistance: Companies receiving assistance under SSFI, TIP, AIFP, and any future Treasury program designated by the Treasury Secretary as providing exceptional assistance. Current recipients are: AIG, GM, GMAC, Chrysler, and Chrysler Financial.[384]

- **Top 25 Payment Reviews** — review and approve compensation structures and payments for the 5 most senior executive officers ("SEOs") and the next 20 most highly paid employees at institutions that received exceptional financial assistance under the TARP
- **Top 26 through 100 Payment Reviews** — review and approve compensation structures for the next 75 employees at institutions that received exceptional financial assistance: employees who are not in the top 25 and who are either executive officers or among the top 100 most highly paid employees
- **Prior Payment Reviews** — review bonuses, retention awards, and other compensation paid to SEOs and the 20 next most highly compensated employees of each entity receiving TARP assistance before February 17, 2009, and, where appropriate, negotiate reimbursements
- **Interpretation** — provide advisory opinions with respect to the application of the Rule and whether compensation payments and plans are consistent with EESA, TARP, and the public interest

Exceptional Assistance Compensation Determinations for the 25 Most Highly Compensated Employees

As of March 31, 2010, only five firms were still considered "exceptional assistance" recipients: AIG, Chrysler, Chrysler Financial, GM, and GMAC. Although Chrysler Financial repaid its TARP funds, it is still considered a recipient of exceptional assistance because it is a subsidiary of Chrysler Holdings, which has an outstanding obligation that qualifies as exceptional assistance.

Citigroup's and Bank of America's repayments removed them from the designation. Bank of America has repaid all the funds it received under TARP and is no longer subject to any compensation restrictions.[381] In contrast, Citigroup still has outstanding TARP obligations but is no longer considered by Treasury to be a recipient of "exceptional assistance." Until those obligations are repaid in full, Citigroup will remain subject to the EESA compensation restrictions that apply to all TARP recipients, including those set forth in ARRA and the Rule.

On March 23, 2010, Special Master Feinberg issued his rulings on the 2010 pay packages for the top 25 executives at the aforementioned five firms. According to Treasury, the Special Master reaffirmed the guiding principles used in the 2009 rulings to make determinations for 2010.[382] These principles included the following:[383]

- reform pay practices for top executives to align compensation practices with long-term value creation and financial stability
- require that a majority of salaries be paid in company stock held over the long term

- require that incentive compensation be in the form of long-term restricted stock and contingent on performance and TARP repayment
- place tougher limits on perquisites and retirement benefits

The 2010 rulings included the following significant determinations:[385]

- on average, a 33% decrease in overall cash payments from 2009 levels for the specific executives subject to the rulings
- on average, a 15% decrease in total compensation from 2009 levels for the specific executives subject to the rulings
- cash salaries frozen at $500,000 unless good cause is shown; 18% of executives subject to the March 2010 rulings (21 employees) will receive cash salaries greater than $500,000

The Special Master also issued a letter to 419 banks that received TARP funding prior to February 17, 2009, requesting information on the compensation paid to the 25 most highly paid executives prior to that date.[386] In an effort to ease the administrative burden on small banks, the Special Master limited the scope of his request, requiring the banks to provide detailed compensation data only for those executives earning compensation above $500,000.[387] The banks' responses were due within 30 days. The Special Master will examine the payments and decide if any ran contrary to the public interest.[388] If he concludes any payments were contrary to the Public Interest Standard, the Special Master is required to seek to negotiate with the TARP recipient and the subject employee for appropriate reimbursements to the Federal Government.[389]

Public Interest Standard: Regulatory standard that the Special Master is required to apply in making determinations. Refers to the determination of whether TARP recipient compensation plans are aligned with the best interests of the U.S. taxpayer, based on a balancing of specific principles set forth in the Rule.

For more information on the specific principles used in reviewing compensation plans, see SIGTARP's July 2009 Quarterly Report, pages 122-123.

SECTION 3

TARP OPERATIONS AND ADMINISTRATION

Under the Emergency Economic Stabilization Act of 2008 ("EESA"), Congress authorized the Secretary of the Treasury ("Treasury Secretary") to create the operational and administrative mechanisms to carry out the Troubled Asset Relief Program ("TARP"). EESA established the Office of Financial Stability ("OFS") within the U.S. Department of the Treasury ("Treasury"), which is responsible for administering TARP.[390] Treasury has authority to establish program vehicles, issue regulations, directly hire or appoint employees, enter into contracts, and designate financial institutions as financial agents of the Federal Government.[391] In addition to permanent and interim staff, OFS relies on contractors and financial agents in legal, investment consulting, accounting, and other key service areas.[392]

TARP ADMINISTRATIVE AND PROGRAM EXPENDITURES

As of March 31, 2010, Treasury spent $92.8 million administering TARP.[393] Table 3.1 provides a summary of expenditures and obligations through March 31, 2010. These costs are categorized as "personnel services" and "non-personnel other services," with a few exceptions.

TABLE 3.1

TARP ADMINISTRATIVE EXPENDITURES AND OBLIGATIONS

Budget Object Class Title	Obligations for Period Ending 3/31/2010	Expenditures for Period Ending 3/31/2010
Personnel Services		
Personnel Compensation & Services	$29,595,486	$29,126,778
Total Personnel Services	**$29,595,486**	**$29,126,778**
Non-Personnel Services		
Travel & Transportation of Persons	$573,418	$531,878
Transportation of Things	11,960	11,960
Rents, Communications, Utilities & Misc. Charges	669,885	545,485
Printing & Reproduction	395	395
Other Services	91,165,716	62,011,503
Supplies & Materials	349,899	341,435
Equipment	232,054	222,675
Land & Structures	—	—
Dividends and Interest	13	13
Total Non-Personnel Services	**$93,003,340**	**$63,665,344**
Grand Total	**$122,598,826**	**$92,792,122**

Note: Numbers affected by rounding.

Source: Treasury, response to SIGTARP data call, 4/7/2010.

Treasury released a summary of programmatic expenditures, including costs to hire financial agents and legal firms. Treasury spent $276.1 million on programs as of March 31, 2010.[394]

CURRENT CONTRACTORS AND FINANCIAL AGENTS

As of March 31, 2010, Treasury retained 51 private-sector vendors, including 13 financial agents and 35 contractors, to provide help in administering TARP.[395] Treasury streamlined solicitation procedures and structured several agreements and contracts pursuant to Federal Acquisition Regulations to allow for flexibility in obtaining the required services expeditiously. Table 3.2 includes service providers retained as of March 31, 2010.[396]

TABLE 3.2

OFS SERVICE CONTRACTS

Date	Vendor	Purpose	Type of Transaction	Obligated Value	Expended Value
10/8/2008	PricewaterhouseCoopers	Internal control services	Contract	$22,597,082	$14,675,021
10/10/2008	Simpson Thacher & Bartlett LLP	Legal services for the implementation of TARP	Contract	$1,025,000	$931,090
10/11/2008	Ennis, Knupp & Associates Inc	Investment and Advisory Services	Contract	$2,860,965	$2,587,164
10/14/2008	The Bank of New York Mellon Corporation	Custodian	Financial Agency Agreement	$21,870,268	$13,199,149
10/18/2008	Ernst & Young LLP	Accounting Services	Contract	$11,493,786	$8,251,391
10/29/2008	Squire, Sanders & Dempsey LLP	Legal services for the Capital Purchase Program	Contract	$6,985,000	$2,680,499
10/29/2008	Hughes Hubbard & Reed LLP	Legal services for the Capital Purchase Program	Contract	$7,109,312	$2,780,807
10/31/2008	Lindholm & Associates, Inc	Human resources services	Contract	$751,302	$492,140
11/7/2008	Sonnenschein Nath & Rosenthal LLP	Legal services related to auto industry loans	Contract	$2,722,326	$2,722,326
12/3/2008	Alcohol and Tobacco Tax and Trade Bureau	IAA - TTB Development, MGMT & Operation of SharePoint	Inter Agency Agreement	$67,489	$67,489
12/10/2008	Sonnenschein Nath & Rosenthal, LLP	Legal Services for the purchase of asset-backed securities	Contract	$249,999	$82,884
12/12/2008	Pension Benefit Guaranty Corporation	Financial Advisory Services related to Auto program	Inter Agency Agreement	$8,220,000	$7,750,000
12/24/2008	Cushman and Wakefield of VA Inc	Painting Services for TARP Offices	Contract	$8,841	$8,841
1/7/2009	Colonial Parking Inc.	Lease of parking spaces	Contract	$191,650	$72,003

Continued on next page.

OFS SERVICE CONTRACTS (CONT.)

Date	Vendor	Purpose	Type of Transaction	Obligated Value	Expended Value
1/9/2009	The United States Mint	"Making Home Affordable" Logo search	Inter Agency Agreement	$975	$325
1/27/2009	Cadwalader, Wickersham & Taft LLP	Bankruptcy Legal Services	Contract	$417,563	$409,955
1/27/2009	Whitaker Brothers Business Machines Inc	Paper Shredder	Contract	$3,213	$3,213
2/2/2009	US Government Accountability Office	IAA - GAO Required by P. L. 110-343 to conduct certain activities related to TARP	Inter Agency Agreement	$20,360,000	$12,122,421
2/9/2009	Pat Taylor & Associates, Inc	Temporary Services for Document Production, Freedom of Information Act ("FOIA") Assistance, and Program Support	Contract	$799,960	$692,108
2/12/2009	Locke Lord Bisell & Liddell LLP	Initiate Interim Legal Services in support of Treasury Investments under EESA	Contract	$693,600	$272,225
2/18/2009	Fannie Mae	Homeownership Preservation Program	Financial Agency Agreement	$113,365,363	$72,166,646
2/18/2009	Freddie Mac	Homeownership Preservation Program	Financial Agency Agreement	$107,089,955	$46,645,162
2/20/2009	Congressional Oversight Panel	IAA - Review Current State Of financial markers & regulatory sys & rpt certain activities	Inter Agency Agreement	$6,205,000	$4,000,000
2/20/2009	Venable LLP	Capital Assistance Program (II)	Contract	$1,770,750	$1,394,724
2/20/2009	Simpson Thacher & Bartlett LLP	Capital Assistance Program (I)	Contract	$2,796,180	$1,433,095
3/6/2009	The Boston Consulting Group	Management Consulting relating to the Auto industry	Contract	$1,000,000	$991,169
3/16/2009	Earnest Partners	Small Business Assistance Program	Financial Agency Agreement	$4,050,000	$1,305,000
3/30/2009	Cadwalader, Wickersham &Taft LLP	Auto Investment Legal Services	Contract	$22,269,120	$16,631,060
3/30/2009	Haynes and Boone, LLP	Auto Investment Legal Services	Contract	$532,175	$345,746
3/30/2009	Mckee Nelson LLP	SBA Initiative Legal Services - Contract Novated to TOFS-10-D-0001 with Bingham McCutcheon	Contract	$149,349	$126,631
3/30/2009	Sonnenschein Nath & Rosenthal LLP	Auto Investment Legal Services	Contract	$2,159,709	$1,834,193
3/31/2009	FI Consulting	Credit Reform Modeling and Analysis	Contract	$2,037,325	$1,153,944
4/3/2009	American Furniture Rentals Inc.	Furniture Rental 1801	Inter Agency Agreement	$35,190	$25,812

Continued on next page.

OFS SERVICE CONTRACTS (CONT.)

Date	Vendor	Purpose	Type of Transaction	Obligated Value	Expended Value
4/3/2009	The Boston Consulting Group	Management Consulting relating to the Auto industry	Contract	$5,892,689	$3,604,315
4/17/2009	Herman Miller, Inc	Chairs	Contract	$53,799	$53,799
4/21/2009	FSI Group, LLC	Asset Management Services	Financial Agency Agreement	$11,245,000	$7,252,500
4/21/2009	AllianceBernstein L.P.	Asset Management Services	Financial Agency Agreement	$19,460,000	$14,753,920
4/21/2009	Piedmont Investment Advisors, LLC	Asset Management Services	Financial Agency Agreement	$5,795,000	$3,479,999
5/14/2009	KnowledgeBank, Inc.	Executive Search and recruiting Services - Chief Homeownership Officer	Contract	$124,340	$124,340
5/15/2009	Phacil, Inc	FOIA Analysts to support the Disclosure Services, Privacy and Treasury Records	Contract	$103,427	$90,304
5/26/2009	Anderson, McCoy & Orta	Legal services for work under Treasury's Public-Private Investment Fund ("PPIF") program	Contract	$425,600	$337,197
5/26/2009	Simpson Thacher & Bartlett LLP	Legal services for work under Treasury's Public-Private Investment Fund ("PPIF") program	Contract	$8,893,250	$3,065,781
6/8/2009	Financial Management Service	Development of an Information Management Plan to articulate strategies to be used by the Office of Financial Stability ("OFS") to manage its portfolio of information management transformation activities	Inter Agency Agreement	$93,292	$93,292
6/29/2009	National Business Center Federal Consulting Group	IAA to Department of Interior's Federal Consulting Group to support Stability.Gov website	Inter Agency Agreement	$24,000	$24,000
7/17/2009	Korn/Ferry International	Executive search services for the OFS Chief Investment Officer position	Contract	$75,017	$75,017
7/30/2009	Debevoise & Plimpton LLP	Restructuring Legal Services	Contract	$0	$0
7/30/2009	Fox, Hefter, Swibel, Levin & Caroll, LLP	Restructuring Legal Services	Contract	$0	$0
7/30/2009	Cadwalader, Wickersham & Taft LLP	Restructuring Legal Services	Contract	$4,382,790	$1,038,413
8/18/2009	Mercer LLC	Executive-Compensation Data Subscription	Contract	$3,000	$3,000
9/2/2009	Knowledge Mosaic Inc.	SEC filings subscription service	Contract	$5,000	$5,000
9/10/2009	Equilar, Inc.	Executive-Compensation Data Subscription	Contract	$59,990	$59,990

Continued on next page.

OFS SERVICE CONTRACTS (CONT.)

Date	Vendor	Purpose	Type of Transaction	Obligated Value	Expended Value
9/11/2009	PricewaterhouseCoopers	PPIP compliance	Contract	$1,029,150	$619,225
9/18/2009	Treasury Franchise Fund US-4	Administrative Resource Center	Inter Agency Agreement	$1,696,694	$1,046,624
9/30/2009	SNL Financial LC	SNL Unlimited, a web-based financial analytics service	Contract	$110,000	$110,000
9/30/2009	NNA INC.	Newspaper delivery	Contract	$7,765	$7,765
10/1/2009	Departmental Offices	Financial management, human resources, information technology, general counsel and other reimbursable support services	Inter Agency Agreement	$23,852,786	$18,847,180
12/22/2009	Hughes Hubbard & Reed LLP	Document Production services and Litigation Support	Contract	$0	$0
12/22/2009	KBW Asset Management, Inc.	Asset Management Services	Financial Agency Agreement	$2,300,000	$2,000,000
12/22/2009	Avondale Investments LLC	Asset Management Services	Financial Agency Agreement	$750,000	$187,500
12/22/2009	Bell Rock Capital, LLC	Asset Management Services	Financial Agency Agreement	$750,000	$187,500
12/22/2009	Howe Barnes Hoefer & Arnett, Inc.	Asset Management Services	Financial Agency Agreement	$1,250,000	$312,500
12/22/2009	Lombardia Capital Partners, Inc.	Asset Management Services	Financial Agency Agreement	$1,250,000	$312,500
12/22/2009	Paradigm Asset Management Co. LLC	Asset Management Services	Financial Agency Agreement	$1,250,000	$312,500
1/15/2010	Association of Government Accountants	CEAR Program Application	Contract	$5,000	$5,000
1/19/2010	Bingham Mccutchen LLP	SBA Initiative Legal Services - Contract Novated from TOFS-09-D-0005 with McKee Nelson	Contract	$750,651	$100,457
2/16/2010	The MITRE Corporation	FNMA IR2 Assessment	Contract	$408,075	$120,883
3/8/2010	Qualx Corporation	FOIA Support Services	Contract	$0	$0
Date not available	Washington Post	HR Advertisement	Inter Agency Agreement	$395	$395

Notes: Treasury also provided a separate list of contracts; however 15 of these entities were not included in the obligations and expenditures list. All but 3 of the 15 appear to be Inter-Agency Agreements.

Source: Treasury, response to SIGTARP data call, 4/7/2010.

Asset Managers

EESA requires SIGTARP to provide biographical information for each person or entity hired to manage assets acquired through TARP.[397] From January 1, 2010, to March 31, 2010, no new PPIP fund managers were hired.

Morgan Stanley

On March 29, 2010, Treasury hired Morgan Stanley to manage the sale of its Citigroup stock. According to Treasury, it will sell all of its approximately 7.7 billion common stock shares in 2010, subject to market conditions.[398]

According to Treasury, "Morgan Stanley is a global financial services firm providing a wide range of investment banking, securities, investment management, and wealth management services."[399]

Duties

According to Treasury, Morgan Stanley will perform duties including, but not limited to, the following:[400]

- act as broker or market-maker for all disposition services executed pursuant to Rule 144 of the Securities Act of 1933
- act as sole book-running manager for disposition services executed in underwritten offerings pursuant to a prospectus or prospectus supplement, subject to Treasury's satisfaction with the performance of the disposition services
- execute and confirm transfers, trades, and other transactions as instructed by Treasury and maintain records of any executed trades or transfers
- reconcile books and records with the custodian's and Treasury's accounting systems
- advise Treasury regarding the optimal timing and strategy for the sale of the securities
- maintain a compliance program designed to detect and prevent securities law violations
- identify, document, and enforce controls to mitigate conflicts of interest

INTERNAL CONTROLS

According to Treasury, "[it] requires financial institutions participating in exceptional assistance TARP programs—such as the Targeted Investment Program ("TIP"), Asset Guarantee Program ("AGP"), AIG Investment Program, and Automotive Industry Financing Program ("AIFP")—to establish appropriate internal controls to monitor compliance with certain requirements under the securities purchase agreement with the Treasury. Requirements under these agreements include restrictions on dividends and repurchases, executive compensation restrictions, and restrictions on lobbying and expenses. Treasury also requires these TARP participants to submit a report and certification on a quarterly basis regarding implementations of internal controls and compliance (including any instances of non-compliance) with the requirements in the securities purchase agreement."[401]

SECTION 4 SIGTARP RECOMMENDATIONS

One of the critical responsibilities of the Office of the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP") is to provide recommendations to the U.S. Department of the Treasury ("Treasury") and those other Federal agencies managing Troubled Asset Relief Program ("TARP") initiatives so that the various TARP programs can be designed or modified to facilitate transparency and effective oversight and to prevent fraud, waste, and abuse. SIGTARP has made such recommendations in its quarterly reports to Congress and in several of its audit reports. This section discusses developments with respect to SIGTARP's prior recommendations, makes new recommendations concerning newly announced initiatives, and, in the table at the end of this section, summarizes all past SIGTARP recommendations and notes the extent of their implementation. Appendix H: "Correspondence" includes Treasury's written response to this section.

UPDATE ON TREASURY'S ADOPTION OF SIGTARP'S USE OF FUNDS RECOMMENDATION

From its inception, SIGTARP's most fundamental recommendation with respect to basic transparency in the operation of TARP has been that Treasury should require all TARP recipients to report periodically on their use of TARP funds. The efficacy of this common-sense recommendation — initially made in December 2008 (just eight days into SIGTARP's existence) and later examined through a survey of 364 TARP recipients and supported by an initial audit report issued in July 2009 — was reconfirmed in a further audit report entitled "Additional Insight on Use of Troubled Asset Relief Program Funds," which was released December 10, 2009.

As reported in SIGTARP's Quarterly Report to Congress dated January 30, 2010 (the SIGTARP "January 2010 Quarterly Report"), Treasury finally adopted this recommendation in December 2009 and committed to survey and report upon recipients' use of TARP funds. Specifically, Treasury stated that it will be obtaining and reporting to the public qualitative responses from each TARP recipient on its use of TARP funds, backed by quantitative data obtained from the recipients' regulators and Treasury's own analysis. Since the SIGTARP January 2010 Quarterly Report, Treasury has sent out its survey to TARP recipients. The first responses are due back to Treasury before April 19, 2010. SIGTARP will continue to monitor and report upon Treasury's progress on this front.

RECOMMENDATIONS FROM SIGTARP'S AUDIT REPORT ON THE IMPLEMENTATION OF THE HOME AFFORDABLE MODIFICATION PROGRAM ("HAMP")

As discussed in Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report, in a March 25, 2010, audit report entitled "Factors Affecting the Implementation of the Home Affordable Modification Program" ("SIGTARP's HAMP audit"), SIGTARP examined Treasury's implementation of HAMP.

SIGTARP's HAMP audit questioned Treasury's emphasis on the number of trial modification offers as the program's measure of success — as opposed to how many homeowners were sustainably helped through permanent modification of their mortgages — and observed, among other things, that the rate of permanent modifications had been, in Treasury's own estimation, "disappointing." The audit report noted a number of factors contributing to the low number of permanent modifications, including that:

- Haste in the program's rollout led to frequent revisions that added to confusion, inefficiency, and delay in the program's implementation.
- Treasury's decision to allow the initiation of trial modifications without written documentation was counterproductive and added to the difficulty of identifying eligible borrowers and completing permanent modifications for them.
- There has been insufficient outreach to the American public and eligible borrowers about the features and benefits of HAMP, including no unique television public service advertisements.
- The program lacked features designed to address risk factors for re-default in the HAMP borrower population, including negative equity and high total debt service; these factors could lead to modifications that will not be successful in the long term.

To improve the administration and effectiveness of HAMP, SIGTARP recommended that Treasury:

- rectify the confusion that its own statements have caused for HAMP by prominently disclosing its goals and estimates (updated over time, as necessary) of how many homeowners the program will help through permanent modifications and report monthly on its progress toward meeting that goal
- set other performance benchmarks and publicly report against them to measure over time the implementation and success of HAMP
- undertake a sustained public service campaign as soon as possible, both to reach additional borrowers who could benefit from the program and to arm the public with complete, accurate information — this will help to avoid confusion and delay, and prevent fraud and abuse

- reconsider its policy that allows servicers to substitute alternative forms of income verification based on subjective determinations by the servicer
- re-examine HAMP's structure to ensure that it is adequately minimizing the risk of re-default driven by negative equity, high non-first-mortgage debt service, and other risk factors

Treasury concurred with the first three of SIGTARP's recommendations, but has not yet implemented them. Treasury initially declined to adopt SIGTARP's last two recommendations, claiming that the documentary guidelines were not intended to be a "comprehensive underwriting guide," and that the prospect that "alternative modification structures that could lower re-default rates" would mean either decreasing participation in the program or increasing its cost. As a result, Treasury indicated that it was only considering program adjustments that would "modestly" address unemployed and underwater borrowers. In response, SIGTARP encouraged Treasury to reconsider its refusal to address more deeply the issues that fuel re-default, stressing the importance for the success of the program of putting borrowers into sustainable permanent modifications, and noting that, under then-current Congressional Budget Office estimates, only $20 billion of the allocated $50 billion would be spent on permanent modifications.

RECOMMENDATIONS CONCERNING TREASURY'S NEWLY ANNOUNCED FORECLOSURE MITIGATION INITIATIVES

Within days of the release of SIGTARP's HAMP audit and a related Congressional hearing, Treasury announced its intent to introduce dramatic and substantial revisions to the HAMP program structure that, as announced, would address in part the recommendations in SIGTARP's HAMP audit, including the previously rejected recommendation that Treasury reconsider changes in the program to address re-default caused by, among other things, negative equity. Treasury's new initiatives, as described in greater detail in Section 2: "TARP Overview" in this report include:

- requiring that servicers "consider" principal write-downs at their option as part of the loan modification process when indicated by program guidelines, with increased incentives for successful principal write-downs
- a new program, to be backed by $14 billion in TARP funds and managed by both Treasury and the Federal Housing Administration ("FHA"), that will enable severely underwater borrowers to refinance their mortgages so that the total amount that they owe on their homes will not exceed 115% of the home's value
- temporary payment reductions for unemployed borrowers for periods from three to six months while they seek new employment

- increased incentives for servicers to provide permanent loan modifications in order to compensate them for costs associated with the revisions to the program, including assistance to unemployed homeowners
- expansion of HAMP to include borrowers with FHA loans and borrowers in active bankruptcy proceedings
- improved requirements for borrower solicitations, stating performance timeframes for all parties and prohibiting new foreclosure referrals during the HAMP modification process
- additional assistance for homeowners who lose their homes through a short sale or deed-in-lieu, including increased financial assistance for moving and incentives to servicers and second-lien holders for use of foreclosure alternatives

SIGTARP appreciates Treasury's willingness to reconsider its opposition and change the program substantially to address these issues. To Treasury's credit, the program changes appear intended to expand HAMP participation and improve the rate of permanent modifications, as well as address the significant re-default risks driven by homeowners' negative equity. The new revisions to HAMP, as a whole, constitute a potentially important step forward for homeowner relief.

However, the program changes, as announced, also raise several issues that could impede HAMP's effectiveness and efficiency and thus warrant several new recommendations. SIGTARP's recommendations are not intended to convey approval or disapproval of Treasury's policy decisions, but instead are intended to ensure that those policy decisions are carried out in a manner that will maximize their effectiveness.

The Program Revisions Were Announced Before Being Completely Formulated, Leading to Potential Confusion and a Lack of Transparency

The newly announced programs lacked detail in certain key aspects, and, in some circumstances, appear to be only partially formed. Although Treasury's sense of urgency and its desire to preview the direction of the program is laudable, it risks contributing to some of the same confusion and inefficiency that was associated with the rollout of HAMP's first-lien modification program. To date, Treasury has not articulated a clear, integrated vision of the number of borrowers it expects to assist in each program, the expected costs of many of the program adjustments, how some of the program components are to work together, or how their form and design optimally address the problems at hand. These circumstances risk creating problems that could affect HAMP's long-term success:

- unclear expectations about the program's eligibility, benefits, and effectiveness, particularly absent well-defined benchmarks for success

- servicers' and borrowers' hesitation to participate until the "kinks are worked out" or because they expect to benefit from a later revision, which results in their not taking advantage of a program whose success depends on widespread participation by eligible parties
- opportunities for fraud created by confusion and ambiguity

Time pressures have led to servicer complaints in the past about unclear and frequently revised HAMP guidelines. Unfortunately, early indications provide cause for concern that the new revisions may aggravate those problems rather than improve them. Loan servicers have already expressed to SIGTARP their concerns about the announced guidelines for the revisions, and some (including one of the largest servicers) have told SIGTARP that they were not consulted about their formulation or implementation. Preliminary feedback obtained by SIGTARP also indicates that some of the servicers anticipate difficulty in implementing the new changes, which have been described as potentially "time consuming" and creating "further lag time," particularly with respect to evolving information technology requirements. Moreover, after the new HAMP revisions were publicly announced, loan servicer participants have reported a surge of borrower phone calls regarding program changes. These reportedly were difficult to answer and process both because the program's elements had not been fully released and because the servicers had little time in advance of the announcement to prepare and train their staffs to respond. One large servicer noted to SIGTARP that the rollout was "anticipated to create borrower confusion and potential borrower reluctance to execute modifications" until the new programs are launched.

Furthermore, the haste in announcing the new programs has led to the dissemination of undeveloped information. For example, one of the key components to the announced principal reduction program included a chart that listed the amounts that lenders would receive in return for forgiving principal based upon the degree to which the loan is underwater. Although the chart indicated an amount that would be paid to investors to forgive principal for loans that had a loan-to-value ratio less than 115%, Treasury officials initially indicated to SIGTARP that they had not yet determined whether they will make *any* payments to investors under the 115% level. Two weeks later, Treasury indicated that, because a Supplemental Directive had not been issued for the principal forgiveness programs, it could not specify details on circumstances in which unpaid principal balance would be forgiven below 115%. These types of changes, along with the other demands on the servicers to implement the programs, will tap available servicer resources and could lead to a repeat of problems that have plagued the HAMP program since inception — a diversion of resources that has contributed to slow conversion rates for permanent modifications.

The resulting lack of clarity, in turn, serves to impair the program's transparency. Treasury has not provided SIGTARP with meaningful estimates of the costs and benefits of these still-to-be-developed initiatives. Regarding costs, for example, Treasury has repeatedly asserted that HAMP will spend no more than $50 billion of TARP funds (the amount currently allocated to the program), but has not provided the public with specific breakdowns of estimated costs of the components of many of the new initiatives. Treasury has also indicated to SIGTARP that it intends to increase servicer incentive payments to compensate them for additional costs from the program revisions (specifically including those related to the unemployed borrower forbearance program), which is hard to reconcile, from a transparency perspective, with its public statement that there would be "no cost to government or taxpayers from the forbearance plans." Moreover, Treasury still has not defined its goals or expectations for permanent modifications, the impact and expectations for each of the new initiatives, or other key indicators of success. Treasury must set clear expectations and goals for each of the programs' results and costs so that Congress and the American public can measure their success and critically evaluate whether the program's considerable cost is worthwhile.

Recommendation:

- The new initiatives add to the previously discussed imperative that Treasury clearly define meaningful metrics for HAMP's success, along with well-founded cost estimates, in order to facilitate informed consideration of the program's value to the American people. SIGTARP recommends that, for each HAMP program and subprogram, Treasury publish the anticipated costs and expected participation in each and that, after each program is launched, it report monthly as to the programs' performance against these expectations.

In response to this recommendation, Treasury indicated that it will take additional steps to increase transparency, and "will continue to expand the number and depth of reports on program implementation, successes and challenges." Treasury also committed to "set targets for key program objectives this year."

The Program Revisions Might Increase Fraud Vulnerabilities

Both the lack of clear guidelines and some features of the revised programs themselves leave HAMP vulnerable to fraud. Criminals feed on borrower confusion, and frequent changes to the programs provide opportunities for experienced criminal elements to prey on desperate homeowners who have not been educated as to the risks of fraud. For the existing HAMP program, this has been demonstrated by the high incidence of mortgage modification schemes, where thieves trick borrowers into paying upfront fees for modifications that never materialize. SIGTARP alone has initiated dozens of criminal investigations into these schemes, some of which are described in Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report. Although the announcement of the new programs was done with great fanfare, little was done at the time to warn borrowers about the dangers of potential fraud, which is particularly dangerous given the current ambiguity in many of the programs. As SIGTARP has repeatedly warned, Treasury must take a more proactive role in using its podium not only to highlight and market its new initiatives, which are certainly important exercises, but also to warn of the dangers of fraud. Although Treasury has taken some important steps to advance fraud awareness through its website and at borrower events, it can and should do more to educate a broader audience of the dangers of fraud.

Furthermore, revisions to the Home Affordable Foreclosure Alternatives ("HAFA") program present an increased prospect of potential fraud. As part of the new initiatives, Treasury has announced that additional incentive payments will be paid to borrowers and servicers who participate in its short sale provisions. This also increases the incentives for those participating in criminal short sale scams, and it appears that the program may lack necessary antifraud protections. For example, one prevalent short sale scheme – called "flopping" – centers on home values that are fraudulently deflated for the purpose of decreasing the cost of the short sale to a "straw purchaser." The property is then quickly resold for its true market value, leaving the difference in the crook's pocket. Historically, these schemes often involve the participation of corrupt brokers and servicers. As constituted now, the program permits home valuation, the key vulnerability point for a flopping scheme, without a true appraisal, allowing estimates from brokers or other "independent" providers at the discretion of the servicer, subject to its contractual agreement with the investor.

Similarly, with respect to the principal forgiveness component of HAMP — where there is a similar vulnerability to fraud from underestimating the home's value — Treasury has indicated that this critical parameter will derive from a computer model that will not even require a visual inspection of the home. These less-than-robust valuation methods, along with the increased incentives through Government-funded payouts, leave the program vulnerable to fraud. It also fails to emulate the FHA's more rigorous home valuation protocol that requires use of an FHA-approved appraiser following standard procedures; ironically, the more rigorous procedures will be used in the TARP-funded FHA-refinance program and have been used by the FHA in its own short sale program. No program of this type and scale can be considered well designed without robust protections of taxpayer funds against the predation of criminals, particularly given the inconsistent treatment of home valuation across the different principal forgiveness programs. Taxpayer-assisted short sales and principal forgiveness programs through TARP should have at least the same protections against fraud as those instituted in similar programs by FHA.

Recommendations:

- SIGTARP recommends that Treasury launch a broader based information campaign, including public service announcements in target markets that focus on warnings about potential fraud and include conspicuous fraud warnings whenever it makes broad public announcements about the program.
- SIGTARP recommends that Treasury adopt a uniform appraisal process across all HAMP and HAMP-related short sale and principal reduction programs consistent with FHA's procedures.

In response to these recommendations, Treasury agreed that fraud is a serious condition and cited its efforts at educating the public about mortgage fraud through its MHA website, at borrower outreach efforts throughout the country, and in local media. Treasury also indicatd that it is about to roll out a public service campaign and is committing to provide fraud warnings to homeowners in the rollout of each new program. Treasury has deferred commenting on SIGTARP's recommendation regarding a uniform appraisal process until 30 days after issuance of this report.

The Discretionary Nature of Principal Reductions by Servicers Raises Several Concerns That May Undermine the Effectiveness of the Program

One of the most dramatic changes in the HAMP program is its expansion to address negative equity by mandating consideration of — but not requiring — mortgage principal reductions. The relevant guidelines will require servicers to use an alternative Net Present Value ("NPV") test, similar to the NPV test currently in place, that calculates the value of the modification to the investor taking into account the incentive payments Treasury would pay for forgiving principal as part of the modification. Even if that test demonstrates that a principal reduction modification will yield a greater positive return to the investor than a traditional HAMP modification, however, the guidelines do not *require* the servicer to modify the mortgage with principal reduction. This raises several important concerns as to the potential impact of this program revision and whether it will effectively deal with the re-defaults associated with negative equity.

First, as it stands, the program could create a conflict of interest for the servicers that could result in an incentive for them to avoid principal reduction, even if the NPV test indicates that it will yield a greater return for the investor. As the Congressional Oversight Panel observed in its recent report to Congress, servicers are compensated primarily on the total amount of outstanding principal on the mortgages they service, giving them a disincentive to forgive principal compared to other modifications to the mortgage, such as principal forbearance.[401] While servicers undoubtedly often have an interest in bringing a defaulted mortgage current through some modification, it is unclear whether the program will provide the necessary servicer incentives to overcome the potential loss of income from choosing a principal reduction modification. In other words, as currently structured, there may be a built-in incentive for servicers to try to bring a mortgage current through a traditional non-principal reducing mortgage modification under HAMP, even when the NPV test indicates that principal forgiveness would be in the best financial interests of both the investor and borrower.

Second, the discretionary nature of principal forgiveness threatens to foster perceptions of unequal treatment and arbitrariness. Under the proposed discretionary system, two neighbors living in identical homes, in the same community, with an identical hardship, income, debt-to-income ratio, and loan-to-value ratio, could end up with dramatically different results from the same Government program based solely on whether their servicer is one that is amenable to principal forgiveness or not. In other words, whether a borrower receives relief on the issue of negative equity (and thus arguably has a higher or lower chance of eventually re-defaulting on his mortgage) will depend not on the borrower's circumstances, but rather on the whims of the borrower's servicer. This kind of arbitrary result should be limited, to the extent possible, in a Government-administered program — a basic fairness concept that Treasury has implicitly recognized by trying to limit arbitrariness in HAMP by both making other aspects of HAMP mandatory and by requiring servicers to attempt to renegotiate their agreements with investors to permit HAMP modification mechanisms if the agreements prohibit them.

Third, giving servicers the discretion to implement principal reduction introduces a questionable inconsistency into the HAMP program and stands in stark contrast to the mandatory nature of the other significant mortgage modification triggers. For example, first lien modifications are mandatory if the original NPV test is positive (subject only to the servicer's contractual agreement with the investors); servicers are similarly required to modify second liens whenever a first lien is modified and the servicer for the second lien is a participant in the HAMP second lien program; and even the newly announced unemployed borrower forbearance program is mandatory for participating servicers. In order to encourage broad application in HAMP, Treasury has made mandatory performance its preferred course.

SIGTARP recognizes that there are critically important policy considerations associated with principal forgiveness, such as moral hazard and unfairness to borrowers who may have acted more responsibly, and takes no position as to whether the newly announced programs appropriately balance those concerns. By introducing the principal forgiveness programs in the manner that it has, however (including allocating more than a quarter of TARP-related HAMP funds to support the FHA-Refinance program, which is intended exclusively to reduce principal balances), Treasury has clearly weighed these costs against the benefits resulting from the reduced risk of re-defaults associated with lower loan-to-value ratios, and it has decided in favor of the latter.

Moral hazard is of particular concern. In the HAMP context, it represents, among other things, the danger that a homeowner who is not eligible for the program will intentionally default on his mortgage in order to receive a principal reduction through HAMP. As the Congressional Oversight Panel recently observed, giving servicers discretion over principal reductions might serve to reduce the incentive for a borrower to attempt to game the system, as the inherent randomness in a discretionary system may deter intentional default.[402] On the other hand, Treasury officials have expressed confidence that their existing protocols for borrower screenings, such as hardship affidavits and third-party income verification, already protect the program from many of the dangers of moral hazard. These mechanisms require a borrower to demonstrate that they have a legitimate financial hardship before they can enter the program, require verifiable third-party information to confirm the hardship, and inform the borrower of the criminal penalties he might face if he attempts to defraud the system. As a result, a borrower who is otherwise unaffected by the financial crisis should be unable to take advantage of the program by intentionally defaulting on his mortgage without criminally defrauding the program by lying about a fictitious hardship and securing fraudulent documentation to support his claim. The program also ameliorates the moral hazard effects because it does not award full principal reduction at the outset of a modification but rather requires the borrower to make three years of modified payments to take advantage of the program fully. In sum, although making principal reduction modifications mandatory could incrementally increase the moral hazard incentives, there are at least mechanisms in place to limit this danger.

Treasury has also informed SIGTARP that it has concerns that servicers may opt out if principal forgiveness is made mandatory, citing concerns in particular about the implication of principal reduction where second liens are present. It is not clear that servicers would necessarily do so, however, and as reported to SIGTARP by several servicers, Treasury did not consult with at least some of them, including one of the larger ones, before the program was announced. Further, there may be other program modifications that could address concerns about second liens, including through the Second Lien Modification Program. Further, this potential fear has not prevented Treasury from repeatedly modifying HAMP guidelines on other important changes to the program, including mandatory forbearance for unemployed borrowers. The agreements themselves explicitly contemplate the servicers going back to the investors to negotiate a change in their agreements when necessary. Moreover, Treasury has expressed confidence that its NPV tests are sound, and, accordingly, principal reduction would only be called for when it would be the most economically advantageous option for the investor.

In sum:

- Although there are important and difficult policy considerations to weigh before principal reduction is utilized as a modification option, now that Treasury has made a decision to go forward with principal reduction, it should endeavor to implement as effective a program as possible.

- Making principal reduction discretionary may limit HAMP's effectiveness and result in unequal and arbitrary results for similarly situated homeowners.
- Although there are substantial vulnerabilities associated with principal reduction, the program does have barriers designed to minimize moral hazard vulnerabilities.

Recommendation:

- SIGTARP recommends that Treasury reevaluate the voluntary nature of its principal reduction program and, irrespective of whether it is discretionary or mandatory, Treasury should consider changes to better maximize its effectiveness, ensure to the greatest extent possible the consistent treatment of similarly situated borrowers, and to address potential conflict of interest issues.

Treasury has deferred commenting on SIGTARP's recommendations on its principal reduction program until 30 days after issuance of this report.

The Proposed Unemployed Forbearance May Not Be of Sufficient Duration

Another aspect of the new initiatives — assistance to unemployed homeowners — may not go far enough to assist the average unemployed homeowner effectively. The unemployment assistance component of the new revisions provides payment forbearance for a minimum of three months, although some borrowers may get relief for up to six months, with the amount forborne added to the balance of the mortgage. One prominent feature of this recession is an unusually high degree of long-term unemployment. According to the Bureau of Labor Statistics, the average length of reported unemployment is 31.2 weeks, the longest recorded since its measurement began in 1948.[403] The median length of unemployment has risen to 21.6 weeks, well above the three-month lower end of the standard assistance period. Indeed, nearly 43% of unemployed workers have been out of work for 27 weeks, a length of time longer than the six-month contemplated maximum for unemployment assistance. To be sure, many homeowners may be unemployed for some period of time before they enter into the program, but unless the long-term unemployment situation radically improves (and it is widely anticipated that it will not do so any time soon), large numbers of unemployed homeowners may still be unemployed at the end of the forbearance period, particularly if servicers elect to forbear only for the three-month minimum. For the fortunate who quickly find jobs, the program may be an important lifeline. But for the rest, the forbearance time period will end before a job is found, their unpaid amount will still be owed, and they will still face an unaffordable mortgage with a principal balance that has been made higher by the unpaid interest amounts during the forbearance period, potentially eliminating equity for some and plunging others even deeper underwater. In light of this reality, Treasury should consider implementing a program with a longer minimum term and that will have a broader impact. Although no program will assist all unemployed borrowers, Treasury should strive for a program that will at least assist the typical unemployed borrower.

Recommendation:

- SIGTARP recommends that Treasury reconsider the length of the minimum term of HAMP's unemployment forbearance program.

Treasury has deferred commenting on SIGTARP's recommendations on its unemployment forbearance program until 30 days after issuance of this report.

RECOMMENDATIONS RELATING TO THE COMMUNITY DEVELOPMENT CAPITAL INITIATIVE ("CDCI")

As discussed more extensively in Section 2: "TARP Overview" of this report, Treasury announced CDCI on February 3, 2010. The program will invest capital in Community Development Financial Institutions ("CDFIs"), which work in communities that are underserved by traditional financial institutions and target more than 60% of their small business lending and community development activities in such communities. Under CDCI, qualified CDFIs are eligible for capital investments of up to 5% of their risk-weighted assets. Moreover, when a regulator deems a CDFI insufficiently capitalized to qualify for CDCI funding, the CDFI can raise private capital that Treasury will match dollar for dollar up to the 5% of risk-weighted assets threshold. The announced terms of CDCI provide that Treasury can examine the corporate books of participating institutions as long as Treasury retains at least 10% of its initial investment therein and that the CDFI must submit annually a survey to Treasury describing its use of TARP funds.

Recommendations:

The framework for CDCI raises potential oversight issues that Treasury should consider as it further develops the controls for the program, reflected in the following recommendations.

- First, because capitalization is one of the primary measures of a financial institution's health, SIGTARP recommends that Treasury institute careful screening before putting additional capital into an institution with insufficient capital to ensure that the TARP matching funds are not flowing into an institution that is on the verge of failure.
- Second, experience has demonstrated that there must be controls to ensure the legitimacy of any claimed private investments. As noted in Section 1: "The Office of the Special Inspector General for the Troubled Asset Relief Program" in this report, SIGTARP has already secured criminal charges against the former

Chief Executive Officer of The Park Avenue Bank who attempted to defraud TARP through a fraudulent capital raise, and other similar investigations are pending. SIGTARP thus recommends that Treasury develop a robust procedure to audit and verify the *bona fides* of any purported capital raise and to establish adequate controls to verify the source, amount, and closing of all claimed private investments.

- Third, with respect to access to a CDFI's books and records, SIGTARP recommends that Treasury revise CDCI terms to clarify that Treasury's inspection and copy rights continue until the entire CDCI investment is terminated. Additionally, consistent with recommendations made in connection with other TARP programs, the terms should be revised to provide expressly that SIGTARP shall have access to the CDFI's records equal to that of Treasury.
- Finally, to more forcefully encourage CDFIs to increase lending in their underserved communities, SIGTARP recommends that Treasury consider more frequent surveys than annually, as currently contemplated. Quarterly surveys would more effectively emphasize the purpose of the program.

In response to these recommendations, Treasury has indicated that it will address the first two recommendations as it establishes the screening and approval processes for CDCI. Treasury indicated that it will adopt SIGTARP's recommendation that Treasury's inspection rights will continue as long as Treasury holds an interest in the CDFI and will include SIGTARP in those inspection rights. Treasury declined to increase the frequency of the use of funds surveys under the program.

SIGTARP sent a letter to Treasury concerning its recommendations regarding CDCI on March 11, 2010. A copy of that letter is included in Appendix H: "Correspondence."

TRACKING THE IMPLEMENTATION OF RECOMMENDATIONS IN PREVIOUS REPORTS

SIGTARP has now made dozens of individual recommendations, and updating compliance of each one in narrative form would be impractical. The following table, Table 4.1, summarizes SIGTARP's prior recommendations, gives an indication of SIGTARP's view of the level of implementation to date, and provides a brief explanation for that view where necessary. For more details on the recommendations, readers are directed to SIGTARP's earlier quarterly reports to Congress. Treasury's views on the level of implementation of the recommendations are set forth in Appendix H: "Correspondence."

TABLE 4.1

SIGTARP RECOMMENDATIONS TABLE

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
1	*	Treasury should include language in the automobile industry transaction term sheet acknowledging SIGTARP's oversight role and expressly giving SIGTARP access to relevant documents and personnel.	X					
2	*	Treasury should include language in new TARP agreements to facilitate compliance and oversight. Specifically, SIGTARP recommends that each program participant should (1) acknowledge explicitly the jurisdiction and authority of SIGTARP and other oversight bodies, as relevant, to oversee compliance of the conditions contained in the agreement in question, (2) establish internal controls with respect to that condition, (3) report periodically to the Compliance department of the Office of Financial Stability ("OFS-Compliance") regarding the implementation of those controls and its compliance with the condition, and (4) provide a signed certification from an appropriate senior official to OFS-Compliance that such report is accurate.		X				Although Treasury has made substantial efforts to comply with this recommendation in many of its agreements, there have been exceptions, including in its agreements with servicers in MHA. Treasury has further stated that it will continue to implement this recommendation with respect to new TARP programs going forward as it deems "appropriate."
3	*	All existing TARP agreements, as well as those governing new transactions, should be posted on the Treasury website as soon as possible.	X					
4	*	Treasury requires all TARP recipients to report on the actual use of TARP funds.			X			See discussion in this section.
5	*	Treasury quickly determines its going-forward valuation methodology.	X					
6	*	Treasury begins to develop an overall investment strategy to address its portfolio of stocks and decide whether it intends to exercise warrants of common stock.	X					
7	*	In formulating the structure of TALF, Treasury should consider requiring, before committing TARP funds to the program, that certain minimum underwriting standards and/or other fraud prevention mechanisms be put in place with respect to the ABS and/or the assets underlying the ABS used for collateral.	X					The Federal Reserve has adopted mechanisms that address this recommendation.
8	*	Agreements with TALF participants should include an acknowledgment that: (1) they are subject to the oversight of OFS-Compliance and SIGTARP, (2) with respect to any condition imposed as part of TALF, that the party on which the condition is imposed is required to establish internal controls with respect to each condition, report periodically on such compliance, and provide a certification with respect to such compliance.				X		
9	*	Treasury should give careful consideration before agreeing to the expansion of TALF to include MBS without a full review of risks that may be involved and without considering certain minimum fraud protections.	X					This recommendation has been implemented with respect to CMBS, and the Federal Reserve has announced that it will not be expanding TALF to RMBS.

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
10	*	Treasury should oppose any expansion of TALF to legacy MBS without significant modifications to the program to ensure a full assessment of risks associated with such an expansion.	X					This recommendation has been implemented with respect to CMBS, and the Federal Reserve has announced that it will not be expanding TALF to RMBS.
11		Treasury should formalize its valuation strategy and begin providing values of the TARP investments to the public.	X					Treasury has committed to publish its valuation estimates four times each year.
12	*	Treasury and the Federal Reserve should provide to SIGTARP, for public disclosure, the identity of the borrowers who surrender collateral in TALF.				X		The Federal Reserve and Treasury continue to oppose this basic aspect of transparency in the TALF program. SIGTARP intends to revisit this issue with the Federal Reserve once a collateral surrender takes place.
13	*	In TALF, Treasury should dispense with rating agency determinations and require a security-by-security screening for each legacy RMBS. Treasury should refuse to participate if the program is not designed so that RMBS, whether new or legacy, will be rejected as collateral if the loans backing particular RMBS do not meet certain baseline underwriting criteria or are in categories that have been proven to be riddled with fraud, including certain undocumented subprime residential mortgages.					X	The Federal Reserve has announced that RMBS will not be eligible for TALF loans, rendering this recommendation moot.
14	*	In TALF, Treasury should require significantly higher haircuts for all MBS, with particularly high haircuts for legacy RMBS, or other equally effective mitigation efforts.	X					This recommendation has been implemented with respect to CMBS, and the Federal Reserve has announced that it will not be expanding TALF to RMBS.
15	*	Treasury should require additional anti-fraud and credit protection provisions, specific to all MBS, before participating in an expanded TALF, including minimum underwriting standards and other fraud prevention measures.	X					The Federal Reserve has adopted mechanisms that address this recommendation with respect to CMBS, and has announced that it will not be expanding TALF to RMBS.
16	*	Treasury should design a robust compliance protocol with complete access rights to all TALF transaction participants for itself, SIGTARP, and other relevant oversight bodies.				X		
17	*	Treasury should not allow Legacy Securities PPIFs to invest in TALF unless significant mitigating measures are included to address these dangers.	X					
18	*	All TALF modeling and decisions, whether on haircuts or any other credit or fraud loss mechanisms, should account for potential losses to Government interests broadly, including TARP funds, and not just potential losses to the Federal Reserve.	X					

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
19	*	Treasury should address the confusion and uncertainty on executive compensation by immediately issuing the required regulations.	X					
20		Treasury should significantly increase the staffing levels of OFS-Compliance and ensure the timely development and implementation of an integrated risk management and compliance program.			X			Treasury has made improvements in this area. SIGTARP will address particular issues regarding OFS staffing levels in upcoming audit reports.
21	*	Treasury should require CAP participants to (1) establish an internal control to monitor their actual use of TARP funds, (2) provide periodic reporting on their actual use of TARP funds, (3) certify to OFS-Compliance, under the penalty of criminal sanction, that the report is accurate, that the same criteria of internal controls and regular certified reports should be applied to all conditions imposed on CAP participants, and (4) acknowledge explicitly the jurisdiction and authority of SIGTARP and other oversight bodies, as appropriate, to oversee conditions contained in the agreement.					X	Treasury closed the program with no investments having been made, rendering this recommendation moot.
22	*	Treasury should impose strict conflict-of-interest rules upon PPIF managers across all programs that specifically address whether and to what extent the managers can (1) invest PPIF funds in legacy assets that they hold or manage on behalf of themselves or their clients or (2) conduct PPIF transactions with entities in which they have invested on behalf of themselves or others.		X				Treasury has adopted some significant conflict-of-interest rules related to this recommendation, but has failed to impose other significant safeguards.
23	*	Treasury should require that all PPIF fund managers (1) have stringent investor-screening procedures, including comprehensive "Know Your Customer" requirements at least as rigorous as that of a commercial bank or retail brokerage operation to prevent money laundering and the participation of actors prone to abusing the system, and (2) be required to provide Treasury with the identities of all of the beneficial owners of the private interests in the fund so that Treasury can do appropriate diligence to ensure that investors in the funds are legitimate.		X				Treasury's agreements with PPIF managers include investor-screening procedures such as "Know Your Customer" requirements. Treasury has agreed that it will have access to any information in a fund manager's possession relating to beneficial owners. However, Treasury is not making an affirmative requirement that managers obtain and maintain beneficial owner information.
24	*	Treasury should require most-favored-nation clauses, PPIF managers to acknowledge that they owe Treasury a fiduciary duty, and that each manager adopt a robust ethics policy and compliance apparatus.	X					

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
25		Treasury should require servicers in MHA to submit third-party verified evidence that the applicant is residing in the subject property before funding a mortgage modification.			X			Treasury has decided to adopt this important SIGTARP recommendation and stated that its program administrator Fannie Mae is in the process of hiring a third-party entity to perform a fraud-detection surveillance process to review loan level data to check for owner occupancy and identity of the borrower.
26	*	In MHA, Treasury should require a closing-like procedure be conducted that would include (1) a closing warning sheet that would warn the applicant of the consequences of fraud; (2) the notarized signature and thumbprint of each participant; (3) mandatory collection, copying, and retention of copies of identification documents of all participants in the transaction; (4) verbal and written warnings regarding hidden fees and payments so that applicants are made fully aware of them; (5) the benefits to which they are entitled under the program (to prevent a corrupt servicer from collecting payments from the Government and not passing the full amount of the subsidies to the homeowners); and (6) the fact that no fee should be charged for the modification.		X				See discussion in Section 5: "SIGTARP Recommendations" of SIGTARP's October 2009 Quarterly Report.
27		Additional anti-fraud protections should be adopted in MHA to verify the identity of the participants in the transaction and to address the potential for servicers to steal from individuals receiving Government subsidies without applying them for the benefit of the homeowner.			X			Treasury stated that its program administrator Fannie Mae is in the process of hiring a third party entity to perform a fraud detection surveillance process to review loan level data to check for owner occupancy and identity of the borrower.
28	*	In MHA, Treasury should require the servicer to compare the income reported on a mortgage modification application with the income reported on the original loan application.				X		Treasury has rejected SIGTARP's recommendation and does not require income reported on the modification application to be compared to income reported on the original loan application.
29	*	In MHA, Treasury should require that verifiable, third-party information be obtained to confirm an applicant's income before any modification payments are made.	X					

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

	Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
30 *	In MHA, Treasury should defer payment of the $1,000 incentive to the servicer until after the homeowner has verifiably made a minimum number of payments under the mortgage modification program.				X		Rather than deferring payment of the incentive until after the homeowner has verifiably made a minimum number of payments on its permanent modification, Treasury will pay the incentive after the servicer represents that the homeowner has made three payments during the trial period.
31 *	In MHA, Treasury should proactively educate homeowners about the nature of the program, warn them about modification rescue fraudsters, and publicize that no fee is necessary to participate in the program.	X					
32 *	In MHA, Treasury should require its agents to keep track of the names and identifying information for each participant in each mortgage modification transaction and to maintain a database of such information.		X				While Treasury's program administrator, Fannie Mae, has developed a HAMP system of record that maintains the servicers' and investors' names and participating borrowers' personally identifiable information, such as names and addresses, the database is not constructed to maintain other information that may assist in detecting insiders who are committing large-scale fraud.
33 *	Treasury should require the imposition of strict information barriers or "walls" between the PPIF managers making investment decisions on behalf of the PPIF and those employees of the fund management company who manage non-PPIF funds.				X		Treasury has refused to adopt this significant anti-fraud measure designed to prevent conflicts of interest. This represents a material deficiency in the program.
34 *	Treasury should periodically disclose PPIF trading activity and require PPIF managers to disclose to SIGTARP, within seven days of the close of the quarter, all trading activity, holdings, and valuations so that SIGTARP may disclose such information, subject to reasonable protections, in its quarterly reports.				X		Treasury has committed to publish on a quarterly basis certain high-level information about aggregated purchases by the PPIFs, but not within seven days of the close of the quarter. Treasury has not committed to providing full transparency to show where public dollars are invested by requiring periodic disclosure of every trade in the PPIF. SIGTARP is including in the report all transactions conducted by one former fund manager, TCW, and anticipates providing additional detail in our future quarterly reports.

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
35		Appropriate metrics be defined and an evaluation system be put in place to monitor the effectiveness of the PPIF managers, both to ensure they are fulfilling the terms of their agreements and to measure performance.			X			Treasury has indicated that it will substantively adopt this recommendation and is developing appropriate metrics as well as internal controls to administer PPIP.
36	*	The conditions that give Treasury "cause" to remove a PPIF manager should be expanded to include a manager's performance below a certain standard benchmark, or if Treasury concludes that the manager has materially violated compliance or ethical rules.				X		Treasury has refused to adopt this recommendation relying solely on Treasury's right to end the investment period after 12 months, during which time the PPIF manager's performance may continue to fall below a standard benchmark potentially putting significant Government funds at risk.
37	*	Treasury should require PPIF managers to disclose to Treasury, as part of the Watch List process, not only information about holdings in eligible assets but also holdings in related assets or exposures to related liabilities.	X					
38		Treasury should require PPIF managers to obtain and maintain information about the beneficial ownership of all of the private equity interests, and Treasury should have the unilateral ability to prohibit participation of private equity investors.				X		Treasury has agreed that it can have access to any information in a fund manager's possession relating to beneficial owners. However, Treasury is not making an affirmative requirement that managers obtain and maintain beneficial owner information. Treasury will not adopt the recommendation to give itself unilateral ability to deny access to or remove an investor, stating that such a right would deter participation.
39	*	Treasury and FRBNY should (1) examine Moody's assertions that some credit rating agencies are using lower standards to give a potential TALF security the necessary AAA rating and (2) develop mechanisms to ensure that acceptance of collateral in TALF is not unduly influenced by the improper incentives to overrate that exist among the credit agencies.	X					Treasury and the Federal Reserve have discussed concerns about potential overrating or rating shopping with the rating agencies, and have agreed to continue to develop and enhance risk management tools and processes, where appropriate.

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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SIGTARP RECOMMENDATIONS TABLE (CONTINUED)

		Recommendation	Implemented	Partially Implemented	In Process	Not Implemented	TBD/NA	Comments
40	*	Treasury should more explicitly document the vote of each Investment Committee member for all decisions related to the investment of TARP funds.	X					Treasury's Office of Financial Stability has implemented SIGTARP's recommendation to document each specific vote of individual Investment Committee members when deciding whether to approve or disapprove proposed TARP investments.
41	*	Treasury should improve existing control systems to document the occurrence and nature of external phone calls and in-person meetings about actual and potential recipients of funding under the CPP and other similar TARP-assistance programs to which they may be part of the decision making.	X					Treasury adopted SIGTARP's recommendation related to an application for TARP funding.
42	*	The Secretary of the Treasury should direct the Special Master to work with FRBNY officials in understanding AIG compensation programs and retention challenges before developing future compensation decisions that may affect both institutions' ability to get repaid by AIG for Federal assistance provided.	X					The Special Master has consulted with FRBNY regarding AIG executive compensation programs.
43	*	Treasury should establish policies to guide any similar future decisions to take a substantial ownership position in financial institutions that would require an advance review so that Treasury can be reasonably aware of the obligations and challenges facing such institutions.					X	Although Treasury stated that it does not anticipate taking a substantial percentage ownership position in any other financial institution pursuant to EESA, Treasury also stated that it could use EESA funds if necessary to respond to an immediate and substantial threat to the economy. Treasury stated that it will address the issues raised in the recommendation if it becomes necessary to make an investment.
44	*	Treasury should establish policies to guide decision making in determining whether it is appropriate to defer to another agency when making TARP programming decisions where more than one Federal agency is involved.		X				Treasury has agreed to work closely with other Federal agencies that are involved in TARP.

Note: * Indicates that Treasury considers the recommendation closed and will take no further action.

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GLOSSARY

This appendix provides a glossary of terms that are used throughout the context of this report.

504 Community Development Loan Program: SBA program combining Government-guaranteed loans with private-sector mortgage loans to provide loans of up to $10 million for community development.

7(a) Program: SBA loan program guaranteeing a percentage of loans for small businesses that cannot otherwise obtain conventional loans at reasonable terms.

Asset-Backed Securities ("ABS"): Bonds backed by a portfolio of non-mortgage consumer or corporate loans, *e.g.*, credit card, auto, or small-business loans. Financial companies typically issue ABS backed by existing loans in order to fund new loans for their customers.

Auction Agent: A firm (such as an investment bank) that buys a series of securities from one institution for resale — also called an "underwriter."

Bid Bond: Guarantees that the bidder on a contract will enter into the contract and furnish any required payment and performance bonds.

Commercial Mortgage-Backed Securities ("CMBS"): A type of bond backed by one or more mortgages on commercial real estate (*e.g.*, office buildings, rental apartments, hotels) rather than by residential real estate loans.

Common Stock: Equity ownership entitling an individual to share in corporate earnings and voting rights.

Community Development Financial Institutions ("CDFIs"): Financial institutions eligible for Treasury funding to serve a targeted demographic under the CDFI Fund. CDFIs were created in 1994 by the Riegle Community Development and Regulatory Improvement Act.

Credit Underwriting: The process used by a financial institution to determine the risks involved in providing credit to a borrower and to measure those risks against standards established by the financial institution's board of directors. For a small-business loan, credit underwriting standards can be applied to the firm, the owner, or both.

Cumulative Preferred Stock: A type of stock that requires a defined dividend payment. If the company does not pay the dividend, it still owes the missed dividends to the stock's owner.

CUSIP: Unique identifying number assigned to all registered securities in the United States and Canada.

Deed-in-Lieu of Foreclosure: Instead of going through the process of foreclosure, the borrower surrenders the deed to the home voluntarily to the lender, often as satisfaction of the unpaid mortgage balance.

Deficiency Judgment: A court order that authorizes a lender to collect part of an outstanding debt resulting from the foreclosure and sale of a homeowner's property or from the repossession of a property securing a debt. A deficiency judgment will take place after the foreclosed or repossessed property is sold and the proceeds collected are insufficient to pay the mortgage in full.

Deficiency Payment: A payment made by the borrower to the lender in an amount usually equal to the difference between what the lender is able to sell the home for in a foreclosure sale and what was owed by the borrower on the loan.

Direct Private Placement: Sale of securities to investors meeting minimum net worth and sophistication requirements, thus receiving an exception from normal Securities and Exchange Commission securities registration requirements.

Dividend: Distributions of cash or stock to shareholders as announced by the company's board of directors.

Dutch Auction: For Treasury's warrant auctions (buyers bid for different quantities at once) the accepted price is set at the lowest bid of the group of high bidders whose collective bids fulfill the amount offered by the Treasury.

Equity Capital Facility: A commitment to invest equity capital in a firm under certain future conditions.

Exceptional Assistance: Companies receiving assistance under SSFI, TIP, AIFP, and any future Treasury program designated by the Treasury Secretary as providing exceptional assistance. Current recipients are: AIG, GM, GMAC, Chrysler, and Chrysler Financial.

Excess Spread: Interest generated by an asset less its financing costs, charge-offs, servicing costs, and any other related expenses. For TALF, the difference between interest received from the underlying ABS or CMBS collateral and the interest payments on the TALF loan.

Executive Compensation: Payments to a corporation's employees, particularly those executives who have policymaking authority at the corporation in exchange for their services. These payments often include base salary, bonuses, grants of shares and stock options, and other company benefits (including, for example, health care and retirement benefits).

Face Value: The nominal value or dollar value of a security stated by the issuer.

Forbearance: A temporary postponement of loan payments approved by the servicer. Postponing the payments gives the borrower time to make up for missed payments that were caused by financial hardship.

Government-Sponsored Enterprises ("GSEs"): Private corporations created and chartered by the Government to reduce borrowing costs, the liabilities of which are not officially considered direct taxpayer obligations.

Gross Domestic Product: A measure of the total market value of all final goods and services produced in the U.S. during any quarter or year. GDP equals total consumer spending, business investment, and government spending and investment, plus the value of exports, minus the value of imports.

Illiquid Assets: Assets that cannot be quickly converted to cash.

Key Person: An individual recognized as being necessary for the operation of the investment fund.

Legacy Assets: Commonly called troubled or toxic assets, these are real estate-related loans and securities issued before the financial crisis's that remain on financial institutions' balance sheets. Legacy assets lost significant value at the onset of the crisis and were difficult to price because of market disruption.

Legacy Securities: Real estate-related securities lingering on the balance sheets of financial institutions because of pricing difficulties resulting from market disruption.

Loan Modification: Involves making a permanent change in one or more terms of the existing loan such as the interest rate, the term, or converting from an adjustable-rate mortgage to a fixed-rate mortgage.

Mandatorily Convertible Preferred Stock ("MCP"): A type of preferred share that can be converted to common stock at the issuer's discretion if specific criteria are met by a certain date.

Net Present Value Test: This test is used by the servicer to determine whether it will modify the mortgage, seek a foreclosure alternative, or pursue foreclosure. The test compares investor returns if the mortgage is modified versus if nothing is done. If the result is positive, the investor would expect to receive more from modifying the mortgage than from doing nothing.

Non-Agency Residential Mortgage-Backed Securities ("non-agency RMBS"): A financial instrument backed by a group of residential real estate mortgages that are not guaranteed by a Government-sponsored enterprise ("GSE") such as the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac").

Non-Cumulative Dividends: Dividends that do not accrue when a company does not make a dividend payment.

Non-Cumulative Preferred Stock: Shares of preferred stock where unpaid dividends do not accrue when the company does not make a dividend payment.

Non-Recourse Loan: A secured loan whereby the borrower is relieved of the obligation to repay the loan upon surrender of the collateral.

Payment Bond: Guarantees that the contractor will pay anyone who furnishes labor, materials, equipment, and/or supplies for the contract.

Performance Bond: Guarantees that the contractor will perform the contract in accordance with its terms.

Permanent Modification: Under HAMP, a permanent modification lasts five years, after which the interest rate can increase incrementally by up to 1% per year, capped at the 30-year conforming fixed rate at the date of the initial modification.

Pool Assembler: A firm authorized to create and market pools of SBA-guaranteed loans.

Preferred Stock: Equity ownership that usually pays a fixed dividend prior to distributions for common stock owners but only after payments due to holders of debt and depositors. It typically confers no voting rights. Preferred stock also has priority over common stock in the distribution of assets when a bankrupt company is liquidated.

Private Mortgage Insurance ("PMI"): Mortgage insurance provided by non-Government insurers to protect a lender against losses if a borrower defaults. Lenders may require borrowers to purchase this if the loan-to-value ratio of the loan is 80% or higher.

Private-Label Mortgages: Loans that are not owned or guaranteed by Fannie Mae, Freddie Mac, or another Federal agency.

Prompt Corrective Action Order: A Federal law that requires Federal bank regulators to take necessary actions to resolve the problems of insured depository institutions at the least possible long-term loss to the Deposit Insurance Fund.

Public Interest Standard: Regulatory standard that the Special Master is required to apply in making determinations. Refers to the determination of whether TARP recipient compensation plans are aligned with the best interests of the U.S. taxpayer, based on a balancing of specific principles set forth in the Rule.

Qualified Equity Offering: A cash sale in an amount at least equal to Treasury's original investment of common stock or certain types of preferred stock that qualify as Tier 1 capital.

Recourse Loan: A loan in which the borrower is legally liable to repay a debt even if the asset mortgaged cannot be liquidated to cover the loan balance. In a default, a recourse loan gives the lender the right to seize and sell the mortgaged asset, in addition to other assets or property of the borrower, up to the value of the loan.

Refinancing: Paying off an existing mortgage and replacing it with a new mortgage. Typically, the proceeds from the new loan are used to pay off the debt of the old loan.

Residential Mortgage-Backed Securities ("RMBS"): A type of bond backed by a pool of mortgages for residential real estate (*e.g.*, home mortgages for residences occupied by up to four families) rather than by commercial real estate loans.

Revolving Credit Facility: A line of credit where the borrower pays a commitment fee and is then allowed to use up to a guaranteed maximum amount of funds when they are needed.

SBA Pool Certificate: An ownership interest in a bond backed by SBA-guaranteed loans.

Senior Executive Officer ("SEO"): A "named executive officer" of a TARP recipient as defined under Federal securities law, which generally includes the principal executive officer ("PEO"), principal financial officer ("PFO"), and the next three most highly compensated executive officers.

Senior Preferred Stock: Shares that give the stockholder priority dividend and liquidation claims over junior preferred and common stockholders.

Senior Subordinated Debenture: A subordinated debenture is a debt instrument ranking below senior debt but above equity with regard to investors' claims on company assets or earnings. Senior debt holders are paid in full before subordinated debt holders are paid. There may be additional distinctions of priority among subordinated debt holders. CPP invests in senior subordinated debt.

Short Sale: A sale of a home, typically for less than mortgage value, by which the borrower sells the home and the lender collects the sales proceeds as satisfaction of the unpaid mortgage balance, thus avoiding foreclosure (the costly legal process by which the investor would otherwise assume ownership of the home).

Special Purpose Vehicle ("SPV"): An off-balance-sheet legal entity that holds the transferred assets presumptively beyond the reach of the entities providing the assets and is legally isolated.

Systemically Significant: A term used for any financial institution whose failure would impose significant losses on creditors and counterparties, call into question the financial strength of similar institutions, disrupt financial markets, raise borrowing costs for households and businesses, and reduce household wealth (also commonly used to describe institutions known as "too big to fail").

Total Risk-Weighted Assets: A bank's total assets after making adjustments based on each individual asset's risk factor.

Trial Modification: Under HAMP, a trial modification is generally intended to last three months.

Trust Preferred Securities: Securities that have both equity and debt characteristics created by establishing a trust and issuing debt to it.

Undercapitalized: A condition in which a financial institution does not meet its regulator's requirements for having sufficient capital to continue to operate under a defined level of adverse conditions.

Under-Served Communities: Either geographic areas or demographic groups that Treasury's CDFI Fund division determines lack adequate access to financial services.

Underwater Mortgage: A situation in which a homeowner owes more on the mortgage than the home is worth, typically the result of a decline in the home's value.

Venture Capital: A type of private equity capital typically provided for early-stage, high-growth-potential companies in the interest of generating a return through an eventual realization event, such as the sale of the company, a merger, or an initial public offering.

Warrant: The right, but not the obligation, to purchase a certain number of shares of common stock at a fixed price. Because warrants rise in value as the company's share price rises, Treasury (and the taxpayer) can benefit from a firm's potential recovery.

Write-down: A reduction in the principal balance of a loan. Write-downs may reduce the incentive for a borrower to default because the new principal balance usually is lower than what the property would sell for.

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ACRONYMS AND ABBREVIATIONS

2MP	Second Lien Modification Program
ABS	asset-backed securities
AGP	Asset Guarantee Program
AIA	AIA Group, Limited
AIFP	Automotive Industry Financing Program
AIG	American International Group, Inc.
ALICO	American Life Insurance Company
ARC	America's Recovery Capital program
ARM	adjustable-rate mortgage
ARRA	American Recovery and Reinvestment Act of 2009
ASSP	Auto Supplier Support Program
AWCP	Auto Warranty Commitment Program
Bank of America	Bank of America Corporation
BlackRock	BlackRock Financial Management, Inc.
CAP	Capital Assistance Program
CBO	Congressional Budget Office
CDCI	Community Development Capital Initiative
CDFI	Community Development Financial Institution
CEO	chief executive officer
Chrysler Financial	Chrysler Financial Services Americas LLC
CMBS	commercial mortgage-backed securities
Colonial	Colonial Bancgroup
COP	Congressional Oversight Panel
CPP	Capital Purchase Program
DIL	deed-in-lieu of foreclosure
DOJ	Department of Justice
DTI	debt-toi-ncome ratio
EESA	Emergency Economic Stabilization Act of 2008
Fannie Mae	Federal National Mortgage Association
FBI	Federal Bureau of Investigation
FDIC	Federal Deposit Insurance Corporation
FDIC OIG	Office of the Inspector General of the Federal Deposit Insurance Corporation
FFETF	Financial Fraud Enforcement Task Force
FHA	Federal Housing Administration
FRBNY	Federal Reserve Bank of New York
Freddie Mac	Federal Home Loan Mortgage Corporation
FTC	Federal Trade Commission
GAO	Government Accountability Office
GM	General Motors Corporation
GMAC	GMAC Inc.
GSE	Government-sponsored enterprises
HAFA	Home Affordable Foreclosure Alternatives program
HAMP	Home Affordable Modification Program
HERA	Housing and Economic Recovery Act of 2008
HFA	Housing Finance Agency
HPDP	Home Price Decline Protection program
HUD	Department of Housing and Urban Development
HUD OIG	Office of the Inspector General of the Department of Housing and Urban Development
IAA	Inter-Agency Agreement
ICE	Immigration and Customs Enforcement
IG	Inspector General
Initial Report	SIGTARP's Initial Report to Congress
IPO	initial public offering
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
LLC	limited liability company
MBS	mortgage-backed securities
MCP	mandatorily convertible preferred shares
Merrill Lynch	Merrill Lynch & Co. Inc.

MHA	Making Home Affordable program
Midwest	Midwest Banc Holdings, Inc.
MVMC	Mt. Vernon Money Center
NPV	net present value
NRSRO	nationally recognized statistical rating organization
NUFI	National Union Fire Insurance Company of Pittsburgh
OMB	Office of Management and Budget
OFS	Office of Financial Stability
PIMCO	Pacific Investment Management Company LLC
PPIF	Public-Private Investment Fund
PPIP	Public-Private Investment Program
PRIME	Program for Investment in Micro-Entrepreneurs
QFI	qualifying financial institution
RMBS	residential mortgage-backed securities
S&P	Standard & Poor's
SBA	Small Business Administration
SBIC	Small Business Investment Company
SBLF	Small Business Lending Fund
SEC	Securities and Exchange Commission
SEO	senior executive officer
SIGTARP	Special Inspector General for the Troubled Asset Relief Program
Special Master	Office of the Special Master for the Troubled Asset Relief Program
SPV	special purpose vehicle
SS/DIL	short sales/deed-in-lieu of foreclosure
SSFI	systemically significant failing institutions
TALF	Term Asset-Backed Securities Loan Facility
TARP	Troubled Asset Relief Program
TARP-IG Council	TARP Inspector General Council
the Rule	Interim Final Rule on TARP Standards for Compensation and Corporate Governance
TIP	Targeted Investment Program
Treasury	Department of the Treasury
UCB	United Commercial Bank
UCBH	UCB Holdings Inc.
UCSB	Unlocking Credit for Small Businesses initiative
UGC	United Guaranty Corporation
ULG	United Law Group, LLC
USPIS	U.S. Postal Inspection Service

REPORTING REQUIREMENTS

This appendix provides Treasury's responses to data call questions regarding the reporting requirements of the Special Inspector General for the Troubled Asset Relief Program outlined in teh Emergency Economic Stabilization Act of 2008 section 121, as well as a cross-reference to related data presented in this report and prior reports. Italics style indicates narrative taken verbatim from source documents.

#	EESA Section	EESA Reporting Requirement	Treasury Response to SIGTARP Data Call	SIGTARP Report Section
1	Section 121(c)(A)	A description of the categories of troubled assets purchased or otherwise procured by the Secretary.	*Treasury posts several documents on its public website that are responsive to this question, available at http://www.financialstability.gov/latest/reportsanddocs.html. Specifically, tranche reports and reports required under section 105(a) of the Emergency Economic Stabilization Act of 2008 (EESA) describe, at a high level, Treasury's programs and troubled asset purchases. The transaction reports describe these purchases in detail, including the type of asset purchased, the identity of the institution selling the asset, and the price Treasury paid for the asset.* *Treasury describes the assets purchased under TARP during the period from January 31, 2010 through March 31, 2010 in the Monthly 105(a) reports for January 2010, February 2010 and March 2010 and in 31 separate transaction reports posted on www.financialstability.gov.* Below are program descriptions from Treasury's FinancialStability.gov website, as of 3/31/2010: CPP: *Treasury created the Capital Purchase Program (CPP) in October 2008 to stabilize the financial system by providing capital to viable financial institutions of all sizes throughout the nation. With a strengthened capital base, financial institutions have an increased capacity to lend to U.S. businesses and consumers and to support the U.S. economy.* SSFI: *Systemically Significant Failing Institution Program (SSFI) was established to provide stability and prevent disruptions to financial markets from the failure of institutions that are critical to the functioning of the nation's financial system.* AGP: *The Asset Guarantee Program (AGP) provides government assurances for assets held by financial institutions that are critical to the functioning of the nation's financial system, which face a risk of losing the critical confidence that is needed for them to continue to lend to other banks.* TIP: *Treasury created the Targeted Investment Program (TIP) to stabilize the financial system by making investments in institutions that are critical to the functioning of the financial system. This program focuses on the complex relationships and reliance of institutions within the financial system. Investments made through the TIP seek to avoid significant market disruptions resulting from the deterioration of one financial institution that can threaten other financial institutions and impair broader financial markets and pose a threat to the overall economy.* TALF: *The TALF is designed to increase credit availability and support economic activity by facilitating renewed issuance of consumer and small business ABS at more normal interest rate spreads… Under the TALF, the Federal Reserve Bank of New York (FRBNY) will provide non-recourse funding to any eligible borrower owning eligible collateral... The U.S. Treasury's Troubled Assets Relief Program (TARP) will purchase $20 billion of subordinated debt in an SPV created by the FRBNY. The SPV will purchase and manage any assets received by the FRBNY in connection with any TALF loans. Residual returns from the SPV will be shared between the FRBNY and the U.S. Treasury.*	Section 2: "TARP Overview" Appendix D: "Transaction Detail"

#	EESA Section	EESA Reporting Requirement	Treasury Response to SIGTARP Data Call	SIGTARP Report Section
			PPIP: *The Legacy Securities Public-Private Investment Program ("S-PPIP") is designed to purchase troubled legacy securities that are central to the problems currently impacting the U.S. financial system. Under this program, Treasury will invest equity and debt in multiple Public-Private Investment Funds ("PPIFs") established with private sector fund managers and private sector investors for the purpose of purchasing eligible assets. PPIF managers will invest in securities backed directly by mortgages that span the residential credit spectrum (e.g., prime, Alt-A, subprime mortgages) as well as the commercial mortgage market.* CDCI: *In February 2010, Treasury announced the Community Development Capital Initiative (CDCI) to improve access to credit for small businesses. Through this TARP program, Treasury will invest lower-cost capital in Community Development Financial Institutions (CDFIs) that lend to small businesses in the country's hardest-hit communities.* UCSB: *The Treasury Department will begin making direct purchases of securities backed by SBA loans to get the credit market moving again, and it will stand ready to purchase new securities to ensure that community banks and credit unions feel confident in extending new loans to local businesses.* AIFP: *The objective of* [AIFP] *is to prevent a significant disruption of the American automotive industry, which would pose a systemic risk to financial market stability and have a negative effect on the economy of the United States...* [Through AIFP, Treasury has provided] *loans or equity investments to General Motors, GMAC, Chrysler, and Chrysler Financial in order to avoid a disorderly bankruptcy of one or more auto companies; such an event would pose a systemic risk to the country's financial system. Treasury's loans to the automobile industry forged a path for these companies to go through orderly restructurings and achieve viability.* ASSP: [ASSP was created to] *provide up to $5 billion in financing, giving suppliers the confidence they need to continue shipping parts, pay their employees and continue their operations.* AWCP: *The Treasury Department announced an innovative new program to give consumers who are considering new car purchases the confidence that even in this difficult economic period, their warrantees will be honored. This program is part of the Administration's broader program to stabilize the auto industry and stand behind a restructuring effort that will result in stronger, more competitive and viable American car companies.* HAMP (a program under MHA): *The Home Affordable Modification Program has a simple goal: reduce the amount homeowners owe per month to sustainable levels to stabilize communities. This program will bring together lenders, investors, servicers, borrowers, and the government, so that all stakeholders share in the cost of ensuring that responsible homeowners can afford their monthly mortgage payments – helping to reach up to 3 to 4 million at-risk borrowers in all segments of the mortgage market, reducing foreclosures, and helping to avoid further downward pressures on overall home prices.*	
2	Section 121(c)(B)	A listing of the troubled assets purchased in each such category described under [section 121(c)(A)].	*Information on all transactions as well as additional information about these programs and related purchases is available in the transaction reports and monthly 105(a) reports posted at http://www.financialstability.gov/latest/reportsanddocs.html.*	Appendix D: "Transaction Detail"
3	Section 121(c)(C)	An explanation of the reasons the Secretary deemed it necessary to purchase each such troubled asset.	*During the first quarter of 2010, the Secretary of the Treasury signed Troubled Asset Determination for the SBA 7(A) program. The Treasury Secretary determined that the TARP's purchase of the Pooled Certificates is necessary to promote financial market stability.*	Section 2: "TARP Overview" Appendix C: "Reporting Requirements" of prior SIGTARP Quarterly Reports to Congress
4	Section 121(c)(D)	A listing of each financial institution that such troubled assets were purchased from.	See #2 above	See #2

#	EESA Section	EESA Reporting Requirement	Treasury Response to SIGTARP Data Call	SIGTARP Report Section
5	Section 121(c)(E)	A listing of and detailed biographical information on each person or entity hired to manage such troubled assets.	*There have been no new PPIP fund managers hired between January 1, 2001 and March 31, 2010.* *On March 29, 2010, the Treasury engaged Morgan Stanley as a financial agent and capital markets disposition agent in connection with its investment in the common stock of Citigroup, Inc. The Treasury intends to fully dispose of its approximately 7.7 billion shares of Citigroup common stock over the course of 2010 subject to market conditions.* *Morgan Stanley is a global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services.* *Morgan Stanley, acting as Treasury's capital markets disposition agent, will perform various services, including:* *• Acting as broker or market-maker for all disposition services executed pursuant to Rule 144 of the Securities Act of 1933,* *• Acting as sole book-running manager for disposition services executed in underwritten offerings pursuant to a prospectus or prospectus supplement, subject to the Treasury's satisfaction with the performance of the disposition services at such time,* *• Executing and confirming transfers, trades, and other transactions as instructed by the Treasury, and maintaining records of any trades or transfers executed,* *• Reconciling books and records with the custodian's and with the Treasury's accounting systems,* *• Acting as the Treasury's advisor regarding the optimal timing and strategy for the disposition of the securities, and,* *• Maintaining a compliance program designed to detect and prevent violations of Federal securities laws, and identifying, documenting, and enforcing controls to mitigate conflicts of interest.* *Additionally, Morgan Stanley will permit the Treasury's internal and external auditors, or other governmental oversight entities, to audit books and records related to their services provided to Treasury under their Financial Agency Agreement. The FAA is available on Treasury website at http://www.financialstability.gov/impact/contractDetail2.html.*	Section 3: "TARP Operations and Administration" Appendix C: "Reporting Requirements" of prior SIGTARP Quarterly Reports to Congress
6	Section 121(c)(F)	A current estimate of the total amount of troubled assets purchased pursuant to any program established under section 101, the amount of troubled assets on the books of the Treasury, the amount of troubled assets sold, and the profit and loss incurred on each sale or disposition of each such troubled asset.	*This information* [estimate of total amount of troubled assets purchased] *is contained in* [Treasury's] *transaction reports, which are posted on Treasury's website at http://www.financialstability.gov/latest/reportsanddocs.html. The transactions report captures the total obligation under each TARP program.* *Information on the repayments of Treasury's investments under the CPP and proceeds from the sale of warrants are available within Treasury's press releases, transactions reports and 105(a) Monthly Reports to Congress at http://www.financialstability.gov/latest/pressreleases.html and http://www.financialstability.gov/latest/reportsanddocs.html.*	Table C.1; Section 2: "TARP Overview" Appendix D: "Transaction Detail"
7	Section 121(c)(G)	A listing of the insurance contracts issued under section 102.	*There have been no new insurance contracts issued under TARP from January 1, 2010 to March 31, 2010.*	Section 2: "TARP Overview" Section 2: "Targeted Investment Program and Asset Guarantee Program"

#	EESA Section	EESA Reporting Requirement	Treasury Response to SIGTARP Data Call	SIGTARP Report Section
8	Section 121(f)	A detailed statement of all purchases, obligations, expenditures, and revenues associated with any program established by the Secretary of the Treasury under sections 101 and 102.	*Treasury provides information about TARP purchases, obligations, expenditures, and revenues on Treasury's public website at www.financialstability.gov. Treasury posts a transaction report for each purchase of troubled assets two business days after the transaction. Treasury also posts a detailed financial statement as part of its monthly Congressional report under section 105(a) of EESA. The next section 105(a) report will be posted on the Financial Stability website on April 9, 2010.* *The transactions reports and TARP Budget capture detailed information about TARP purchases, obligations, expenditures, and revenues. The latest transactions reports are available on Treasury's public website at http://www.financialstability.gov/latest/reportsanddocs.html*	Table C.1 Section 2: "TARP Overview" Section 3: "TARP Operations and Administration" Appendix D: "Transaction Detail"

Sources: Treasury, responses to SIGTARP data call, 4/8/2010 and 4/12/2010; Program Descriptions: Treasury, "Programs" webpage, www.financialstability.gov/roadtostability/programs.htm, accessed 4/9/2010; ASSP: "Treasury Announces Auto Suppliers Support Program," 3/19/2009, www.financialstability.gov/latest/auto3_18.html, accessed 6/30/2009; AWCP, "Obama Administration's New Warrantee Commitment Program," no date, http://www.financialstability.gov/docs/WarranteeCommitmentProgram.pdf, accessed 6/30/2009; TALF: Federal Reserve, "Term Asset-Backed Securities Loan Facility (TALF) Frequently Asked Questions," no date, www.federalreserve.gov/newsevents/press/monetary/monetary20090303a2.pdf, accessed 6/30/2009; MHA: "Making Home Affordable Updated Detailed Description Update," 3/26/2010, www.financialstability.gov/latest/pr_03262010.html, accessed 4/9/2010.

TABLE C.1

TOTAL AMOUNT OF TROUBLED ASSETS PURCHASED AND HELD ON TREASURY'S BOOKS, AS OF 3/31/2010
($ BILLIONS)

	Obligations[a]	**Expended**[b]	**On Treasury's Books**[c]
Capital Purchase Program ("CPP")	$204.89	$204.89	$69.07
Systemically Significant Failing Institutions ("SSFI")	69.84	47.54	47.54
Home Affordable Modification Program ("HAMP")[d]	41.13	1.35	1.35
Targeted Investment Program ("TIP")	40.00	40.00	—
Automotive Industry Financing Program ("AIFP")	84.84	$79.69	75.09
Asset Guarantee Program ("AGP")	—	—	—
Consumer and Business Lending Initiative (CBLI)	—	—	—
Term Asset-Backed Securities Loan Facility ("TALF")	20.00	0.10	0.10
Small Business Lending Program	—	—	—
Unlocking Credit for Small Businesses ("UCSB")	0.02	0.02	0.02
Community Development Capital Initiative ("CDCI")	—	—	—
Legacy Securities Public-Private Investment Program ("PPIP")	30.36	8.59	8.23
Total	**$491.08**	**$382.18**	**$201.40**

Notes: Numbers affected by rounding.
[a] For purposes of this table, "Obligations" refers to "Face Value Obligations" on the Treasury TARP/Financial Stability Plan Budget Table ("TARP Budget" as of 4/12/2010).
[b] "Expended" refers to "Face Value Disbursed/Outlays," defined as "TARP cash that has left the Treasury," according to the TARP Budget.
[c] "On Treasury's Books" calculated as "Face Value Disbursed/Outlays" net of repayments per the *Transactions Report* if they do not appear to be already netted out.
[d] According to Treasury, "TARP funds obligated include the total amount of funds that may be provided to servicers under existing agreements for the Home Affordable Modification Program (HAMP). In light of recent changes to HAMP as well as recent experience, Treasury expects to reestimate and revise these amounts in the next few months which will change this total. Treasury expects that the process will also result in there being sufficient funds to finance two recently announced TARP housing initiatives, consisting of $2.1B for the HFA Hardest Hit Fund and $14B for the FHA Refinance program. The $50B also includes $1.244B to offset costs of program changes for the "Helping Families Save Their Homes Act of 2009," Public Law No: 111-22, Section 202 (b) and $15M for administrative expenditures relating to the Special Inspector General for the Troubled Asset Relief Program (SIGTARP)."

Source: Repayments data: Treasury, *Transactions Report*, 4/2/2010; all other data: Treasury, response to SIGTARP data call, 4/8/2010.

TABLE D.1

CPP TRANSACTION DETAIL, AS OF 3/31/2010

Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Details: Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition: Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Warrant and Market Data for Publicly Traded Companies: Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price[a]	Current Outstanding Warrants[a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money[e]	Interest/ Dividends Paid to Treasury
12/23/2008	1st Constitution Bancorp, Cranbury, NJ	Preferred Stock w/ Warrants	$12,000,000							$7.90	$35.7	$8.15	220,745	($0.25)	OUT	$686,667
12/11/2009	1st Enterprise Bank, Los Angeles, CA [2, 10a, c]	Preferred Stock	$6,000,000													$294,465
02/13/2009	1st Enterprise Bank, Los Angeles, CA [2, c]	Preferred Stock w/ Exercised Warrants	$4,400,000													
11/14/2008	1st FS Corporation, Hendersonville, NC	Preferred Stock w/ Warrants	$16,369,000							$2.15	$10.8	$8.87	276,815	($6.72)	OUT	$1,025,336
01/23/2009	1st Source Corporation, South Bend, IN	Preferred Stock w/ Warrants	$111,000,000							$17.55	$439.9	$19.87	837,947	($2.32)	OUT	$5,889,167
03/13/2009	1st United Bancorp, Inc., Boca Raton, FL [2, 4, 7]	Preferred Stock w/ Exercised Warrants	$10,000,000	11/18/2009	$10,000,000	$0	11/18/2009	R	$500,000							$370,903
01/23/2009	AB&T Financial Corporation, Gastonia, NC	Preferred Stock w/ Warrants	$3,500,000							$2.65	$7.1	$6.55	80,153	($3.90)	OUT	$185,694
01/30/2009	Adbanc, Inc, Ogallala, NE [2]	Preferred Stock w/ Exercised Warrants	$12,720,000													$722,125
01/23/2009	Alarion Financial Services, Inc., Ocala, FL [2]	Preferred Stock w/ Exercised Warrants	$6,514,000													$376,737
02/06/2009	Alaska Pacific Bancshares, Inc., Juneau, AK	Preferred Stock w/ Warrants	$4,781,000							$6.00	$3.9	$4.08	175,772	$1.92	IN	$245,026
06/26/2009	Alliance Bancshares, Inc., Dalton, GA [2]	Preferred Stock w/ Exercised Warrants	$2,986,000													$103,502
12/19/2008	Alliance Financial Corporation, Syracuse, NY [4]	Preferred Stock w/ Warrants	$26,918,000	05/13/2009	$26,918,000	$0	06/17/2009	R	$900,000	$29.48	$137.2					$538,360
06/26/2009	Alliance Financial Services Inc., Saint Paul, MN [8]	Subordinated Debentures w/ Exercised Warrants	$12,000,000													$388,742
04/24/2009	Allied First Bancorp, Inc., Oswego, IL [2]	Preferred Stock w/ Exercised Warrants	$3,652,000													$160,916
03/27/2009	Alpine Banks of Colorado, Glenwood Springs, CO [2]	Preferred Stock w/ Exercised Warrants	$70,000,000													$3,369,916
01/30/2009	AMB Financial Corp., Munster, IN [2]	Preferred Stock w/ Exercised Warrants	$3,674,000													$208,604
03/06/2009	AmeriBank Holding Company, Collinsville, OK [2]	Preferred Stock w/ Exercised Warrants	$2,492,000													$127,926
01/09/2009	American Express Company, New York, NY [4]	Preferred Stock w/ Warrants	$3,388,890,000	06/17/2009	$3,388,890,000	$0	07/29/2009	R	$340,000,000	$41.26	$49,287.9					$74,367,308
05/29/2009	American Premier Bancorp, Arcadia, CA [2]	Preferred Stock w/ Exercised Warrants	$1,800,000													$69,760
01/09/2009	American State Bancshares, Inc., Great Bend, KS [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$359,700
11/21/2008	Ameris Bancorp, Moultrie, GA	Preferred Stock w/ Warrants	$52,000,000							$9.03	$125.8	$11.31	689,936	($2.28)	OUT	$3,206,667
12/19/2008	AmeriServ Financial, Inc, Johnstown, PA	Preferred Stock w/ Warrants	$21,000,000							$1.67	$35.4	$2.40	1,312,500	($0.73)	OUT	$1,213,333
08/21/2009	AmFirst Financial Services, Inc., McCook, NE [8]	Subordinated Debentures w/ Exercised Warrants	$5,000,000													$202,760
01/30/2009	Anchor BanCorp Wisconsin Inc., Madison, WI	Preferred Stock w/ Warrants	$110,000,000							$1.10	$23.9	$2.23	7,399,103	($1.13)	OUT	$0
01/30/2009	Annapolis Bancorp, Inc., Annapolis, MD	Preferred Stock w/ Warrants	$8,152,000							$3.50	$13.7	$4.08	299,706	($0.58)	OUT	$424,583
11/21/2008	Associated Banc-Corp, Green Bay, WI	Preferred Stock w/ Warrants	$525,000,000							$13.76	$2,388.9	$19.77	3,983,308	($6.01)	OUT	$32,375,000
12/29/2009	Atlantic Bancshares, Inc., Bluffton, SC [2, 10]	Preferred Stock w/ Exercised Warrants	$2,000,000													$13,905
02/27/2009	Avenue Financial Holdings, Inc., Nashville, TN [2]	Preferred Stock w/ Exercised Warrants	$7,400,000													$389,857
03/13/2009	BancIndependent, Inc., Sheffield, AL [2]	Preferred Stock w/ Exercised Warrants	$21,100,000													$1,060,510

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
07/10/2009	Bancorp Financial, Inc., Oak Brook, IL [2, 10]	Preferred Stock w/ Exercised Warrants	$13,669,000													$430,209
12/19/2008	Bancorp Rhode Island, Inc., Providence, RI [4]	Preferred Stock w/ Warrants	$30,000,000	08/05/2009	$30,000,000	$0	09/30/2009	R	$1,400,000	$27.35	$126.3					$941,667
02/20/2009	BancPlus Corporation, Ridgeland, MS [2]	Preferred Stock w/ Exercised Warrants	$48,000,000													$2,579,666
04/03/2009	BancStar, Inc., Festus, MO [2]	Preferred Stock w/ Exercised Warrants	$8,600,000													$406,207
12/19/2008	BancTrust Financial Group, Inc., Mobile, AL	Preferred Stock w/ Warrants	$50,000,000							$4.85	$85.8	$10.26	730,994	($5.41)	OUT	$2,888,889
08/14/2009	Bank Financial Services, Inc., Eden Prairie, MN [2]	Preferred Stock w/ Exercised Warrants	$1,004,000													$27,502
01/09/2009	Bank of America Corporation, Charlotte, NC [1a, 1b, 4, c]	Preferred Stock w/ Warrants	$10,000,000,000	12/09/2009	$10,000,000,000	$0	03/03/2010	A	$124,228,646	$17.85	$179,074.1					$1,293,750,000
10/28/2008	Bank of America Corporation, Charlotte, NC [1a, 1b, 4, c]	Preferred Stock w/ Warrants	$15,000,000,000	12/09/2009	$15,000,000,000	$0	03/03/2010	A	$186,342,969							
11/14/2008	Bank of Commerce Holdings, Redding, CA	Preferred Stock w/ Warrants	$17,000,000							$4.73	$75.3	$6.29	405,405	($1.56)	OUT	$1,064,861
01/16/2009	Bank of Commerce, Charlotte, NC [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$176,671
03/13/2009	Bank of George, Las Vegas, NV [2]	Preferred Stock w/ Exercised Warrants	$2,672,000													$134,331
12/05/2008	Bank of Marin Bancorp, Novato, CA [4]	Preferred Stock w/ Warrants	$28,000,000	03/31/2009	$28,000,000	$0				$33.08	$173.2	$27.23	154,242	$5.85	IN	$451,111
04/17/2009	Bank of the Carolinas Corporation, Mocksville, NC	Preferred Stock w/ Warrants	$13,179,000							$4.50	$17.5	$4.16	475,204	$0.34	IN	$545,464
12/12/2008	Bank of the Ozarks, Inc., Little Rock, AR [4]	Preferred Stock w/ Warrants	$75,000,000	11/04/2009	$75,000,000	$0	11/24/2009	R	$2,650,000	$35.19	$595.2					$3,354,167
01/30/2009	Bankers' Bank of the West Bancorp, Inc., Denver, CO [2]	Preferred Stock w/ Exercised Warrants	$12,639,000													$717,532
01/23/2009	BankFirst Capital Corporation, Macon, MS [2]	Preferred Stock w/ Exercised Warrants	$15,500,000													$896,374
02/13/2009	BankGreenville, Greenville, SC [2]	Preferred Stock w/ Exercised Warrants	$1,000,000													$54,803
11/21/2008	Banner Corporation, Walla Walla, WA	Preferred Stock w/ Warrants	$124,000,000							$3.84	$86.4	$10.89	1,707,989	($7.05)	OUT	$7,646,667
02/06/2009	Banner County Ban Corporation, Harrisburg, NE [2]	Preferred Stock w/ Exercised Warrants	$795,000													$44,434
01/16/2009	Bar Harbor Bankshares, Bar Harbor, ME [5, b]	Preferred Stock w/ Warrants	$18,751,000	02/24/2010	$18,751,000	$0				$30.50	$115.1	$26.81	52,455	$3.69	IN	$1,036,514
11/14/2008	BB&T Corp., Winston-Salem, NC [4]	Preferred Stock w/ Warrants	$3,133,640,000	06/17/2009	$3,133,640,000	$0	07/22/2009	R	$67,010,402	$32.39	$22,397.8					$92,703,517
04/03/2009	BCB Holding Company, Inc., Theodore, AL [2]	Preferred Stock w/ Exercised Warrants	$1,706,000													$80,558
12/23/2008	BCSB Bancorp, Inc., Baltimore, MD	Preferred Stock w/ Warrants	$10,800,000							$9.50	$29.6	$8.83	183,465	$0.67	IN	$618,000
01/30/2009	Beach Business Bank, Manhattan Beach, CA [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$177,125
06/12/2009	Berkshire Bancorp, Inc., Wyomissing, PA [2]	Preferred Stock w/ Exercised Warrants	$2,892,000													$106,414
12/19/2008	Berkshire Hills Bancorp, Inc., Pittsfield, MA [4]	Preferred Stock w/ Warrants	$40,000,000	05/27/2009	$40,000,000	$0	06/24/2009	R	$1,040,000	$18.33	$257.1					$877,778
02/13/2009	Bern Bancshares, Inc., Bern, KS [2]	Preferred Stock w/ Exercised Warrants	$985,000													$54,049

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/18/2009	Birmingham Bloomfield Bancshares, Inc, Birmingham, MI [2, 10a, c]	Preferred Stock	$1,744,000													$85,854
04/24/2009	Birmingham Bloomfield Bancshares, Inc, Birmingham, MI [2, c]	Preferred Stock w/ Exercised Warrants	$1,635,000													
06/19/2009	Biscayne Bancshares, Inc., Coconut Grove, FL [8, 10]	Subordinated Debentures w/ Exercised Warrants	$6,400,000													$341,514
03/13/2009	Blackhawk Bancorp, Inc., Beloit, WI [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$502,611
05/22/2009	Blackridge Financial, Inc., Fargo, ND [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$199,076
03/06/2009	Blue Ridge Bancshares, Inc., Independence, MO [2]	Preferred Stock w/ Exercised Warrants	$12,000,000													$615,850
03/06/2009	Blue River Bancshares, Inc., Shelbyville, IN [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$256,605
12/05/2008	Blue Valley Ban Corp, Overland Park, KS	Preferred Stock w/ Warrants	$21,750,000							$8.50	$24.0	$29.37	111,083	($20.87)	OUT	$211,458
04/17/2009	BNB Financial Services Corporation, New York, NY [2]	Preferred Stock w/ Exercised Warrants	$7,500,000													$338,354
12/05/2008	BNC Bancorp, Thomasville, NC	Preferred Stock w/ Warrants	$31,260,000							$7.90	$58.0	$8.63	543,337	($0.73)	OUT	$1,866,917
02/27/2009	BNC Financial Group, Inc., New Canaan, CT [2]	Preferred Stock w/ Exercised Warrants	$4,797,000													$252,734
01/16/2009	BNCCORP, Inc., Bismarck, ND [2]	Preferred Stock w/ Exercised Warrants	$20,093,000													$909,542
03/06/2009	BOH Holdings, Inc., Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$513,208
05/15/2009	Boscobel Bancorp, Inc, Boscobel, WI [8]	Subordinated Debentures w/ Exercised Warrants	$5,586,000													$351,468
11/21/2008	Boston Private Financial Holdings, Inc., Boston, MA [4]	Preferred Stock w/ Warrants	$154,000,000	01/13/2010	$50,000,000	$104,000,000				$7.37	$507.0	$8.00	2,887,500	($0.63)	OUT	$9,274,444
12/23/2008	Bridge Capital Holdings, San Jose, CA	Preferred Stock w/ Warrants	$23,864,000							$9.15	$64.9	$9.03	396,412	$0.12	IN	$1,365,551
12/19/2008	Bridgeview Bancorp, Inc., Bridgeview, IL [2]	Preferred Stock w/ Exercised Warrants	$38,000,000													$2,393,156
12/04/2009	Broadway Financial Corporation, Los Angeles, CA [3, 10a, c]	Preferred Stock	$6,000,000													$622,917
11/14/2008	Broadway Financial Corporation, Los Angeles, CA [3a, c - 11/24/2009]	Preferred Stock	$9,000,000													
05/15/2009	Brogan Bankshares, Inc., Kaukauna, WI [8]	Subordinated Debentures w/ Exercised Warrants	$2,400,000													$151,020
07/17/2009	Brotherhood Bancshares, Inc., Kansas City, KS [2]	Preferred Stock w/ Exercised Warrants	$11,000,000													$346,378
04/24/2009	Business Bancshares, Inc., Clayton, MO [2]	Preferred Stock w/ Exercised Warrants	$15,000,000													$660,813
03/13/2009	Butler Point, Inc., Catlin, IL [2]	Preferred Stock w/ Exercised Warrants	$607,000													$30,480
01/09/2009	C&F Financial Corporation, West Point, VA	Preferred Stock w/ Warrants	$20,000,000							$19.64	$60.4	$17.91	167,504	$1.73	IN	$1,100,000
12/23/2008	Cache Valley Banking Company, Logan, UT [2, c]	Preferred Stock w/ Exercised Warrants	$4,767,000													$334,026
12/18/2009	Cache Valley Banking Company, Logan, UT [2, 10a, c]	Preferred Stock	$4,640,000													
01/09/2009	Cadence Financial Corporation, Starkville, MS	Preferred Stock w/ Warrants	$44,000,000							$1.83	$21.8	$5.76	1,145,833	($3.93)	OUT	$2,420,000
02/27/2009	California Bank of Commerce, Lafayette, CA [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$210,733

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price[a]	Current Outstanding Warrants[a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money[e]	Interest/ Dividends Paid to Treasury
01/23/2009	California Oaks State Bank, Thousand Oaks, CA[2]	Preferred Stock w/ Exercised Warrants	$3,300,000													$190,841
01/23/2009	Calvert Financial Corporation, Ashland, MO[2]	Preferred Stock w/ Exercised Warrants	$1,037,000													$59,985
01/23/2009	CalWest Bancorp, Rancho Santa Margarita, CA[2]	Preferred Stock w/ Exercised Warrants	$4,656,000													$269,279
12/23/2008	Capital Bancorp, Inc., Rockville, MD[2]	Preferred Stock w/ Exercised Warrants	$4,700,000													$293,150
12/12/2008	Capital Bank Corporation, Raleigh, NC	Preferred Stock w/ Warrants	$41,279,000							$4.46	$50.9	$8.26	749,619	($3.80)	OUT	$2,425,142
04/10/2009	Capital Commerce Bancorp, Inc., Milwaukee, WI[2]	Preferred Stock w/ Exercised Warrants	$5,100,000													$235,486
11/14/2008	Capital One Financial Corporation, McLean, VA[4]	Preferred Stock w/ Warrants	$3,555,199,000	06/17/2009	$3,555,199,000	$0	12/03/2009	A	$148,731,030	$41.41	$18,898.4					$105,174,638
12/23/2008	Capital Pacific Bancorp, Portland, OR[2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$249,489
10/23/2009	Cardinal Bancorp II, Inc., Washington, MO[8]	Subordinated Debentures w/ Exercised Warrants	$6,251,000													$163,187
01/09/2009	Carolina Bank Holdings, Inc., Greensboro, NC	Preferred Stock w/ Warrants	$16,000,000							$3.50	$11.9	$6.71	357,675	($3.21)	OUT	$880,000
02/06/2009	Carolina Trust Bank, Lincolnton, NC	Preferred Stock w/ Warrants	$4,000,000							$5.00	$7.8	$6.90	86,957	($1.90)	OUT	$205,000
02/13/2009	Carrollton Bancorp, Baltimore, MD	Preferred Stock w/ Warrants	$9,201,000							$5.26	$13.5	$6.72	205,379	($1.46)	OUT	$462,606
01/16/2009	Carver Bancorp, Inc, New York, NY[3]	Preferred Stock	$18,980,000													$1,025,447
11/21/2008	Cascade Financial Corporation, Everett, WA	Preferred Stock w/ Warrants	$38,970,000							$1.96	$23.9	$6.77	863,442	($4.81)	OUT	$1,428,900
12/05/2008	Cathay General Bancorp, Los Angeles, CA	Preferred Stock w/ Warrants	$258,000,000							$11.62	$912.2	$20.96	1,846,374	($9.34)	OUT	$15,408,333
12/22/2009	Catskill Hudson Bancorp, Inc, Rock Hill, NY[2, 10a, c]	Preferred Stock w/ Exercised Warrants	$3,500,000													$185,311
02/27/2009	Catskill Hudson Bancorp, Inc, Rock Hill, NY[2, c]	Preferred Stock w/ Exercised Warrants	$3,000,000													
05/29/2009	CB Holding Corp., Aledo, IL[2]	Preferred Stock w/ Exercised Warrants	$4,114,000													$159,460
12/29/2009	CBB Bancorp, Cartersville, GA[2, 10a, c]	Preferred Stock	$1,753,000													$153,279
02/20/2009	CBB Bancorp, Cartersville, GA[2, c]	Preferred Stock w/ Exercised Warrants	$2,644,000													
03/27/2009	CBS Banc-Corp., Russellville, AL[2]	Preferred Stock w/ Exercised Warrants	$24,300,000													$1,169,842
12/23/2008	Cecil Bancorp, Inc., Elkton, MD	Preferred Stock w/ Warrants	$11,560,000							$4.20	$15.5	$6.63	261,538	($2.43)	OUT	$516,989
02/06/2009	CedarStone Bank, Lebanon, TN[2]	Preferred Stock w/ Exercised Warrants	$3,564,000													$199,076
01/09/2009	Center Bancorp, Inc., Union, NJ[b]	Preferred Stock w/ Warrants	$10,000,000							$8.31	$121.1	$8.65	86,705	($0.34)	OUT	$550,000
12/12/2008	Center Financial Corporation, Los Angeles, CA[b]	Preferred Stock w/ Warrants	$55,000,000							$4.85	$97.9	$9.54	432,390	($4.69)	OUT	$3,231,250
05/01/2009	CenterBank, Milford, OH[2]	Preferred Stock w/ Exercised Warrants	$2,250,000													$96,773
11/21/2008	Centerstate Banks of Florida Inc., Davenport, FL[5, 9]	Preferred Stock w/ Warrants	$27,875,000	09/30/2009	$27,875,000	$0	10/28/2009	R	$212,000	$12.24	$315.5					$1,196,303
01/16/2009	Centra Financial Holdings, Inc., Morgantown, WV[2, 4, 7]	Preferred Stock w/ Exercised Warrants	$15,000,000	03/31/2009	$15,000,000	$0	04/15/2009	R	$750,000							$172,938

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
02/27/2009	Central Bancorp, Inc., Garland, TX [2]	Preferred Stock w/ Exercised Warrants	$22,500,000													$1,185,375
12/05/2008	Central Bancorp, Inc., Somerville, MA	Preferred Stock w/ Warrants	$10,000,000							$9.11	$14.9	$6.39	234,742	$2.72	IN	$597,222
01/30/2009	Central Bancshares, Inc., Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$5,800,000													$329,271
02/20/2009	Central Community Corporation, Temple, TX [2]	Preferred Stock w/ Exercised Warrants	$22,000,000													$1,182,347
12/05/2008	Central Federal Corporation, Fairlawn, OH	Preferred Stock w/ Warrants	$7,225,000							$1.19	$4.9	$3.22	336,568	($2.03)	OUT	$431,493
12/23/2008	Central Jersey Bancorp, Oakhurst, NJ	Preferred Stock w/ Warrants	$11,300,000							$3.28	$30.4	$6.31	268,621	($3.03)	OUT	$646,611
01/09/2009	Central Pacific Financial Corp., Honolulu, HI	Preferred Stock w/ Warrants	$135,000,000							$1.68	$51.0	$12.77	1,585,748	($11.09)	OUT	$2,362,500
01/30/2009	Central Valley Community Bancorp, Fresno, CA [b]	Preferred Stock w/ Warrants	$7,000,000							$5.50	$49.2	$6.64	79,067	($1.14)	OUT	$364,583
01/30/2009	Central Virginia Bankshares, Inc., Powhatan, VA	Preferred Stock w/ Warrants	$11,385,000							$3.43	$9.0	$6.48	263,542	($3.05)	OUT	$450,656
12/18/2009	Centric Financial Corporation, Harrisburg, PA [2, 10]	Preferred Stock w/ Exercised Warrants	$6,056,000													$50,537
02/06/2009	Centrix Bank & Trust, Bedford, NH [2]	Preferred Stock w/ Exercised Warrants	$7,500,000													$418,968
01/09/2009	Centrue Financial Corporation, St. Louis, MO	Preferred Stock w/ Warrants	$32,668,000							$3.45	$20.8	$9.64	508,320	($6.19)	OUT	$571,690
06/19/2009	Century Financial Services Corporation, Santa Fe, NM [8]	Subordinated Debentures w/ Exercised Warrants	$10,000,000													$550,011
05/29/2009	Chambers Bancshares, Inc., Danville, AR [8]	Subordinated Debentures w/ Exercised Warrants	$19,817,000													$1,182,341
07/31/2009	Chicago Shore Corporation, Chicago, IL [2]	Preferred Stock w/ Exercised Warrants	$7,000,000													$206,646
12/31/2008	CIT Group Inc., New York, NY [16]	Contingent Value Rights	$2,330,000,000	02/08/2010	-$2,330,000,000	$0					$7,794.3					$43,687,500
10/28/2008	Citigroup Inc., New York, NY [11]	Common Stock w/ Warrants	$25,000,000,000							$4.05	$115,663.6	$17.85	210,084,034	($13.80)	OUT	$932,291,667
01/16/2009	Citizens & Northern Corporation, Wellsboro, PA	Preferred Stock w/ Warrants	$26,440,000							$12.55	$152.1	$20.36	194,794	($7.81)	OUT	$1,428,494
12/23/2008	Citizens Bancorp, Nevada City, CA [2]	Preferred Stock w/ Exercised Warrants	$10,400,000													$223,571
05/29/2009	Citizens Bancshares Co., Chillicothe, MO [2]	Preferred Stock w/ Exercised Warrants	$24,990,000													$628,033
03/06/2009	Citizens Bancshares Corporation, Atlanta, GA [3]	Preferred Stock	$7,462,000													$351,336
03/20/2009	Citizens Bank & Trust Company, Covington, LA [2]	Preferred Stock w/ Exercised Warrants	$2,400,000													$19,983
02/06/2009	Citizens Commerce Bancshares, Inc., Versailles, KY [2]	Preferred Stock w/ Exercised Warrants	$6,300,000													$180,258
12/23/2008	Citizens Community Bank, South Hill, VA [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$187,117
12/19/2008	Citizens First Corporation, Bowling Green, KY	Preferred Stock w/ Warrants	$8,779,000							$7.10	$14.0	$5.18	254,218	$1.92	IN	$507,232
12/12/2008	Citizens Republic Bancorp, Inc., Flint, MI	Preferred Stock w/ Warrants	$300,000,000							$1.14	$339.2	$2.56	17,578,125	($1.42)	OUT	$13,875,000
12/12/2008	Citizens South Banking Corporation, Gastonia, NC	Preferred Stock w/ Warrants	$20,500,000							$6.15	$46.3	$7.17	428,870	($1.02)	OUT	$1,204,375
04/10/2009	City National Bancshares Corporation, Newark, NJ [3]	Preferred Stock	$9,439,000													$281,859

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
11/21/2008	City National Corporation, Beverly Hills, CA [4, c]	Preferred Stock w/ Warrants	$400,000,000	12/30/2009	$200,000,000	$200,000,000				$53.97	$2,819.2	$53.16	1,128,668	$0.81	IN	$23,916,667
11/21/2008	City National Corporation, Beverly Hills, CA [4, c]	Preferred Stock w/ Warrants		03/03/2010	$200,000,000	$0										
03/27/2009	Clover Community Bankshares, Inc., Clover, SC [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$144,425
12/05/2008	Coastal Banking Company, Inc., Fernandina Beach, FL	Preferred Stock w/ Warrants	$9,950,000							$3.01	$7.7	$7.26	205,579	($4.25)	OUT	$594,236
08/28/2009	CoastalSouth Bancshares, Inc., Hilton Head Island, SC [2, 10]	Preferred Stock w/ Exercised Warrants	$16,015,000													$391,499
12/19/2008	CoBiz Financial Inc., Denver, CO	Preferred Stock w/ Warrants	$64,450,000							$6.23	$228.9	$10.79	895,968	($4.56)	OUT	$3,723,778
01/09/2009	Codorus Valley Bancorp, Inc., York, PA	Preferred Stock w/ Warrants	$16,500,000							$7.39	$30.1	$9.38	263,859	($1.99)	OUT	$907,500
02/13/2009	ColoEast Bankshares, Inc., Lamar, CO [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$548,028
03/27/2009	Colonial American Bank, West Conshohocken, PA [2]	Preferred Stock w/ Exercised Warrants	$574,000													$27,658
01/09/2009	Colony Bankcorp, Inc., Fitzgerald, GA	Preferred Stock w/ Warrants	$28,000,000							$5.84	$42.2	$8.40	500,000	($2.56)	OUT	$1,540,000
11/21/2008	Columbia Banking System, Inc., Tacoma, WA [b]	Preferred Stock w/ Warrants	$76,898,000							$20.31	$573.4	$14.49	398,023	$5.82	IN	$4,742,043
02/27/2009	Columbine Capital Corp., Buena Vista, CO [2]	Preferred Stock w/ Exercised Warrants	$2,260,000													$119,064
11/14/2008	Comerica Inc., Dallas, TX [4]	Preferred Stock w/ Warrants	$2,250,000,000	03/17/2010	$2,250,000,000	$0				$38.04	$6,620.1	$29.40	11,479,592	$8.64	IN	$150,937,500
01/09/2009	Commerce National Bank, Newport Beach, CA [4]	Preferred Stock w/ Warrants	$5,000,000	10/07/2009	$5,000,000	$0				$5.05	$13.2	$8.60	87,209	($3.55)	OUT	$36,111
05/22/2009	Commonwealth Bancshares, Inc., Louisville, KY [8]	Subordinated Debentures w/ Exercised Warrants	$20,400,000													$1,250,395
01/23/2009	Commonwealth Business Bank, Los Angeles, CA [2]	Preferred Stock w/ Exercised Warrants	$7,701,000													$25,648
01/16/2009	Community 1st Bank, Roseville, CA [2]	Preferred Stock w/ Exercised Warrants	$2,550,000													$104,265
03/06/2009	Community Bancshares of Kansas, Inc., Goff, KS [2]	Preferred Stock w/ Exercised Warrants	$500,000													$25,660
09/11/2009	Community Bancshares of Mississippi, Inc., Brandon, MS [2]	Preferred Stock w/ Exercised Warrants	$52,000,000													$1,212,322
07/24/2009	Community Bancshares, Inc., Kingman, AZ [2, 10]	Preferred Stock w/ Exercised Warrants	$3,872,000													$113,922
01/16/2009	Community Bank of the Bay, Oakland, CA [3]	Preferred Stock	$1,747,000													$21,838
05/29/2009	Community Bank Shares of Indiana, Inc., New Albany, IN	Preferred Stock w/ Warrants	$19,468,000							$8.95	$29.2	$7.56	386,270	$1.39	IN	$692,195
12/19/2008	Community Bankers Trust Corporation, Glen Allen, VA	Preferred Stock w/ Warrants	$17,680,000							$2.91	$62.5	$3.40	780,000	($0.49)	OUT	$1,021,511
02/27/2009	Community Business Bank, West Sacramento, CA [2]	Preferred Stock w/ Exercised Warrants	$3,976,000													$209,486
12/19/2008	Community Financial Corporation, Staunton, VA	Preferred Stock w/ Warrants	$12,643,000							$4.16	$18.1	$5.40	351,194	($1.24)	OUT	$730,485
05/15/2009	Community Financial Shares, Inc., Glen Ellyn, IL [2]	Preferred Stock w/ Exercised Warrants	$6,970,000													$284,932
03/20/2009	Community First Bancshares Inc., Union City, TN [2]	Preferred Stock w/ Exercised Warrants	$20,000,000													$984,028
04/03/2009	Community First Bancshares, Inc., Harrison, AR [2]	Preferred Stock w/ Exercised Warrants	$12,725,000													$601,025

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
02/27/2009	Community First Inc., Columbia, TN [2]	Preferred Stock w/ Exercised Warrants	$17,806,000													$938,053
02/06/2009	Community Holding Company of Florida, Inc., Miramar Beach, FL [2]	Preferred Stock w/ Exercised Warrants	$1,050,000													$58,426
12/23/2008	Community Investors Bancorp, Inc., Bucyrus, OH [2]	Preferred Stock w/ Exercised Warrants	$2,600,000													$162,168
01/30/2009	Community Partners Bancorp, Middletown, NJ	Preferred Stock w/ Warrants	$9,000,000							$3.58	$25.7	$4.54	297,116	($0.96)	OUT	$468,750
11/13/2009	Community Pride Bank Corporation, Ham Lake, MN [8, 10]	Subordinated Debentures w/ Exercised Warrants	$4,400,000													$91,237
01/09/2009	Community Trust Financial Corporation, Ruston, LA [2]	Preferred Stock w/ Exercised Warrants	$24,000,000													$1,438,800
12/19/2008	Community West Bancshares, Goleta, CA	Preferred Stock w/ Warrants	$15,600,000							$2.95	$17.4	$4.49	521,158	($1.54)	OUT	$901,333
01/09/2009	Congaree Bancshares, Inc., Cayce, SC [2]	Preferred Stock w/ Exercised Warrants	$3,285,000													$152,159
02/13/2009	Corning Savings and Loan Association, Corning, AR [2]	Preferred Stock w/ Exercised Warrants	$638,000													$34,973
01/30/2009	Country Bank Shares, Inc., Milford, NE [2]	Preferred Stock w/ Exercised Warrants	$7,525,000													$427,178
06/05/2009	Covenant Financial Corporation, Clarksdale, MS [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$189,236
02/20/2009	Crazy Woman Creek Bancorp, Inc., Buffalo, WY [2]	Preferred Stock w/ Exercised Warrants	$3,100,000													$166,603
01/09/2009	Crescent Financial Corporation, Cary, NC	Preferred Stock w/ Warrants	$24,900,000							$3.49	$33.6	$4.48	833,705	($0.99)	OUT	$1,369,500
01/23/2009	Crosstown Holding Company, Blaine, MN [2]	Preferred Stock w/ Exercised Warrants	$10,650,000													$615,944
03/27/2009	CSRA Bank Corp., Wrens, GA [2]	Preferred Stock w/ Exercised Warrants	$2,400,000													$115,540
12/05/2008	CVB Financial Corp, Ontario, CA [4, 9, c]	Preferred Stock w/ Warrants	$130,000,000	09/02/2009	$32,500,000	$0	10/28/2009	R	$1,307,000	$9.93	$1,055.4					$4,739,583
12/05/2008	CVB Financial Corp, Ontario, CA [4, c]	Preferred Stock w/ Warrants		08/26/2009	$97,500,000	$32,500,000										
02/27/2009	D.L. Evans Bancorp, Burley, ID [2]	Preferred Stock w/ Exercised Warrants	$19,891,000													$1,047,964
05/15/2009	Deerfield Financial Corporation, Deerfield, WI [8]	Subordinated Debentures w/ Exercised Warrants	$2,639,000													$166,064
12/04/2009	Delmar Bancorp, Delmar, MD [2]	Preferred Stock w/ Exercised Warrants	$9,000,000													$96,738
12/29/2009	DeSoto County Bank, Horn Lake, MS [2, 10a, c]	Preferred Stock	$1,508,000													$73,949
02/13/2009	DeSoto County Bank, Horn Lake, MS [2, c]	Preferred Stock w/ Exercised Warrants	$1,173,000													
05/22/2009	Diamond Bancorp, Inc., Washington, MO [8]	Subordinated Debentures w/ Exercised Warrants	$20,445,000													$1,253,128
01/16/2009	Dickinson Financial Corporation II, Kansas City, MO [2]	Preferred Stock w/ Exercised Warrants	$146,053,000													$2,631,197
03/13/2009	Discover Financial Services, Riverwoods, IL	Preferred Stock w/ Warrants	$1,224,558,000							$14.90	$8,102.3	$8.96	20,500,413	$5.94	IN	$56,465,729
01/30/2009	DNB Financial Corporation, Downingtown, PA	Preferred Stock w/ Warrants	$11,750,000							$5.15	$13.5	$9.46	186,311	($4.31)	OUT	$611,979
06/19/2009	Duke Financial Group, Inc., Minneapolis, MN [8]	Subordinated Debentures w/ Exercised Warrants	$12,000,000													$408,316
12/05/2008	Eagle Bancorp, Inc., Bethesda, MD [5, b]	Preferred Stock w/ Warrants	$38,235,000	12/23/2009	$15,000,000	$23,235,000				$11.85	$232.6	$7.44	385,434	$4.41	IN	$2,175,146

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/05/2008	East West Bancorp, Pasadena, CA [b]	Preferred Stock w/ Warrants	$306,546,000							$17.42	$1,925.0	$15.15	1,517,555	$2.27	IN	$18,307,608
01/09/2009	Eastern Virginia Bankshares, Inc., Tappahannock, VA	Preferred Stock w/ Warrants	$24,000,000							$7.55	$44.9	$9.63	373,832	($2.08)	OUT	$1,320,000
01/16/2009	ECB Bancorp, Inc., Engelhard, NC	Preferred Stock w/ Warrants	$17,949,000							$12.29	$35.0	$18.57	144,984	($6.28)	OUT	$969,745
12/23/2008	Emclaire Financial Corp., Emlenton, PA	Preferred Stock w/ Warrants	$7,500,000							$14.51	$20.8	$22.45	50,111	($7.94)	OUT	$429,167
12/05/2008	Encore Bancshares Inc., Houston, TX	Preferred Stock w/ Warrants	$34,000,000							$9.47	$99.4	$14.01	364,026	($4.54)	OUT	$2,030,556
12/19/2008	Enterprise Financial Services Corp., St. Louis, MO	Preferred Stock w/ Warrants	$35,000,000							$11.06	$164.3	$16.20	324,074	($5.14)	OUT	$2,022,222
06/12/2009	Enterprise Financial Services Group, Inc., Allison Park, PA [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$147,150
01/30/2009	Equity Bancshares, Inc., Wichita, KS [2]	Preferred Stock w/ Exercised Warrants	$8,750,000													$496,792
12/19/2008	Exchange Bank, Santa Rosa, CA [2]	Preferred Stock w/ Exercised Warrants	$43,000,000													$2,122,169
05/22/2009	F & C Bancorp, Inc., Holden, MO [8]	Subordinated Debentures w/ Exercised Warrants	$2,993,000													$183,488
11/06/2009	F & M Bancshares, Inc., Trezevant, TN [2, 10a, c]	Preferred Stock	$3,535,000													$310,221
01/30/2009	F & M Bancshares, Inc., Trezevant, TN [2, c]	Preferred Stock w/ Exercised Warrants	$4,609,000													
02/06/2009	F & M Financial Corporation, Salisbury, NC [2]	Preferred Stock w/ Exercised Warrants	$17,000,000													$949,663
02/13/2009	F&M Financial Corporation, Clarksville, TN [2]	Preferred Stock w/ Exercised Warrants	$17,243,000													$944,950
01/09/2009	F.N.B. Corporation, Hermitage, PA [4, b]	Preferred Stock w/ Warrants	$100,000,000	09/09/2009	$100,000,000	$0				$8.11	$925.1	$11.52	651,042	($3.41)	OUT	$3,333,333
03/06/2009	Farmers & Merchants Bancshares, Inc., Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$11,000,000													$564,530
03/20/2009	Farmers & Merchants Financial Corporation, Argonia, KS [2]	Preferred Stock w/ Exercised Warrants	$442,000													$21,739
01/23/2009	Farmers Bank, Windsor, VA [2]	Preferred Stock w/ Exercised Warrants	$8,752,000													$506,171
01/09/2009	Farmers Capital Bank Corporation, Frankfort, KY	Preferred Stock w/ Warrants	$30,000,000							$8.57	$63.2	$20.09	223,992	($11.52)	OUT	$1,650,000
06/19/2009	Farmers Enterprises, Inc., Great Bend, KS [8]	Subordinated Debentures w/ Exercised Warrants	$12,000,000													$660,016
03/20/2009	Farmers State Bankshares, Inc., Holton, KS [2]	Preferred Stock w/ Exercised Warrants	$700,000													$34,847
12/29/2009	FBHC Holding Company, Boulder, CO [8, 10]	Subordinated Debentures w/ Exercised Warrants	$3,035,000													$31,466
06/26/2009	FC Holdings, Inc., Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$21,042,000													$156,090
12/19/2008	FCB Bancorp, Inc., Louisville, KY [2]	Preferred Stock w/ Exercised Warrants	$9,294,000													$585,347
12/19/2008	FFW Corporation, Wabash, IN [2]	Preferred Stock w/ Exercised Warrants	$7,289,000													$458,999
05/29/2009	Fidelity Bancorp, Inc, Baton Rouge, LA [8]	Subordinated Debentures w/ Exercised Warrants	$3,942,000													$235,180

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				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/12/2008	Fidelity Bancorp, Inc., Pittsburgh, PA	Preferred Stock w/ Warrants	$7,000,000							$4.90	$14.9	$8.65	121,387	($3.75)	OUT	$411,250
11/13/2009	Fidelity Federal Bancorp, Evansville, IN [2, 10]	Preferred Stock w/ Exercised Warrants	$6,657,000													$0
12/19/2008	Fidelity Financial Corporation, Wichita, KS [2]	Preferred Stock w/ Exercised Warrants	$36,282,000													$2,284,949
06/26/2009	Fidelity Resources Company, Plano, TX [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$104,004
12/19/2008	Fidelity Southern Corporation, Atlanta, GA	Preferred Stock w/ Warrants	$48,200,000							$5.75	$58.8	$3.11	2,323,689	$2.64	IN	$2,784,889
12/31/2008	Fifth Third Bancorp, Cincinnati, OH	Preferred Stock w/ Warrants	$3,408,000,000							$13.56	$10,778.1	$11.72	43,617,747	$1.84	IN	$213,000,000
12/23/2008	Financial Institutions, Inc., Warsaw, NY	Preferred Stock w/ Warrants	$37,515,000							$14.62	$159.6	$14.88	378,175	($0.26)	OUT	$2,146,692
02/13/2009	Financial Security Corporation, Basin, WY [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$274,014
07/31/2009	Financial Services of Winger, Inc., Winger, MN [8, 10]	Subordinated Debentures w/ Exercised Warrants	$3,742,000													$164,445
05/22/2009	First Advantage Bancshares Inc., Coon Rapids, MN [2]	Preferred Stock w/ Exercised Warrants	$1,177,000													$46,872
06/26/2009	First Alliance Bancshares, Inc., Cordova, TN [2]	Preferred Stock w/ Exercised Warrants	$3,422,000													$118,628
07/24/2009	First American Bank Corporation, Elk Grove Village, IL [8]	Subordinated Debentures w/ Exercised Warrants	$50,000,000													$2,342,225
03/13/2009	First American International Corp., Brooklyn, NY [3]	Preferred Stock	$17,000,000													$783,889
01/16/2009	First BanCorp, San Juan, PR	Preferred Stock w/ Warrants	$400,000,000							$2.41	$223.0	$10.27	5,842,259	($7.86)	OUT	$6,611,111
01/09/2009	First Bancorp, Troy, NC	Preferred Stock w/ Warrants	$65,000,000							$13.52	$226.3	$15.82	616,308	($2.30)	OUT	$3,575,000
02/20/2009	First BancTrust Corporation, Paris, IL [2]	Preferred Stock w/ Exercised Warrants	$7,350,000													$395,056
02/06/2009	First Bank of Charleston, Inc., Charleston, WV [2]	Preferred Stock w/ Exercised Warrants	$3,345,000													$186,837
01/16/2009	First Bankers Trustshares, Inc., Quincy, IL [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$588,903
12/31/2008	First Banks, Inc., Clayton, MO [2]	Preferred Stock w/ Exercised Warrants	$295,400,000													$6,037,238
03/06/2009	First Busey Corporation, Urbana, IL [b]	Preferred Stock w/ Warrants	$100,000,000							$4.42	$293.3	$13.07	573,833	($8.65)	OUT	$4,708,333
12/11/2009	First Business Bank, N.A., San Diego, CA [2, 10a, c]	Preferred Stock	$2,032,000													$120,186
04/10/2009	First Business Bank, N.A., San Diego, CA [2, c]	Preferred Stock w/ Exercised Warrants	$2,211,000													
12/19/2008	First California Financial Group, Inc, Westlake Village, CA	Preferred Stock w/ Warrants	$25,000,000							$2.64	$68.7	$6.26	599,042	($3.62)	OUT	$1,444,444
04/03/2009	First Capital Bancorp, Inc., Glen Ellen, VA	Preferred Stock w/ Warrants	$10,958,000							$8.13	$24.2	$6.55	250,947	$1.58	IN	$474,847
02/13/2009	First Choice Bank, Cerritos, CA [2, c]	Preferred Stock w/ Exercised Warrants	$2,200,000													$141,442
12/22/2009	First Choice Bank, Cerritos, CA [2, 10a, c]	Preferred Stock	$2,836,000													
01/23/2009	First Citizens Banc Corp, Sandusky, OH	Preferred Stock w/ Warrants	$23,184,000							$4.48	$34.5	$7.41	469,312	($2.93)	OUT	$1,230,040
03/20/2009	First Colebrook Bancorp, Inc., Colebrook, NH [2]	Preferred Stock w/ Exercised Warrants	$4,500,000													$221,406

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
05/15/2009	First Community Bancshares, Inc, Overland Park, KS [2, b]	Preferred Stock w/ Exercised Warrants	$14,800,000													$604,950
12/23/2008	First Community Bank Corporation of America, Pinellas Park, FL	Preferred Stock w/ Warrants	$10,685,000							$2.25	$9.3	$7.02	228,312	($4.77)	OUT	$611,420
11/21/2008	First Community Bankshares Inc., Bluefield, VA [5]	Preferred Stock w/ Warrants	$41,500,000	07/08/2009	$41,500,000	$0				$12.37	$219.8	$35.26	88,273	($22.89)	OUT	$1,308,403
11/21/2008	First Community Corporation, Lexington, SC	Preferred Stock w/ Warrants	$11,350,000							$6.20	$20.2	$8.69	195,915	($2.49)	OUT	$699,917
12/11/2009	First Community Financial Partners, Inc., Joliet, IL [2]	Preferred Stock w/ Exercised Warrants	$22,000,000													$213,156
12/05/2008	First Defiance Financial Corp., Defiance, OH	Preferred Stock w/ Warrants	$37,000,000							$10.12	$82.2	$10.08	550,595	$0.04	IN	$2,209,722
09/11/2009	First Eagle Bancshares, Inc., Hanover Park, IL [8]	Subordinated Debentures w/ Exercised Warrants	$7,500,000													$269,180
02/06/2009	First Express of Nebraska, Inc., Gering, NE [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$279,313
03/06/2009	First Federal Bancshares of Arkansas, Inc., Harrison, AR	Preferred Stock w/ Warrants	$16,500,000							$3.65	$17.7	$7.69	321,847	($4.04)	OUT	$570,625
12/23/2008	First Financial Bancorp, Cincinnati, OH [5, b]	Preferred Stock w/ Warrants	$80,000,000	02/24/2010	$80,000,000	$0				$17.78	$1,028.1	$12.90	465,117	$4.88	IN	$4,677,778
06/12/2009	First Financial Bancshares, Inc., Lawrence, KS [8, 10]	Subordinated Debentures w/ Exercised Warrants	$3,756,000													$205,744
12/05/2008	First Financial Holdings Inc., Charleston, SC [b]	Preferred Stock w/ Warrants	$65,000,000							$15.06	$248.9	$20.17	241,696	($5.11)	OUT	$3,881,944
01/09/2009	First Financial Service Corporation, Elizabethtown, KY	Preferred Stock w/ Warrants	$20,000,000							$8.75	$41.3	$13.89	215,983	($5.14)	OUT	$1,100,000
12/22/2009	First Freedom Bancshares, Inc., Lebanon, TN [2, 10]	Preferred Stock w/ Exercised Warrants	$8,700,000													$67,500
02/27/2009	First Gothenburg Bancshares, Inc., Gothenburg, NE [2]	Preferred Stock w/ Exercised Warrants	$7,570,000													$398,856
08/28/2009	First Guaranty Bancshares, Inc., Hammond, LA [2]	Preferred Stock w/ Exercised Warrants	$20,699,000													$523,104
11/14/2008	First Horizon National Corporation, Memphis, TN	Preferred Stock w/ Warrants	$866,540,000							$14.05	$3,125.2	$9.32	13,954,779	$4.74	IN	$54,279,103
08/28/2009	First Independence Corporation, Detroit, MI [2, 3]	Preferred Stock	$3,223,000													$74,756
03/13/2009	First Intercontinental Bank, Doraville, GA [2]	Preferred Stock w/ Exercised Warrants	$6,398,000													$321,579
12/12/2008	First Litchfield Financial Corporation, Litchfield, CT	Preferred Stock w/ Warrants	$10,000,000							$14.95	$35.2	$7.53	199,203	$7.42	IN	$587,500
02/27/2009	First M&F Corporation, Kosciusko, MS	Preferred Stock w/ Warrants	$30,000,000							$3.15	$28.8	$8.77	513,113	($5.62)	OUT	$1,450,000
01/16/2009	First Manitowoc Bancorp, Inc., Manitowoc, WI [2, 4, 7]	Preferred Stock w/ Exercised Warrants	$12,000,000	05/27/2009	$12,000,000	$0	05/27/2009	R	$600,000							$237,983
02/13/2009	First Menasha Bancshares, Inc., Neenah, WI [2]	Preferred Stock w/ Exercised Warrants	$4,797,000													$262,902
02/20/2009	First Merchants Corporation, Muncie, IN	Preferred Stock w/ Warrants	$116,000,000							$6.96	$177.5	$17.55	991,453	($10.59)	OUT	$5,719,444
12/05/2008	First Midwest Bancorp, Inc., Itasca, IL	Preferred Stock w/ Warrants	$193,000,000							$13.55	$1,003.1	$22.18	1,305,230	($8.63)	OUT	$11,526,389
03/13/2009	First National Corporation, Strasburg, VA [2]	Preferred Stock w/ Exercised Warrants	$13,900,000													$698,630
03/20/2009	First NBC Bank Holding Company, New Orleans, LA [2]	Preferred Stock w/ Exercised Warrants	$17,836,000													$877,572

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
11/21/2008	First Niagara Financial Group, Lockport, NY [5, 9]	Preferred Stock w/ Warrants	$184,011,000	05/27/2009	$184,011,000	$0	06/24/2009	R	$2,700,000	$14.23	$2,682.4					$4,753,618
03/13/2009	First Northern Community Bancorp, Dixon, CA	Preferred Stock w/ Warrants	$17,390,000							$4.89	$44.3	$7.39	352,977	($2.50)	OUT	$801,872
11/21/2008	First PacTrust Bancorp, Inc., Chula Vista, CA	Preferred Stock w/ Warrants	$19,300,000							$7.77	$33.0	$10.31	280,795	($2.54)	OUT	$1,190,167
03/13/2009	First Place Financial Corp., Warren, OH	Preferred Stock w/ Warrants	$72,927,000							$3.99	$67.7	$2.98	3,670,822	$1.01	IN	$3,362,744
12/18/2009	First Priority Financial Corp., Malvern, PA [2, 10a, c]	Preferred Stock	$4,596,000													$282,479
02/20/2009	First Priority Financial Corp., Malvern, PA [2, c]	Preferred Stock w/ Exercised Warrants	$4,579,000													
03/06/2009	First Reliance Bancshares, Inc., Florence, SC [2]	Preferred Stock w/ Exercised Warrants	$15,349,000													$787,686
12/11/2009	First Resource Bank, Exton, PA [2, 10a, c]	Preferred Stock	$2,417,000													$169,089
01/30/2009	First Resource Bank, Exton, PA [2, c]	Preferred Stock w/ Exercised Warrants	$2,600,000													
01/09/2009	First Security Group, Inc., Chattanooga, TN	Preferred Stock w/ Warrants	$33,000,000							$2.16	$35.5	$6.01	823,627	($3.85)	OUT	$1,402,500
12/23/2008	First Sound Bank, Seattle, WA	Preferred Stock w/ Warrants	$7,400,000							$0.49	$1.0	$9.73	114,080	($9.24)	OUT	$330,944
07/17/2009	First South Bancorp, Inc., Lexington, TN [8]	Subordinated Debentures w/ Exercised Warrants	$50,000,000													$2,423,777
01/30/2009	First Southern Bancorp, Inc., Boca Raton, FL [2]	Preferred Stock w/ Exercised Warrants	$10,900,000													$618,802
03/06/2009	First Southwest Bancorporation, Inc., Alamosa, CO [2]	Preferred Stock w/ Exercised Warrants	$5,500,000													$207,327
02/27/2009	First State Bank of Mobeetie, Mobeetie, TX [2]	Preferred Stock w/ Exercised Warrants	$731,000													$38,551
03/06/2009	First Texas BHC, Inc., Fort Worth, TX [2]	Preferred Stock w/ Exercised Warrants	$13,533,000													$694,554
06/05/2009	First Trust Corporation, New Orleans, LA [8]	Subordinated Debentures w/ Exercised Warrants	$17,969,000													$1,046,896
01/23/2009	First ULB Corp., Oakland, CA [2, 4, 7]	Preferred Stock w/ Exercised Warrants	$4,900,000	04/22/2009	$4,900,000	$0	04/22/2009	R	$245,000							$66,021
01/30/2009	First United Corporation, Oakland, MD	Preferred Stock w/ Warrants	$30,000,000							$6.00	$36.9	$13.79	326,323	($7.79)	OUT	$1,562,500
06/12/2009	First Vernon Bancshares, Inc., Vernon, AL [2, 10]	Preferred Stock w/ Exercised Warrants	$6,000,000													$217,384
12/11/2009	First Western Financial, Inc., Denver, CO [2, 10a, c]	Preferred Stock	$11,881,000													$583,740
02/06/2009	First Western Financial, Inc., Denver, CO [2, c]	Preferred Stock w/ Exercised Warrants	$8,559,000													
01/30/2009	Firstbank Corporation, Alma, MI	Preferred Stock w/ Warrants	$33,000,000							$5.90	$45.7	$8.55	578,947	($2.65)	OUT	$1,718,750
01/09/2009	FirstMerit Corporation, Akron, OH [4]	Preferred Stock w/ Warrants	$125,000,000	04/22/2009	$125,000,000	$0	05/27/2009	R	$5,025,000	$21.57	$1,875.4					$1,788,194
01/30/2009	Flagstar Bancorp, Inc., Troy, MI	Preferred Stock w/ Warrants	$266,657,000							$0.60	$837.0	$0.62	64,513,790	($0.02)	OUT	$13,888,384
07/24/2009	Florida Bank Group, Inc., Tampa, FL [2]	Preferred Stock w/ Exercised Warrants	$20,471,000													$622,938
02/20/2009	Florida Business BancGroup, Inc., Tampa, FL [2]	Preferred Stock w/ Exercised Warrants	$9,495,000													$510,313
12/19/2008	Flushing Financial Corporation, Lake Success, NY [5, 9]	Preferred Stock w/ Warrants	$70,000,000	10/28/2009	$70,000,000	$0	12/30/2009	R	$900,000	$12.66	$394.4					$3,004,167
02/27/2009	FNB Bancorp, South San Francisco, CA [2]	Preferred Stock w/ Exercised Warrants	$12,000,000													$632,200

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
02/13/2009	FNB United Corp., Asheboro, NC	Preferred Stock w/ Warrants	$51,500,000							$1.21	$13.8	$3.50	2,207,143	($2.29)	OUT	$2,589,305
05/15/2009	Foresight Financial Group, Inc., Rockford, IL [2]	Preferred Stock w/ Exercised Warrants	$15,000,000													$613,125
05/22/2009	Fort Lee Federal Savings Bank, Fort Lee, NJ [2]	Preferred Stock w/ Exercised Warrants	$1,300,000													$51,760
04/03/2009	Fortune Financial Corporation, Arnold, MO [2]	Preferred Stock w/ Exercised Warrants	$3,100,000													$146,424
12/05/2008	FPB Bancorp, Inc., Port St. Lucie, FL	Preferred Stock w/ Warrants	$5,800,000							$1.22	$2.5	$4.75	183,158	($3.53)	OUT	$273,889
01/23/2009	FPB Financial Corp., Hammond, LA [2, 4]	Preferred Stock w/ Exercised Warrants	$3,240,000	12/16/2009	$1,000,000	$2,240,000										$179,177
05/22/2009	Franklin Bancorp, Inc., Washington, MO [2]	Preferred Stock w/ Exercised Warrants	$5,097,000													$202,948
05/08/2009	Freeport Bancshares, Inc., Freeport, IL [8]	Subordinated Debentures w/ Exercised Warrants	$3,000,000													$193,668
06/26/2009	Fremont Bancorporation, Fremont, CA [8]	Subordinated Debentures w/ Exercised Warrants	$35,000,000													$1,867,955
01/23/2009	Fresno First Bank, Fresno, CA [2]	Preferred Stock w/ Exercised Warrants	$1,968,000													$80,415
04/24/2009	Frontier Bancshares, Inc., Austin, TX [8, 4]	Subordinated Debentures w/ Exercised Warrants	$3,000,000	11/24/2009	$1,600,000	$1,400,000										$175,737
12/23/2008	Fulton Financial Corporation, Lancaster, PA	Preferred Stock w/ Warrants	$376,500,000							$10.20	$1,800.0	$10.25	5,509,756	($0.05)	OUT	$21,544,167
05/08/2009	Gateway Bancshares, Inc., Ringgold, GA [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$251,608
02/06/2009	Georgia Commerce Bancshares, Inc., Atlanta, GA [2]	Preferred Stock w/ Exercised Warrants	$8,700,000													$486,004
05/01/2009	Georgia Primary Bank, Atlanta, GA [2]	Preferred Stock w/ Exercised Warrants	$4,500,000													$0
03/06/2009	Germantown Capital Corporation, Inc., Germantown, TN [2]	Preferred Stock w/ Exercised Warrants	$4,967,000													$254,881
06/26/2009	Gold Canyon Bank, Gold Canyon, AZ [2, 10]	Preferred Stock w/ Exercised Warrants	$1,607,000													$53,860
01/30/2009	Goldwater Bank, N.A., Scottsdale, AZ [2]	Preferred Stock w/ Exercised Warrants	$2,568,000													$145,750
04/24/2009	Grand Capital Corporation, Tulsa, OK [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$176,217
09/25/2009	Grand Financial Corporation, Hattiesburg, MS [8]	Subordinated Debentures w/ Exercised Warrants	$2,443,320													$79,710
05/29/2009	Grand Mountain Bancshares, Inc., Granby, CO [2]	Preferred Stock w/ Exercised Warrants	$3,076,000													$0
12/11/2009	GrandSouth Bancorporation, Greenville, SC [2, 10a, c]	Preferred Stock	$6,319,000													$595,719
01/09/2009	GrandSouth Bancorporation, Greenville, SC [2, c]	Preferred Stock w/ Exercised Warrants	$9,000,000													
07/17/2009	Great River Holding Company, Baxter, MN [8]	Subordinated Debentures w/ Exercised Warrants	$8,400,000													$407,195
12/05/2008	Great Southern Bancorp, Springfield, MO	Preferred Stock w/ Warrants	$58,000,000							$22.44	$301.3	$9.57	909,091	$12.87	IN	$3,463,889
12/23/2008	Green Bankshares, Inc., Greeneville, TN	Preferred Stock w/ Warrants	$72,278,000							$8.16	$107.5	$17.06	635,504	($8.90)	OUT	$4,135,908
02/27/2009	Green Circle Investments, Inc., Clive, IA [2]	Preferred Stock w/ Exercised Warrants	$2,400,000													$126,440
02/27/2009	Green City Bancshares, Inc., Green City, MO [2]	Preferred Stock w/ Exercised Warrants	$651,000													$34,336

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				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
01/30/2009	Greer Bancshares Incorporated, Greer, SC [2]	Preferred Stock w/ Exercised Warrants	$9,993,000													$567,344
02/13/2009	Gregg Bancshares, Inc., Ozark, MO [2]	Preferred Stock w/ Exercised Warrants	$825,000													$45,190
02/20/2009	Guaranty Bancorp, Inc., Woodsville, NH [2]	Preferred Stock w/ Exercised Warrants	$6,920,000													$371,902
09/25/2009	Guaranty Capital Corporation, Belzoni, MS [3, 8]	Subordinated Debentures	$14,000,000													$419,216
01/30/2009	Guaranty Federal Bancshares, Inc., Springfield, MO	Preferred Stock w/ Warrants	$17,000,000							$5.30	$14.0	$5.55	459,459	($0.25)	OUT	$885,417
09/25/2009	GulfSouth Private Bank, Destin, FL [10, 21]	Preferred Stock w/ Exercised Warrants	$7,500,000													$312,724
06/26/2009	Gulfstream Bancshares, Inc., Stuart, FL [2]	Preferred Stock w/ Exercised Warrants	$7,500,000													$260,010
02/20/2009	Hamilton State Bancshares, Hoschton, GA [2]	Preferred Stock w/ Exercised Warrants	$7,000,000													$376,202
12/31/2008	Hampton Roads Bankshares, Inc., Norfolk, VA	Preferred Stock w/ Warrants	$80,347,000							$1.56	$34.1	$9.09	1,325,858	($7.53)	OUT	$2,510,844
07/17/2009	Harbor Bankshares Corporation, Baltimore, MD [2,3]	Preferred Stock	$6,800,000													$111,444
06/26/2009	Hartford Financial Services Group, Inc., Hartford, CT [4]	Preferred Stock w/ Warrants	$3,400,000,000	03/31/2010	$3,400,000,000	$0				$28.42	$12,401.9	$9.79	52,093,973	$18.63	IN	$129,861,111
03/13/2009	Haviland Bancshares, Inc., Haviland, KS [2]	Preferred Stock w/ Exercised Warrants	$425,000													$21,341
12/19/2008	Hawthorn Bancshares, Inc., Lee's Summit, MO	Preferred Stock w/ Warrants	$30,255,000							$11.69	$50.3	$17.78	255,261	($6.09)	OUT	$1,748,067
03/06/2009	HCSB Financial Corporation, Loris, SC	Preferred Stock w/ Warrants	$12,895,000							$5.25	$19.9	$21.09	91,714	($15.84)	OUT	$607,140
09/11/2009	Heartland Bancshares, Inc., Franklin, IN [2, 10]	Preferred Stock w/ Exercised Warrants	$7,000,000													$66,190
12/19/2008	Heartland Financial USA, Inc., Dubuque, IA	Preferred Stock w/ Warrants	$81,698,000							$15.97	$261.1	$20.10	609,687	($4.13)	OUT	$4,720,329
09/25/2009	Heritage Bankshares, Inc., Norfolk, VA [2, 10]	Preferred Stock w/ Exercised Warrants	$10,103,000													$207,052
11/21/2008	Heritage Commerce Corp., San Jose, CA	Preferred Stock w/ Warrants	$40,000,000							$4.18	$49.4	$12.96	462,963	($8.78)	OUT	$1,466,667
11/21/2008	Heritage Financial Corporation, Olympia, WA [b]	Preferred Stock w/ Warrants	$24,000,000							$15.09	$167.6	$13.04	138,037	$2.05	IN	$1,480,000
03/20/2009	Heritage Oaks Bancorp, Paso Robles, CA	Preferred Stock w/ Warrants	$21,000,000							$3.94	$30.6	$5.15	611,650	($1.21)	OUT	$947,916
11/21/2008	HF Financial Corp., Sioux Falls, SD [4]	Preferred Stock w/ Warrants	$25,000,000	06/03/2009	$25,000,000	$0	06/30/2009	R	$650,000	$10.10	$70.1					$666,667
03/06/2009	Highlands Independent Bancshares, Inc., Sebring, FL [2]	Preferred Stock w/ Exercised Warrants	$6,700,000													$343,850
12/22/2009	Highlands State Bank, Vernon, NJ [2, 10a, c]	Preferred Stock	$2,359,000													$147,016
05/08/2009	Highlands State Bank, Vernon, NJ [2, c]	Preferred Stock w/ Exercised Warrants	$3,091,000													
01/30/2009	Hilltop Community Bancorp, Inc., Summit, NJ [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$227,083
12/23/2008	HMN Financial, Inc., Rochester, MN	Preferred Stock w/ Warrants	$26,000,000							$5.50	$23.7	$4.68	833,333	$0.82	IN	$1,487,778
01/16/2009	Home Bancshares, Inc., Conway, AR [b]	Preferred Stock w/ Warrants	$50,000,000							$26.44	$679.9	$26.03	144,065	$0.41	IN	$2,701,389

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				Capital Repayment Details			Final Disposition					Warrant and Market Data for Publicly Traded Companies				
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02/20/2009	Hometown Bancorp of Alabama, Inc., Oneonta, AL [2]	Preferred Stock w/ Exercised Warrants	$3,250,000													$174,710
02/13/2009	Hometown Bancshares, Inc., Corbin, KY [2]	Preferred Stock w/ Exercised Warrants	$1,900,000													$104,125
09/18/2009	HomeTown Bankshares Corporation, Roanoke, VA [2, 10]	Preferred Stock w/ Exercised Warrants	$10,000,000													$217,911
12/12/2008	HopFed Bancorp, Hopkinsville, KY	Preferred Stock w/ Warrants	$18,400,000							$12.01	$43.2	$11.32	243,816	$0.69	IN	$1,081,000
12/19/2008	Horizon Bancorp, Michigan City, IN	Preferred Stock w/ Warrants	$25,000,000							$19.30	$63.5	$17.68	212,104	$1.62	IN	$1,444,444
02/27/2009	Howard Bancorp, Inc., Ellicott City, MD [2]	Preferred Stock w/ Exercised Warrants	$5,983,000													$315,191
11/13/2009	HPK Financial Corporation, Chicago, IL [2, 10a, c]	Preferred Stock w/ Exercised Warrants	$5,000,000													$239,179
05/01/2009	HPK Financial Corporation, Chicago, IL [2, c]	Preferred Stock w/ Exercised Warrants	$4,000,000													
11/14/2008	Huntington Bancshares, Columbus, OH	Preferred Stock w/ Warrants	$1,398,071,000							$5.39	$3,862.8	$8.90	23,562,994	($3.51)	OUT	$87,573,615
02/06/2009	Hyperion Bank, Philadelphia, PA [2]	Preferred Stock w/ Exercised Warrants	$1,552,000													$86,736
09/18/2009	IA Bancorp, Inc., Iselin, NJ [2, 10]	Preferred Stock w/ Exercised Warrants	$5,976,000													$128,588
05/15/2009	IBC Bancorp, Inc., Chicago, IL [3, 8]	Subordinated Debentures	$4,205,000													$242,839
12/05/2008	Iberiabank Corporation, Lafayette, LA [5, 9]	Preferred Stock w/ Warrants	$90,000,000	03/31/2009	$90,000,000	$0	05/20/2009	R	$1,200,000	$60.01	$1,604.7					$1,450,000
03/27/2009	IBT Bancorp, Inc., Irving, TX [2]	Preferred Stock w/ Exercised Warrants	$2,295,000													$110,505
03/13/2009	IBW Financial Corporation, Washington, DC [2, 3a - 11/13/2009]	Preferred Stock	$6,000,000													$288,067
03/06/2009	ICB Financial, Ontario, CA [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$307,925
01/16/2009	Idaho Bancorp, Boise, ID [2]	Preferred Stock w/ Exercised Warrants	$6,900,000													$124,306
12/29/2009	Illinois State Bancorp, Inc., Chicago, IL [2, 10a, c]	Preferred Stock w/ Exercised Warrants	$4,000,000													$276,361
05/22/2009	Illinois State Bancorp, Inc., Chicago, IL [2, c]	Preferred Stock w/ Exercised Warrants	$6,272,000													
01/09/2009	Independence Bank, East Greenwich, RI [2]	Preferred Stock w/ Exercised Warrants	$1,065,000													$63,822
01/09/2009	Independent Bank Corp., Rockland, MA [4]	Preferred Stock w/ Warrants	$78,158,000	04/22/2009	$78,158,000	$0	05/27/2009	R	$2,200,000	$24.66	$516.3					$1,118,094
12/12/2008	Independent Bank Corporation, Ionia, MI	Preferred Stock w/ Warrants	$72,000,000							$0.70	$16.8	$3.12	3,461,538	($2.42)	OUT	$2,430,000
04/24/2009	Indiana Bank Corp., Dana, IN [2]	Preferred Stock w/ Exercised Warrants	$1,312,000													$57,829
12/12/2008	Indiana Community Bancorp, Columbus, IN	Preferred Stock w/ Warrants	$21,500,000							$9.15	$30.7	$17.09	188,707	($7.94)	OUT	$1,263,125
02/27/2009	Integra Bank Corporation, Evansville, IN	Preferred Stock w/ Warrants	$83,586,000							$0.62	$13.0	$1.69	7,418,876	($1.07)	OUT	$1,950,340
12/19/2008	Intermountain Community Bancorp, Sandpoint, ID	Preferred Stock w/ Warrants	$27,000,000							$2.02	$17.0	$6.20	653,226	($4.18)	OUT	$1,222,500
12/23/2008	International Bancshares Corporation, Laredo, TX	Preferred Stock w/ Warrants	$216,000,000							$23.01	$1,567.1	$24.43	1,326,238	($1.42)	OUT	$12,360,000
12/23/2008	Intervest Bancshares Corporation, New York, NY	Preferred Stock w/ Warrants	$25,000,000							$3.90	$32.3	$5.42	691,882	($1.52)	OUT	$1,118,056
05/08/2009	Investors Financial Corporation of Pettis County, Inc., Sedalia, MO [8]	Subordinated Debentures w/ Exercised Warrants	$4,000,000													$174,325

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
10/28/2008	JPMorgan Chase & Co., New York, NY [4]	Preferred Stock w/ Warrants	$25,000,000,000	06/17/2009	$25,000,000,000	$0	12/10/2009	A	$950,318,243	$44.75	$177,792.2					$795,138,889
01/30/2009	Katahdin Bankshares Corp., Houlton, ME [2]	Preferred Stock w/ Exercised Warrants	$10,449,000													$593,156
11/14/2008	KeyCorp, Cleveland, OH	Preferred Stock w/ Warrants	$2,500,000,000							$7.75	$6,850.6	$10.64	35,244,361	($2.89)	OUT	$156,597,222
03/20/2009	Kirksville Bancorp, Inc., Kirksville, MO [2]	Preferred Stock w/ Exercised Warrants	$470,000													$23,165
08/21/2009	KS Bancorp, Inc., Smithfield, NC [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$105,367
12/29/2009	Lafayette Bancorp, Inc., Oxford, MS [2, 10a, c]	Preferred Stock	$2,453,000													$123,059
02/20/2009	Lafayette Bancorp, Inc., Oxford, MS [2, c]	Preferred Stock w/ Exercised Warrants	$1,998,000													
02/06/2009	Lakeland Bancorp, Inc., Oak Ridge, NJ	Preferred Stock w/ Warrants	$59,000,000							$8.85	$211.6	$9.32	949,571	($0.47)	OUT	$3,023,750
02/27/2009	Lakeland Financial Corporation, Warsaw, IN [b]	Preferred Stock w/ Warrants	$56,044,000							$19.05	$306.6	$21.20	198,269	($2.15)	OUT	$2,708,793
12/18/2009	Layton Park Financial Group, Milwaukee, WI [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$25,888
01/09/2009	LCNB Corp., Lebanon, OH [4]	Preferred Stock w/ Warrants	$13,400,000	10/21/2009	$13,400,000	$0				$12.00	$80.2	$9.26	217,063	$2.74	IN	$524,833
12/23/2008	Leader Bancorp, Inc., Arlington, MA [2]	Preferred Stock w/ Exercised Warrants	$5,830,000													$363,682
01/30/2009	Legacy Bancorp, Inc., Milwaukee, WI [3]	Preferred Stock	$5,498,000													$286,354
12/04/2009	Liberty Bancshares, Inc., Fort Worth, TX [2, 10]	Preferred Stock w/ Exercised Warrants	$6,500,000													$67,576
01/23/2009	Liberty Bancshares, Inc., Jonesboro, AR [2]	Preferred Stock w/ Exercised Warrants	$57,500,000													$3,325,257
02/13/2009	Liberty Bancshares, Inc., Springfield, MO [2]	Preferred Stock w/ Exercised Warrants	$21,900,000													$1,200,181
02/06/2009	Liberty Financial Services, Inc., New Orleans, LA [3]	Preferred Stock	$5,645,000													$289,306
02/20/2009	Liberty Shares, Inc., Hinesville, GA [2]	Preferred Stock w/ Exercised Warrants	$17,280,000													$928,680
07/10/2009	Lincoln National Corporation, Radnor, PA	Preferred Stock w/ Warrants	$950,000,000							$30.70	$9,279.4	$10.92	13,049,451	$19.78	IN	$28,368,054
12/12/2008	LNB Bancorp Inc., Lorain, OH	Preferred Stock w/ Warrants	$25,223,000							$4.45	$32.8	$6.74	561,343	($2.29)	OUT	$1,481,852
02/06/2009	Lone Star Bank, Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$3,072,000													$0
12/12/2008	LSB Corporation, North Andover, MA [4]	Preferred Stock w/ Warrants	$15,000,000	11/18/2009	$15,000,000	$0	12/16/2009	R	$560,000	$12.50	$56.3					$700,000
06/26/2009	M&F Bancorp, Inc., Durham, NC [2, 3, 10]	Preferred Stock	$11,735,000													$373,238
11/14/2008	M&T Bank Corporation (Provident Bancshares Corp.), Baltimore, MD [d]	Preferred Stock w/ Warrants	$151,500,000							$79.38	$9,423.2	$55.76	407,542	$23.62	IN	$9,489,792
12/23/2008	M&T Bank Corporation, Buffalo, NY	Preferred Stock w/ Warrants	$600,000,000							$79.38	$9,423.2	$73.86	1,218,522	$5.52	IN	$34,333,333
04/24/2009	Mackinac Financial Corporation, Manistique, MI	Preferred Stock w/ Warrants	$11,000,000							$4.72	$16.1	$4.35	379,310	$0.37	IN	$444,583
03/13/2009	Madison Financial Corporation, Richmond, KY [2]	Preferred Stock w/ Exercised Warrants	$3,370,000													$169,422
12/23/2008	Magna Bank, Memphis, TN [2-4]	Preferred Stock w/ Exercised Warrants	$13,795,000	11/24/2009	$3,455,000	$10,340,000										$821,582

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/29/2009	Mainline Bancorp, Inc., Ebensburg, PA [2]	Preferred Stock w/ Exercised Warrants	$4,500,000													$31,338
01/16/2009	MainSource Financial Group, Inc., Greensburg, IN	Preferred Stock w/ Warrants	$57,000,000							$6.73	$135.5	$14.95	571,906	($8.22)	OUT	$3,079,583
12/05/2008	Manhattan Bancorp, El Segundo, CA [4]	Preferred Stock w/ Warrants	$1,700,000	09/16/2009	$1,700,000	$0	10/14/2009	R	$63,364	$6.75	$26.9					$66,347
06/19/2009	Manhattan Bancshares, Inc., Manhattan, IL [8]	Subordinated Debentures w/ Exercised Warrants	$2,639,000													$145,153
03/06/2009	Marine Bank & Trust Company, Vero Beach, FL [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$153,963
02/20/2009	Market Bancorporation, Inc., New Market, MN [2]	Preferred Stock w/ Exercised Warrants	$2,060,000													$110,710
05/15/2009	Market Street Bancshares, Inc., Mt. Vernon, IL [8]	Subordinated Debentures w/ Exercised Warrants	$20,300,000													$1,277,378
12/19/2008	Marquette National Corporation, Chicago, IL [2]	Preferred Stock w/ Exercised Warrants	$35,500,000													$2,235,712
11/14/2008	Marshall & Ilsley Corporation, Milwaukee, WI	Preferred Stock w/ Warrants	$1,715,000,000							$8.05	$4,241.3	$18.62	13,815,789	($10.57)	OUT	$107,425,694
03/27/2009	Maryland Financial Bank, Towson, MD [2]	Preferred Stock w/ Exercised Warrants	$1,700,000													$35,516
12/05/2008	MB Financial Inc., Chicago, IL [b]	Preferred Stock w/ Warrants	$196,000,000							$22.53	$1,164.0	$29.05	506,024	($6.52)	OUT	$11,705,556
11/20/2009	McLeod Bancshares, Inc., Shorewood, MN [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$77,208
12/22/2009	Medallion Bank, Salt Lake City, UT [2, 10a, c]	Preferred Stock w/ Exercised Warrants	$9,698,000													$693,780
02/27/2009	Medallion Bank, Salt Lake City, UT [2, c]	Preferred Stock w/ Exercised Warrants	$11,800,000													
05/15/2009	Mercantile Bank Corporation, Grand Rapids, MI	Preferred Stock w/ Warrants	$21,000,000							$3.97	$34.1	$5.11	616,438	($1.14)	OUT	$787,500
02/06/2009	Mercantile Capital Corp., Boston, MA [2]	Preferred Stock w/ Exercised Warrants	$3,500,000													$195,518
06/19/2009	Merchants and Manufacturers Bank Corporation, Joliet, IL [2]	Preferred Stock w/ Exercised Warrants	$3,510,000													$125,434
03/06/2009	Merchants and Planters Bancshares, Inc., Toone, TN [2]	Preferred Stock w/ Exercised Warrants	$1,881,000													$96,530
12/11/2009	Meridian Bank, Devon, PA [2, 10a, c]	Preferred Stock	$6,335,000													$396,088
02/13/2009	Meridian Bank, Devon, PA [2, c]	Preferred Stock w/ Exercised Warrants	$6,200,000													
01/30/2009	Metro City Bank, Doraville, GA [2]	Preferred Stock w/ Exercised Warrants	$7,700,000													$437,136
01/16/2009	MetroCorp Bancshares, Inc., Houston, TX	Preferred Stock w/ Warrants	$45,000,000							$2.83	$31.2	$8.75	771,429	($5.92)	OUT	$2,431,250
06/26/2009	Metropolitan Bank Group, Inc., Chicago, IL [2]	Preferred Stock w/ Exercised Warrants	$71,526,000													$2,479,650
11/20/2009	Metropolitan Capital Bancorp, Inc., Chicago, IL [2, 10a, c]	Preferred Stock	$2,348,000													$121,914
04/10/2009	Metropolitan Capital Bancorp, Inc., Chicago, IL [2, c]	Preferred Stock w/ Exercised Warrants	$2,040,000													
12/19/2008	Mid Penn Bancorp, Inc., Millersburg, PA	Preferred Stock w/ Warrants	$10,000,000							$10.00	$34.8	$20.52	73,099	($10.52)	OUT	$577,778
01/30/2009	Middleburg Financial Corporation, Middleburg, VA [5, b]	Preferred Stock w/ Warrants	$22,000,000	12/23/2009	$22,000,000	$0				$15.06	$104.2	$15.85	104,101	($0.79)	OUT	$986,944

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				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
01/23/2009	Midland States Bancorp, Inc., Effingham, IL [2, 4, 7]	Preferred Stock w/ Exercised Warrants	$10,189,000	12/23/2009	$10,189,000	$0	12/23/2009	R	$509,000							$508,989
01/09/2009	MidSouth Bancorp, Inc., Lafayette, LA [b]	Preferred Stock w/ Warrants	$20,000,000							$16.50	$160.4	$14.37	104,384	$2.13	IN	$1,100,000
02/27/2009	Midtown Bank & Trust Company, Atlanta, GA [2]	Preferred Stock w/ Exercised Warrants	$5,222,000													$275,104
12/05/2008	Midwest Banc Holdings, Inc., Melrose Park, IL [20]	Mandatory Convertible Preferred Stock w/ Warrants	$89,388,000								$9.0	$2.97	4,282,020			$824,289
02/13/2009	Midwest Regional Bancorp, Inc., Festus, MO [2, 4, 7]	Preferred Stock w/ Exercised Warrants	$700,000	11/10/2009	$700,000	$0	11/10/2009	R	$35,000							$28,294
02/06/2009	MidWestOne Financial Group, Inc., Iowa City, IA	Preferred Stock w/ Warrants	$16,000,000							$11.79	$101.5	$12.08	198,675	($0.29)	OUT	$820,000
02/20/2009	Mid-Wisconsin Financial Services, Inc., Medford, WI [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$537,431
04/03/2009	Millennium Bancorp, Inc., Edwards, CO [2]	Preferred Stock w/ Exercised Warrants	$7,260,000													$342,914
01/09/2009	Mission Community Bancorp, San Luis Obispo, CA [3]	Preferred Stock	$5,116,000													$281,380
12/23/2008	Mission Valley Bancorp, Sun Valley, CA [3]	Preferred Stock	$5,500,000													$314,722
12/19/2008	Monadnock Bancorp, Inc., Peterborough, NH [2]	Preferred Stock w/ Exercised Warrants	$1,834,000													$115,532
02/06/2009	Monarch Community Bancorp, Inc., Coldwater, MI	Preferred Stock w/ Warrants	$6,785,000							$2.16	$4.4	$3.90	260,962	($1.74)	OUT	$262,919
12/19/2008	Monarch Financial Holdings, Inc., Chesapeake, VA [5, 9]	Preferred Stock w/ Warrants	$14,700,000	12/23/2009	$14,700,000	$0	02/10/2010	R	$260,000	$7.79	$44.4					$743,167
03/13/2009	Moneytree Corporation, Lenoir City, TN [2]	Preferred Stock w/ Exercised Warrants	$9,516,000													$478,301
01/30/2009	Monument Bank, Bethesda, MD [2]	Preferred Stock w/ Exercised Warrants	$4,734,000													$268,780
10/28/2008	Morgan Stanley, New York, NY [4]	Preferred Stock w/ Warrants	$10,000,000,000	06/17/2009	$10,000,000,000	$0	08/12/2009	R	$950,000,000	$29.29	$40,950.0					$318,055,555
01/16/2009	Morrill Bancshares, Inc., Merriam, KS [2]	Preferred Stock w/ Exercised Warrants	$13,000,000													$765,574
01/23/2009	Moscow Bancshares, Inc., Moscow, TN [2]	Preferred Stock w/ Exercised Warrants	$6,216,000													$359,494
09/25/2009	Mountain Valley Bancshares, Inc., Cleveland, GA [2]	Preferred Stock w/ Exercised Warrants	$3,300,000													$69,942
03/27/2009	MS Financial, Inc., Kingwood, TX [2]	Preferred Stock w/ Exercised Warrants	$7,723,000													$371,786
12/23/2008	MutualFirst Financial, Inc., Muncie, IN	Preferred Stock w/ Warrants	$32,382,000							$6.65	$46.5	$7.77	625,135	($1.12)	OUT	$1,852,970
03/27/2009	Naples Bancorp, Inc., Naples, FL [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$192,567
11/21/2008	Nara Bancorp, Inc., Los Angeles, CA [b]	Preferred Stock w/ Warrants	$67,000,000							$8.76	$331.3	$9.64	521,266	($0.88)	OUT	$4,131,667
02/27/2009	National Bancshares, Inc., Bettendorf, IA [2]	Preferred Stock w/ Exercised Warrants	$24,664,000													$1,299,364
12/12/2008	National Penn Bancshares, Inc., Boyertown, PA [b]	Preferred Stock w/ Warrants	$150,000,000							$6.90	$868.9	$15.30	735,294	($8.40)	OUT	$8,812,500
12/11/2009	Nationwide Bankshares, Inc., West Point, NE [8]	Subordinated Debentures w/ Exercised Warrants	$2,000,000													$29,831
06/26/2009	NC Bancorp, Inc., Chicago, IL [2]	Preferred Stock w/ Exercised Warrants	$6,880,000													$238,516
12/19/2008	NCAL Bancorp, Los Angeles, CA [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$629,778

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				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
06/19/2009	NEMO Bancshares Inc., Madison, MO [8]	Subordinated Debentures w/ Exercised Warrants	$2,330,000													$128,198
01/16/2009	New Hampshire Thrift Bancshares, Inc., Newport, NH	Preferred Stock w/ Warrants	$10,000,000							$10.49	$62.6	$8.14	184,275	$2.35	IN	$540,278
01/09/2009	New York Private Bank & Trust Corporation, New York, NY [2]	Preferred Stock w/ Exercised Warrants	$267,274,000													$16,023,106
12/12/2008	NewBridge Bancorp, Greensboro, NC	Preferred Stock w/ Warrants	$52,372,000							$3.56	$55.7	$3.06	2,567,255	$0.50	IN	$3,076,855
12/23/2008	Nicolet Bankshares, Inc., Green Bay, WI [2]	Preferred Stock w/ Exercised Warrants	$14,964,000													$933,317
01/09/2009	North Central Bancshares, Inc., Fort Dodge, IA	Preferred Stock w/ Warrants	$10,200,000							$14.30	$19.3	$15.43	99,157	($1.13)	OUT	$561,000
12/12/2008	Northeast Bancorp, Lewiston, ME	Preferred Stock w/ Warrants	$4,227,000							$14.00	$32.5	$9.33	67,958	$4.67	IN	$248,337
12/18/2009	Northern State Bank, Closter, NJ [2, 10a, c]	Preferred Stock	$1,230,000													$64,548
05/15/2009	Northern State Bank, Closter, NJ [2, c]	Preferred Stock w/ Exercised Warrants	$1,341,000													
02/20/2009	Northern States Financial Corporation, Waukegan, IL	Preferred Stock w/ Warrants	$17,211,000							$3.30	$13.4	$4.42	584,084	($1.12)	OUT	$418,322
11/14/2008	Northern Trust Corporation, Chicago, IL [4]	Preferred Stock w/ Warrants	$1,576,000,000	06/17/2009	$1,576,000,000	$0	08/26/2009	R	$87,000,000	$55.26	$13,362.3					$46,623,333
01/30/2009	Northway Financial, Inc., Berlin, NH [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$567,708
02/13/2009	Northwest Bancorporation, Inc., Spokane, WA [2]	Preferred Stock w/ Exercised Warrants	$10,500,000													$575,430
02/13/2009	Northwest Commercial Bank, Lakewood, WA [2]	Preferred Stock w/ Exercised Warrants	$1,992,000													$109,203
01/30/2009	Oak Ridge Financial Services, Inc., Oak Ridge, NC	Preferred Stock w/ Warrants	$7,700,000							$4.73	$8.5	$7.05	163,830	($2.32)	OUT	$401,042
12/05/2008	Oak Valley Bancorp, Oakdale, CA	Preferred Stock w/ Warrants	$13,500,000							$4.10	$31.5	$5.78	350,346	($1.68)	OUT	$806,250
01/16/2009	OceanFirst Financial Corp., Toms River, NJ [5, 9]	Preferred Stock w/ Warrants	$38,263,000	12/30/2009	$38,263,000	$0	02/03/2010	R	$430,797	$11.36	$213.8					$1,828,122
01/30/2009	Ojai Community Bank, Ojai, CA [2]	Preferred Stock w/ Exercised Warrants	$2,080,000													$118,083
12/05/2008	Old Line Bancshares, Inc., Bowie, MD [4]	Preferred Stock w/ Warrants	$7,000,000	07/15/2009	$7,000,000	$0	09/02/2009	R	$225,000	$7.42	$28.7					$213,889
12/12/2008	Old National Bancorp, Evansville, IN [4]	Preferred Stock w/ Warrants	$100,000,000	03/31/2009	$100,000,000	$0	05/08/2009	R	$1,200,000	$11.95	$1,041.6					$1,513,889
01/16/2009	Old Second Bancorp, Inc., Aurora, IL	Preferred Stock w/ Warrants	$73,000,000							$6.59	$91.9	$13.43	815,339	($6.84)	OUT	$3,944,028
04/17/2009	Omega Capital Corp., Lakewood, CO [2]	Preferred Stock w/ Exercised Warrants	$2,816,000													$50,310
05/08/2009	One Georgia Bank, Atlanta, GA [2]	Preferred Stock w/ Exercised Warrants	$5,500,000													$0
06/05/2009	OneFinancial Corporation, Little Rock, AR [8, 10]	Subordinated Debentures w/ Exercised Warrants	$17,300,000													$974,995
12/19/2008	OneUnited Bank, Boston, MA [3]	Preferred Stock	$12,063,000													$93,823
04/24/2009	Oregon Bancorp, Inc., Salem, OR [2]	Preferred Stock w/ Exercised Warrants	$3,216,000													$141,692
05/01/2009	OSB Financial Services, Inc., Orange, TX [8]	Subordinated Debentures w/ Exercised Warrants	$6,100,000													$147,848
11/21/2008	Pacific Capital Bancorp, Santa Barbara, CA	Preferred Stock w/ Warrants	$180,634,000							$1.81	$85.5	$17.92	1,512,003	($16.11)	OUT	$2,107,397

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/19/2008	Pacific City Financial Corporation, Los Angeles, CA [2]	Preferred Stock w/ Exercised Warrants	$16,200,000													$358,065
12/23/2008	Pacific Coast Bankers' Bancshares, San Francisco, CA [2]	Preferred Stock w/ Exercised Warrants	$11,600,000													$723,518
01/16/2009	Pacific Coast National Bancorp, San Clemente, CA [2, 19]	Preferred Stock w/ Exercised Warrants	$4,120,000	02/11/2010	-$4,120,000	$0										$18,088
12/23/2008	Pacific Commerce Bank, Los Angeles, CA [2]	Preferred Stock w/ Exercised Warrants	$4,060,000													$221,270
12/12/2008	Pacific International Bancorp, Seattle, WA	Preferred Stock w/ Warrants	$6,500,000							$4.00	$8.0	$7.63	127,785	($3.63)	OUT	$138,125
03/06/2009	Park Bancorporation, Inc., Madison, WI [2]	Preferred Stock w/ Exercised Warrants	$23,200,000													$1,190,643
12/23/2008	Park National Corporation, Newark, OH	Preferred Stock w/ Warrants	$100,000,000							$62.31	$927.4	$65.97	227,376	($3.66)	OUT	$5,722,222
01/30/2009	Parke Bancorp, Inc., Sewell, NJ	Preferred Stock w/ Warrants	$16,288,000							$9.12	$36.8	$8.15	299,779	$0.97	IN	$848,333
12/23/2008	Parkvale Financial Corporation, Monroeville, PA	Preferred Stock w/ Warrants	$31,762,000							$7.46	$41.1	$12.66	376,327	($5.20)	OUT	$1,817,492
02/06/2009	Pascack Bancorp, Inc. (Pascack Community Bank), Westwood, NJ [2, 13 - 2/10/2010]	Preferred Stock w/ Exercised Warrants	$3,756,000													$209,838
12/19/2008	Patapsco Bancorp, Inc., Dundalk, MD [2]	Preferred Stock w/ Exercised Warrants	$6,000,000													$377,867
09/11/2009	Pathfinder Bancorp, Inc., Oswego, NY	Preferred Stock w/ Warrants	$6,771,000							$7.85	$19.5	$6.58	154,354	$1.27	IN	$144,824
03/27/2009	Pathway Bancorp, Cairo, NE [2]	Preferred Stock w/ Exercised Warrants	$3,727,000													$77,852
12/19/2008	Patriot Bancshares, Inc., Houston, TX [2]	Preferred Stock w/ Exercised Warrants	$26,038,000													$1,639,826
04/17/2009	Patterson Bancshares, Inc, Patterson, LA [2]	Preferred Stock w/ Exercised Warrants	$3,690,000													$15,645
01/09/2009	Peapack-Gladstone Financial Corporation, Gladstone, NJ [4]	Preferred Stock w/ Warrants	$28,685,000	01/06/2010	$7,172,000	$21,513,000				$15.71	$137.1	$28.63	150,296	($12.92)	OUT	$1,538,827
01/30/2009	Peninsula Bank Holding Co., Palo Alto, CA	Preferred Stock w/ Warrants	$6,000,000							$6.55	$12.1	$11.02	81,670	($4.47)	OUT	$0
04/17/2009	Penn Liberty Financial Corp., Wayne, PA [2]	Preferred Stock w/ Exercised Warrants	$9,960,000													$449,334
01/30/2009	Peoples Bancorp Inc., Marietta, OH	Preferred Stock w/ Warrants	$39,000,000							$16.48	$173.0	$18.66	313,505	($2.18)	OUT	$2,031,250
12/23/2008	Peoples Bancorp of North Carolina, Inc., Newton, NC	Preferred Stock w/ Warrants	$25,054,000							$5.95	$33.0	$10.52	357,234	($4.57)	OUT	$1,433,646
02/13/2009	Peoples Bancorp, Lynden, WA [2]	Preferred Stock w/ Exercised Warrants	$18,000,000													$986,450
04/24/2009	Peoples Bancorporation, Inc., Easley, SC [2]	Preferred Stock w/ Exercised Warrants	$12,660,000													$557,726
03/20/2009	Peoples Bancshares of TN, Inc, Madisonville, TN [2]	Preferred Stock w/ Exercised Warrants	$3,900,000													$191,885
03/06/2009	PeoplesSouth Bancshares, Inc., Colquitt, GA [2]	Preferred Stock w/ Exercised Warrants	$12,325,000													$632,508
09/11/2009	PFSB Bancorporation, Inc., Pigeon Falls, WI [2, 10]	Preferred Stock w/ Exercised Warrants	$1,500,000													$34,817
02/06/2009	PGB Holdings, Inc., Chicago, IL [3]	Preferred Stock	$3,000,000													$153,750
01/23/2009	Pierce County Bancorp, Tacoma, WA [2]	Preferred Stock w/ Exercised Warrants	$6,800,000													$207,948

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
03/06/2009	Pinnacle Bank Holding Company, Inc., Orange City, FL [2]	Preferred Stock w/ Exercised Warrants	$4,389,000													$225,209
12/12/2008	Pinnacle Financial Partners, Inc., Nashville, TN [b]	Preferred Stock w/ Warrants	$95,000,000							$15.11	$503.2	$26.64	267,455	($11.53)	OUT	$5,581,250
12/19/2008	Plains Capital Corporation, Dallas, TX [2]	Preferred Stock w/ Exercised Warrants	$87,631,000													$5,518,853
07/17/2009	Plato Holdings Inc., Saint Paul, MN [8, 10]	Subordinated Debentures w/ Exercised Warrants	$2,500,000													$119,754
01/30/2009	Plumas Bancorp, Quincy, CA	Preferred Stock w/ Warrants	$11,949,000							$2.74	$13.1	$7.54	237,712	($4.80)	OUT	$622,344
12/05/2008	Popular, Inc., San Juan, PR [12]	Trust Preferred Securities w/ Warrants	$935,000,000							$2.91	$1,861.1	$6.70	20,932,836	($3.79)	OUT	$42,984,028
11/21/2008	Porter Bancorp Inc., Louisville, KY	Preferred Stock w/ Warrants	$35,000,000							$13.10	$114.7	$16.68	314,820	($3.58)	OUT	$2,158,333
04/03/2009	Prairie Star Bancshares, Inc., Olathe, KS [2]	Preferred Stock w/ Exercised Warrants	$2,800,000													$132,253
05/08/2009	Premier Bancorp, Inc., Wilmette, IL [3, 8]	Subordinated Debentures	$6,784,000													$401,933
03/20/2009	Premier Bank Holding Company, Tallahassee, FL [2]	Preferred Stock w/ Exercised Warrants	$9,500,000													$467,412
10/02/2009	Premier Financial Bancorp, Inc., Huntington, WV	Preferred Stock w/ Warrants	$22,252,000							$8.62	$68.4	$5.31	628,588	$3.31	IN	$411,044
05/22/2009	Premier Financial Corp, Dubuque, IA [8]	Subordinated Debentures w/ Exercised Warrants	$6,349,000													$389,108
02/20/2009	Premier Service Bank, Riverside, CA [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$0
02/13/2009	PremierWest Bancorp, Medford, OR	Preferred Stock w/ Warrants	$41,400,000							$0.45	$11.1	$5.70	1,090,385	($5.25)	OUT	$1,046,500
11/20/2009	Presidio Bank, San Francisco, CA [2, 10]	Preferred Stock w/ Exercised Warrants	$10,800,000													$0
01/23/2009	Princeton National Bancorp, Inc., Princeton, IL	Preferred Stock w/ Warrants	$25,083,000							$8.69	$28.7	$24.27	155,025	($15.58)	OUT	$1,330,792
12/29/2009	Private Bancorporation, Inc., Minneapolis, MN [2, 10a, b, c]	Preferred Stock	$3,262,000													$282,150
02/27/2009	Private Bancorporation, Inc., Minneapolis, MN [2, b, c]	Preferred Stock w/ Exercised Warrants	$4,960,000													
01/30/2009	PrivateBancorp, Inc., Chicago, IL [b]	Preferred Stock w/ Warrants	$243,815,000							$13.70	$977.3	$28.35	645,013	($14.65)	OUT	$12,698,698
10/02/2009	Providence Bank, Rocky Mount, NC [2, 10]	Preferred Stock w/ Exercised Warrants	$4,000,000													$79,708
03/13/2009	Provident Community Bancshares, Inc., Rock Hill, SC	Preferred Stock w/ Warrants	$9,266,000							$2.50	$4.5	$7.77	178,880	($5.27)	OUT	$427,266
02/27/2009	PSB Financial Corporation, Many, LA [2]	Preferred Stock w/ Exercised Warrants	$9,270,000													$488,418
01/16/2009	Puget Sound Bank, Bellevue, WA [2]	Preferred Stock w/ Exercised Warrants	$4,500,000													$265,007
01/16/2009	Pulaski Financial Corp, Creve Coeur, MO	Preferred Stock w/ Warrants	$32,538,000							$6.70	$70.7	$6.27	778,421	$0.43	IN	$1,757,956
02/13/2009	QCR Holdings, Inc., Moline, IL	Preferred Stock w/ Warrants	$38,237,000							$8.90	$40.8	$10.99	521,888	($2.09)	OUT	$1,922,472
10/30/2009	Randolph Bank & Trust Company, Asheboro, NC [2]	Preferred Stock w/ Exercised Warrants	$6,229,000													$99,003
06/19/2009	RCB Financial Corporation, Rome, GA [2, 10]	Preferred Stock w/ Exercised Warrants	$8,900,000													$307,534
01/16/2009	Redwood Capital Bancorp, Eureka, CA [2]	Preferred Stock w/ Exercised Warrants	$3,800,000													$223,783
01/09/2009	Redwood Financial Inc., Redwood Falls, MN [2]	Preferred Stock w/ Exercised Warrants	$2,995,000													$179,576

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
03/06/2009	Regent Bancorp, Inc., Davie, FL [2]	Preferred Stock w/ Exercised Warrants	$9,982,000													$512,276
02/27/2009	Regent Capital Corporation, Nowata, OK [2]	Preferred Stock w/ Exercised Warrants	$2,655,000													$139,896
10/23/2009	Regents Bancshares, Inc., Vancouver, WA [2, 10]	Preferred Stock w/ Exercised Warrants	$12,700,000													$208,223
02/13/2009	Regional Bankshares, Inc., Hartsville, SC [2]	Preferred Stock w/ Exercised Warrants	$1,500,000													$82,204
11/14/2008	Regions Financial Corporation, Birmingham, AL	Preferred Stock w/ Warrants	$3,500,000,000							$7.85	$9,379.9	$10.88	48,253,677	($3.03)	OUT	$219,236,111
02/13/2009	Reliance Bancshares, Inc., Frontenac, MO [2]	Preferred Stock w/ Exercised Warrants	$40,000,000													$2,192,111
02/27/2009	Ridgestone Financial Services, Inc., Brookfield, WI [2]	Preferred Stock w/ Exercised Warrants	$10,900,000													$277,224
01/09/2009	Rising Sun Bancorp, Rising Sun, MD [2]	Preferred Stock w/ Exercised Warrants	$5,983,000													$195,637
06/12/2009	River Valley Bancorporation, Inc., Wausau, WI [8]	Subordinated Debentures w/ Exercised Warrants	$15,000,000													$849,488
05/15/2009	Riverside Bancshares, Inc., Little Rock, AR [8]	Subordinated Debentures w/ Exercised Warrants	$1,100,000													$69,218
01/30/2009	Rogers Bancshares, Inc., Little Rock, AR [2]	Preferred Stock w/ Exercised Warrants	$25,000,000													$738,021
02/20/2009	Royal Bancshares of Pennsylvania, Inc., Narberth, PA	Preferred Stock w/ Warrants	$30,407,000							$2.47	$51.9	$4.13	1,104,370	($1.66)	OUT	$358,971
01/16/2009	S&T Bancorp, Indiana, PA	Preferred Stock w/ Warrants	$108,676,000							$20.90	$580.1	$31.53	517,012	($10.63)	OUT	$5,871,523
12/23/2008	Saigon National Bank, Westminster, CA [2]	Preferred Stock w/ Exercised Warrants	$1,549,000													$0
03/13/2009	Salisbury Bancorp, Inc., Lakeville, CT	Preferred Stock w/ Warrants	$8,816,000							$24.80	$41.8	$22.93	57,671	$1.87	IN	$406,516
12/05/2008	Sandy Spring Bancorp, Inc., Olney, MD	Preferred Stock w/ Warrants	$83,094,000							$15.00	$346.6	$19.13	651,547	($4.13)	OUT	$4,962,558
02/13/2009	Santa Clara Valley Bank, N.A., Santa Paula, CA [2]	Preferred Stock w/ Exercised Warrants	$2,900,000													$158,928
12/19/2008	Santa Lucia Bancorp, Atascadero, CA	Preferred Stock w/ Warrants	$4,000,000							$7.50	$15.0	$15.75	38,107	($8.25)	OUT	$231,111
03/27/2009	SBT Bancorp, Inc., Simsbury, CT [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$192,567
01/16/2009	SCBT Financial Corporation, Columbia, SC [4]	Preferred Stock w/ Warrants	$64,779,000	05/20/2009	$64,779,000	$0	06/24/2009	R	$1,400,000	$37.04	$472.1					$1,115,639
12/19/2008	Seacoast Banking Corporation of Florida, Stuart, FL [b]	Preferred Stock w/ Warrants	$50,000,000							$1.69	$99.5	$6.36	589,623	($4.67)	OUT	$388,889
12/23/2008	Seacoast Commerce Bank, Chula Vista, CA [2]	Preferred Stock w/ Exercised Warrants	$1,800,000													$112,270
02/13/2009	Security Bancshares of Pulaski County, Inc., Waynesville, MO [2]	Preferred Stock w/ Exercised Warrants	$2,152,000													$117,972
01/09/2009	Security Business Bancorp, San Diego, CA [2]	Preferred Stock w/ Exercised Warrants	$5,803,000													$347,876
01/09/2009	Security California Bancorp, Riverside, CA [2]	Preferred Stock w/ Exercised Warrants	$6,815,000													$408,585
06/26/2009	Security Capital Corporation, Batesville, MS [2, 10]	Preferred Stock w/ Exercised Warrants	$17,388,000													$582,919

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				Capital Repayment Details			Final Disposition				Warrant and Market Data for Publicly Traded Companies					
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12/19/2008	Security Federal Corporation, Aiken, SC	Preferred Stock w/ Warrants	$18,000,000							$9.86	$24.3	$19.57	137,966	($9.71)	OUT	$1,040,000
02/20/2009	Security State Bancshares, Inc., Charleston, MO [2]	Preferred Stock w/ Exercised Warrants	$12,500,000													$671,788
05/01/2009	Security State Bank Holding-Company, Jamestown, ND [8]	Subordinated Debentures w/ Exercised Warrants	$10,750,000													$486,075
11/21/2008	Severn Bancorp, Inc., Annapolis, MD	Preferred Stock w/ Warrants	$23,393,000							$3.75	$37.8	$6.30	556,976	($2.55)	OUT	$1,442,569
01/09/2009	Shore Bancshares, Inc., Easton, MD [4]	Preferred Stock w/ Warrants	$25,000,000	04/15/2009	$25,000,000	$0				$14.25	$120.3	$21.68	172,970	($7.43)	OUT	$333,333
06/26/2009	Signature Bancshares, Inc., Dallas, TX [8]	Subordinated Debentures w/ Exercised Warrants	$1,700,000													$90,729
12/12/2008	Signature Bank, New York, NY [4]	Preferred Stock w/ Warrants	$120,000,000	03/31/2009	$120,000,000	$0	03/10/2010	A	$11,320,751	$37.05	$1,504.0					$1,816,667
01/16/2009	Somerset Hills Bancorp, Bernardsville, NJ [4]	Preferred Stock w/ Warrants	$7,414,000	05/20/2009	$7,414,000	$0	06/24/2009	R	$275,000	$8.10	$42.1					$127,686
02/20/2009	Sonoma Valley Bancorp, Sonoma, CA [2]	Preferred Stock w/ Exercised Warrants	$8,653,000													$347,164
01/09/2009	Sound Banking Company, Morehead City, NC [2]	Preferred Stock w/ Exercised Warrants	$3,070,000													$184,096
12/05/2008	South Financial Group, Inc., Greenville, SC	Preferred Stock w/ Warrants	$347,000,000							$0.69	$149.1	$5.15	10,106,796	($4.46)	OUT	$16,386,111
07/17/2009	SouthCrest Financial Group, Inc., Fayetteville, GA [2]	Preferred Stock w/ Exercised Warrants	$12,900,000													$406,207
01/16/2009	Southern Bancorp, Inc., Arkadelphia, AR [3]	Preferred Stock	$11,000,000													$594,306
12/05/2008	Southern Community Financial Corp., Winston-Salem, NC	Preferred Stock w/ Warrants	$42,750,000							$2.19	$36.8	$3.95	1,623,418	($1.76)	OUT	$2,553,125
02/27/2009	Southern First Bancshares, Inc., Greenville, SC	Preferred Stock w/ Warrants	$17,299,000							$8.10	$25.1	$7.85	330,554	$0.25	IN	$836,118
05/15/2009	Southern Heritage Bancshares, Inc., Cleveland, TN [2]	Preferred Stock w/ Exercised Warrants	$4,862,000													$198,728
01/23/2009	Southern Illinois Bancorp, Inc., Carmi, IL [2]	Preferred Stock w/ Exercised Warrants	$5,000,000													$289,153
12/05/2008	Southern Missouri Bancorp, Inc., Poplar Bluff, MO	Preferred Stock w/ Warrants	$9,550,000							$14.20	$29.6	$12.53	114,326	$1.67	IN	$570,347
06/12/2009	SouthFirst Bancshares, Inc., Sylacauga, AL [2]	Preferred Stock w/ Exercised Warrants	$2,760,000													$101,534
12/05/2008	Southwest Bancorp, Inc., Stillwater, OK	Preferred Stock w/ Warrants	$70,000,000							$8.27	$122.2	$14.92	703,753	($6.65)	OUT	$4,180,556
03/13/2009	Sovereign Bancshares, Inc., Dallas, TX [2]	Preferred Stock w/ Exercised Warrants	$18,215,000													$915,527
03/27/2009	Spirit BankCorp, Inc., Bristow, OK [2]	Preferred Stock w/ Exercised Warrants	$30,000,000													$1,444,250
03/13/2009	St. Johns Bancshares, Inc., St. Louis, MO [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$150,783
04/24/2009	Standard Bancshares, Inc., Hickory Hills, IL [2]	Preferred Stock w/ Exercised Warrants	$60,000,000													$2,643,250
12/05/2008	State Bancorp, Inc., Jericho, NY	Preferred Stock w/ Warrants	$36,842,000							$7.87	$129.8	$11.87	465,569	($4.00)	OUT	$2,200,286
01/16/2009	State Bankshares, Inc., Fargo, ND [24]	Preferred Stock w/ Exercised Warrants	$50,000,000	08/12/2009	$12,500,000	$37,500,000										$2,626,806
02/13/2009	State Capital Corporation, Greenwood, MS [2]	Preferred Stock w/ Exercised Warrants	$15,000,000													$822,042

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition					Warrant and Market Data for Publicly Traded Companies				
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
10/28/2008	State Street Corporation, Boston, MA [5, 9]	Preferred Stock w/ Warrants	$2,000,000,000	06/17/2009	$2,000,000,000	$0	07/08/2009	R	$60,000,000	$45.14	$22,427.7					$63,611,111
06/26/2009	Stearns Financial Services, Inc., St. Cloud, MN [8]	Subordinated Debentures w/ Exercised Warrants	$24,900,000													$1,328,906
09/25/2009	Steele Street Bank Corporation, Denver, CO [8, 10]	Subordinated Debentures w/ Exercised Warrants	$11,019,000													$347,722
12/19/2008	StellarOne Corporation, Charlottesville, VA	Preferred Stock w/ Warrants	$30,000,000							$13.37	$304.9	$14.87	302,623	($1.50)	OUT	$1,733,333
12/23/2008	Sterling Bancorp, New York, NY	Preferred Stock w/ Warrants	$42,000,000							$10.05	$257.4	$12.19	516,817	($2.14)	OUT	$2,403,333
12/12/2008	Sterling Bancshares, Inc., Houston, TX [4]	Preferred Stock w/ Warrants	$125,198,000	05/05/2009	$125,198,000	$0				$5.60	$574.3	$7.18	2,615,557	($1.58)	OUT	$2,486,571
12/05/2008	Sterling Financial Corporation, Spokane, WA	Preferred Stock w/ Warrants	$303,000,000							$0.57	$29.7	$7.06	6,437,677	($6.49)	OUT	$6,733,333
01/30/2009	Stewardship Financial Corporation, Midland Park, NJ	Preferred Stock w/ Warrants	$10,000,000							$8.86	$51.7	$11.24	133,475	($2.38)	OUT	$520,833
02/06/2009	Stockmens Financial Corporation, Rapid City, SD [2]	Preferred Stock w/ Exercised Warrants	$15,568,000													$869,631
01/23/2009	Stonebridge Financial Corp., West Chester, PA [2]	Preferred Stock w/ Exercised Warrants	$10,973,000													$634,609
06/19/2009	Suburban Illinois Bancorp, Inc., Elmhurst, IL [8]	Subordinated Debentures w/ Exercised Warrants	$15,000,000													$825,020
12/19/2008	Summit State Bank, Santa Rosa, CA	Preferred Stock w/ Warrants	$8,500,000							$6.75	$32.0	$5.33	239,212	$1.42	IN	$491,111
01/09/2009	Sun Bancorp, Inc., Vineland, NJ [4]	Preferred Stock w/ Warrants	$89,310,000	04/08/2009	$89,310,000	$0	05/27/2009	R	$2,100,000	$3.94	$92.1					$1,103,971
11/14/2008	SunTrust Banks, Inc., Atlanta, GA	Preferred Stock w/ Warrants	$3,500,000,000							$26.79	$13,452.1	$44.15	11,891,280	($17.36)	OUT	$315,381,944
12/31/2008	SunTrust Banks, Inc., Atlanta, GA	Preferred Stock w/ Warrants	$1,350,000,000									$33.70	6,008,902	($6.91)	OUT	
12/05/2008	Superior Bancorp Inc., Birmingham, AL [17]	Trust Preferred Securities w/ Warrants	$69,000,000							$3.13	$36.6	$5.38	1,923,792	($2.25)	OUT	$4,120,833
01/09/2009	Surrey Bancorp, Mount Airy, NC [2]	Preferred Stock w/ Exercised Warrants	$2,000,000													$119,900
12/12/2008	Susquehanna Bancshares, Inc, Lititz, PA	Preferred Stock w/ Warrants	$300,000,000							$9.81	$1,216.2	$14.86	3,028,264	($5.05)	OUT	$17,625,000
04/10/2009	SV Financial, Inc., Sterling, IL [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$184,694
12/12/2008	SVB Financial Group, Santa Clara, CA [5, b]	Preferred Stock w/ Warrants	$235,000,000	12/23/2009	$235,000,000	$0				$46.66	$1,930.4	$49.78	354,058	($3.12)	OUT	$12,109,028
05/08/2009	Sword Financial Corporation, Horicon, WI [8]	Subordinated Debentures w/ Exercised Warrants	$13,644,000													$880,786
12/19/2008	Synovus Financial Corp., Columbus, GA	Preferred Stock w/ Warrants	$967,870,000							$3.29	$1,611.6	$9.36	15,510,737	($6.07)	OUT	$55,921,378
01/16/2009	Syringa Bancorp, Boise, ID [2]	Preferred Stock w/ Exercised Warrants	$8,000,000													$253,122
11/21/2008	Taylor Capital Group, Rosemont, IL	Preferred Stock w/ Warrants	$104,823,000							$12.98	$143.8	$10.75	1,462,647	$2.23	IN	$6,464,086
08/28/2009	TCB Corporation, Greenwood, SC [8, 10]	Subordinated Debentures w/ Exercised Warrants	$9,720,000													$365,886
01/16/2009	TCB Holding Company, Texas Community Bank, The Woodlands, TX [2]	Preferred Stock w/ Exercised Warrants	$11,730,000													$690,832
11/14/2008	TCF Financial Corporation, Wayzata, MN [4]	Preferred Stock w/ Warrants	$361,172,000	04/22/2009	$361,172,000	$0	12/15/2009	A	$9,599,964	$15.94	$2,261.3					$7,925,719
12/23/2008	TCNB Financial Corp., Dayton, OH [2]	Preferred Stock w/ Exercised Warrants	$2,000,000													$124,744
12/19/2008	Tennessee Commerce Bancorp, Inc., Franklin, TN	Preferred Stock w/ Warrants	$30,000,000							$7.55	$42.6	$9.75	461,538	($2.20)	OUT	$1,733,333

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
12/23/2008	Tennessee Valley Financial Holdings, Inc., Oak Ridge, TN [2]	Preferred Stock w/ Exercised Warrants	$3,000,000													$146,242
01/16/2009	Texas Capital Bancshares, Inc., Dallas, TX [4]	Preferred Stock w/ Warrants	$75,000,000	05/13/2009	$75,000,000	$0	03/11/2010	A	$6,709,061	$18.99	$686.6					$1,218,750
01/09/2009	Texas National Bancorporation, Jacksonville, TX [2]	Preferred Stock w/ Exercised Warrants	$3,981,000													$238,657
08/07/2009	The ANB Corporation, Terrell, TX [2]	Preferred Stock w/ Exercised Warrants	$20,000,000													$569,222
12/12/2008	The Bancorp, Inc., Wilmington, DE [5, b]	Preferred Stock w/ Warrants	$45,220,000	03/10/2010	$45,220,000	$0				$8.90	$233.0	$3.46	980,203	$5.44	IN	$2,813,689
02/06/2009	The Bank of Currituck, Moyock, NC [2]	Preferred Stock w/ Exercised Warrants	$4,021,000													$169,834
02/13/2009	The Bank of Kentucky Financial Corporation, Crestview Hills, KY	Preferred Stock w/ Warrants	$34,000,000							$19.94	$113.0	$18.56	274,784	$1.38	IN	$1,709,444
10/28/2008	The Bank of New York Mellon Corporation, New York, NY [4]	Preferred Stock w/ Warrants	$3,000,000,000	06/17/2009	$3,000,000,000	$0	08/05/2009	R	$136,000,000	$30.88	$37,315.3					$95,416,667
01/16/2009	The Baraboo Bancorporation, Baraboo, WI [2]	Preferred Stock w/ Exercised Warrants	$20,749,000													$1,221,872
12/19/2008	The Connecticut Bank and Trust Company, Hartford, CT	Preferred Stock w/ Warrants	$5,448,000							$4.50	$16.1	$4.65	175,742	($0.15)	OUT	$136,200
12/19/2008	The Elmira Savings Bank, FSB, Elmira, NY	Preferred Stock w/ Warrants	$9,090,000							$17.20	$29.9	$11.70	116,538	$5.50	IN	$525,200
01/09/2009	The First Bancorp, Inc., Damariscotta, ME	Preferred Stock w/ Warrants	$25,000,000							$15.94	$155.4	$16.60	225,904	($0.66)	OUT	$1,375,000
02/06/2009	The First Bancshares, Inc., Hattiesburg, MS	Preferred Stock w/ Warrants	$5,000,000							$9.45	$28.5	$13.71	54,705	($4.26)	OUT	$256,250
02/06/2009	The Freeport State Bank, Harper, KS [2]	Preferred Stock w/ Exercised Warrants	$301,000													$8,610
10/28/2008	The Goldman Sachs Group, Inc., New York, NY [4]	Preferred Stock w/ Warrants	$10,000,000,000	06/17/2009	$10,000,000,000	$0	07/22/2009	R	$1,100,000,000	$170.63	$89,897.0					$318,055,555
05/22/2009	The Landrum Company, Columbia, MO [2]	Preferred Stock w/ Exercised Warrants	$15,000,000													$597,229
12/23/2008	The Little Bank, Incorporated, Kinston, NC [2]	Preferred Stock w/ Exercised Warrants	$7,500,000													$467,792
12/31/2008	The PNC Financial Services Group Inc., Pittsburgh, PA [4]	Preferred Stock w/ Warrants	$7,579,200,000	02/10/2010	$7,579,200,000	$0				$59.70	$30,889.3	$67.33	16,885,192	($7.63)	OUT	$421,066,667
02/20/2009	The Private Bank of California, Los Angeles, CA [2]	Preferred Stock w/ Exercised Warrants	$5,450,000													$292,944
01/09/2009	The Queensborough Company, Louisville, GA [2]	Preferred Stock w/ Exercised Warrants	$12,000,000													$719,400
09/04/2009	The State Bank of Bartley, Bartley, NE [8, 10]	Subordinated Debentures w/ Exercised Warrants	$1,697,000													$61,585
02/27/2009	The Victory Bancorp, Inc. (The Victory Bank), Limerick, PA [2, 13 - 12/4/2009, c]	Preferred Stock w/ Exercised Warrants	$541,000													$42,420
12/11/2009	The Victory Bancorp, Inc., Limerick, PA [2, 10a, c]	Preferred Stock w/ Exercised Warrants	$1,505,000													
01/23/2009	Three Shores Bancorporation, Inc. (Seaside National Bank & Trust), Orlando, FL [2, 13 - 12/4/2009]	Preferred Stock w/ Exercised Warrants	$5,677,000													$328,319
12/05/2008	TIB Financial Corp, Naples, FL	Preferred Stock w/ Warrants	$37,000,000							$0.70	$10.4	$5.02	1,106,389	($4.32)	OUT	$1,284,722
12/19/2008	Tidelands Bancshares, Inc, Mt. Pleasant, SC	Preferred Stock w/ Warrants	$14,448,000							$2.50	$10.7	$3.79	571,821	($1.29)	OUT	$834,773

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [a]	Interest/ Dividends Paid to Treasury
04/17/2009	Tifton Banking Company, Tifton, GA [2]	Preferred Stock w/ Exercised Warrants	$3,800,000													$171,433
12/23/2008	Timberland Bancorp, Inc., Hoquiam, WA	Preferred Stock w/ Warrants	$16,641,000							$4.00	$28.2	$6.73	370,899	($2.73)	OUT	$952,236
04/03/2009	Titonka Bancshares, Inc, Titonka, IA [2]	Preferred Stock w/ Exercised Warrants	$2,117,000													$100,004
02/06/2009	Todd Bancshares, Inc., Hopkinsville, KY [2]	Preferred Stock w/ Exercised Warrants	$4,000,000													$223,450
12/12/2008	TowneBank, Portsmouth, VA	Preferred Stock w/ Warrants	$76,458,000							$13.96	$390.4	$21.31	538,184	($7.35)	OUT	$4,491,908
01/16/2009	Treaty Oak Bancorp, Inc., Austin, TX [2]	Preferred Stock w/ Exercised Warrants	$3,268,000													$192,415
03/27/2009	Triad Bancorp, Inc., Frontenac, MO [2]	Preferred Stock w/ Exercised Warrants	$3,700,000													$178,124
12/19/2008	Tri-County Financial Corporation, Waldorf, MD [2]	Preferred Stock w/ Exercised Warrants	$15,540,000													$978,675
03/27/2009	Trinity Capital Corporation, Los Alamos, NM [2]	Preferred Stock w/ Exercised Warrants	$35,539,000													$1,710,911
04/03/2009	Tri-State Bank of Memphis, Memphis, TN [2, 3]	Preferred Stock	$2,795,000													$121,116
02/27/2009	TriState Capital Holdings, Inc., Pittsburgh, PA [2]	Preferred Stock w/ Exercised Warrants	$23,000,000													$1,215,893
12/22/2009	TriSummit Bank, Kingsport, TN [2, 10a, c]	Preferred Stock	$4,237,000													$161,770
04/03/2009	TriSummit Bank, Kingsport, TN [2, c]	Preferred Stock w/ Exercised Warrants	$2,765,000													
11/21/2008	Trustmark Corporation, Jackson, MS [4]	Preferred Stock w/ Warrants	$215,000,000	12/09/2009	$215,000,000	$0	12/30/2009	R	$10,000,000	$24.43	$1,556.0					$11,287,500
05/29/2009	Two Rivers Financial Group, Burlington, IA [2]	Preferred Stock w/ Exercised Warrants	$12,000,000													$465,067
11/14/2008	U.S. Bancorp, Minneapolis, MN [4]	Preferred Stock w/ Warrants	$6,599,000,000	06/17/2009	$6,599,000,000	$0	07/15/2009	R	$139,000,000	$25.88	$49,563.6					$195,220,417
08/07/2009	U.S. Century Bank, Miami, FL [2]	Preferred Stock w/ Exercised Warrants	$50,236,000													$745,312
01/30/2009	UBT Bancshares, Inc., Marysville, KS [2]	Preferred Stock w/ Exercised Warrants	$8,950,000													$508,334
11/14/2008	UCBH Holdings, Inc., San Francisco, CA [14]	Preferred Stock w/ Warrants	$298,737,000							$0.04	$4.3	$5.71	7,847,732	($5.67)	OUT	$7,509,920
11/14/2008	Umpqua Holdings Corp., Portland, OR [5, 9]	Preferred Stock w/ Warrants	$214,181,000	02/17/2010	$214,181,000	$0	03/31/2010	R	$4,500,000	$13.26	$1,265.5					$13,475,555
12/18/2009	Union Bank & Trust Company, Oxford, NC [2, 10a, c]	Preferred Stock	$2,997,000													$161,072
05/01/2009	Union Bank & Trust Company, Oxford, NC [2, c]	Preferred Stock w/ Exercised Warrants	$3,194,000													
12/29/2009	Union Financial Corporation, Albuquerque, NM [2, 10]	Preferred Stock w/ Exercised Warrants	$2,179,000													$14,669
02/06/2009	Union First Market Bankshares Corporation (First Market Bank, FSB), Bowling Green, VA [18]	Preferred Stock	$33,900,000													$1,893,739
12/19/2008	Union First Market Bankshares Corporation (Union Bankshares Corporation), Bowling Green, VA [5, 9, 18]	Preferred Stock w/ Warrants	$59,000,000	11/18/2009	$59,000,000	$0	12/23/2009	R	$450,000	$15.10	$391.5					$2,695,972

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Details: Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition: Final Disposition Date	Note[15]	Final Disposition Proceeds	Warrant and Market Data for Publicly Traded Companies: Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
02/20/2009	United American Bank, San Mateo, CA [2]	Preferred Stock w/ Exercised Warrants	$8,700,000													$0
01/16/2009	United Bancorp, Inc., Tecumseh, MI	Preferred Stock w/ Warrants	$20,600,000							$7.00	$35.5	$9.92	311,492	($2.92)	OUT	$1,112,972
12/23/2008	United Bancorporation of Alabama, Inc., Atmore, AL	Preferred Stock w/ Warrants	$10,300,000							$4.95		$14.56	106,131	($9.61)	OUT	$589,389
05/22/2009	United Bank Corporation, Barnesville, GA [8]	Subordinated Debentures w/ Exercised Warrants	$14,400,000													$882,631
12/05/2008	United Community Banks, Inc., Blairsville, GA [b]	Preferred Stock w/ Warrants	$180,000,000							$4.41	$415.0	$12.28	1,099,542	($7.87)	OUT	$10,750,000
01/16/2009	United Financial Banking Companies, Inc., Vienna, VA [2]	Preferred Stock w/ Exercised Warrants	$5,658,000													$333,211
12/05/2008	Unity Bancorp, Inc., Clinton, NJ	Preferred Stock w/ Warrants	$20,649,000							$5.29	$37.8	$4.05	764,778	$1.24	IN	$1,233,205
05/22/2009	Universal Bancorp, Bloomfield, IN [2]	Preferred Stock w/ Exercised Warrants	$9,900,000													$394,171
06/19/2009	University Financial Corp, Inc., St. Paul, MN [3, 8]	Subordinated Debentures	$11,926,000													$601,998
02/06/2009	US Metro Bank, Garden Grove, CA [2]	Preferred Stock w/ Exercised Warrants	$2,861,000													$159,818
12/23/2008	Uwharrie Capital Corp, Albemarle, NC [2]	Preferred Stock w/ Exercised Warrants	$10,000,000													$623,722
01/30/2009	Valley Commerce Bancorp, Visalia, CA [2]	Preferred Stock w/ Exercised Warrants	$7,700,000													$437,136
01/09/2009	Valley Community Bank, Pleasanton, CA [2]	Preferred Stock w/ Exercised Warrants	$5,500,000													$329,726
12/12/2008	Valley Financial Corporation, Roanoke, VA	Preferred Stock w/ Warrants	$16,019,000							$4.45	$20.8	$6.97	344,742	($2.52)	OUT	$941,117
12/18/2009	Valley Financial Group, Ltd., 1st State Bank, Saginaw, MI [2]	Preferred Stock w/ Exercised Warrants	$1,300,000													$11,218
11/14/2008	Valley National Bancorp, Wayne, NJ [4, c]	Preferred Stock w/ Warrants		06/03/2009	$75,000,000	$225,000,000										
11/14/2008	Valley National Bancorp, Wayne, NJ [4, c]	Preferred Stock w/ Warrants	$300,000,000	09/23/2009	$125,000,000	$100,000,000				$15.37	$2,353.8	$18.66	2,411,944	($3.29)	OUT	$12,979,167
11/14/2008	Valley National Bancorp, Wayne, NJ [4, c]	Preferred Stock w/ Warrants		12/23/2009	$100,000,000	$0										
05/01/2009	Village Bank and Trust Financial Corp, Midlothian, VA	Preferred Stock w/ Warrants	$14,738,000							$3.47	$14.7	$4.43	499,029	($0.96)	OUT	$581,332
12/12/2008	Virginia Commerce Bancorp, Arlington, VA	Preferred Stock w/ Warrants	$71,000,000							$6.65	$179.1	$3.95	2,696,203	$2.70	IN	$4,171,250
06/12/2009	Virginia Company Bank, Newport News, VA [2, 10]	Preferred Stock w/ Exercised Warrants	$4,700,000													$167,312
04/24/2009	Vision Bank - Texas, Richardson, TX [2]	Preferred Stock w/ Exercised Warrants	$1,500,000													$66,082
12/19/2008	VIST Financial Corp., Wyomissing, PA	Preferred Stock w/ Warrants	$25,000,000							$8.97	$52.5	$10.30	364,078	($1.33)	OUT	$1,444,444
01/30/2009	W.T.B. Financial Corporation, Spokane, WA [2]	Preferred Stock w/ Exercised Warrants	$110,000,000													$6,244,791
12/11/2009	Wachusett Financial Services, Inc., Clinton, MA [2, 10]	Preferred Stock w/ Exercised Warrants	$12,000,000													$114,315
12/19/2008	Wainwright Bank & Trust Company, Boston, MA [4]	Preferred Stock w/ Warrants	$22,000,000	11/24/2009	$22,000,000	$0	12/16/2009	R	$568,700	$9.73	$70.9					$1,023,611
01/16/2009	Washington Banking Company, Oak Harbor, WA [b]	Preferred Stock w/ Warrants	$26,380,000							$12.59	$192.7	$8.04	246,082	$4.55	IN	$1,425,253
11/14/2008	Washington Federal, Inc., Seattle, WA [4]	Preferred Stock w/ Warrants	$200,000,000	05/27/2009	$200,000,000	$0	03/09/2010	A	$15,623,222	$20.32	$2,284.9					$5,361,111

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CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

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01/30/2009	WashingtonFirst Bankshares, Inc. (WashingtonFirst Bank), Reston, VA [2, 13 - 10/30/2009, c]	Preferred Stock w/ Exercised Warrants	$6,633,000													$476,373
10/30/2009	WashingtonFirst Bankshares, Inc., Reston, VA [2, 10a, c]	Preferred Stock	$6,842,000													
06/26/2009	Waukesha Bankshares, Inc., Waukesha, WI [2, 10]	Preferred Stock w/ Exercised Warrants	$5,625,000													$188,581
11/21/2008	Webster Financial Corporation, Waterbury, CT [4]	Preferred Stock w/ Warrants	$400,000,000	03/03/2010	$100,000,000	$300,000,000				$17.49	$1,371.6	$18.28	3,282,276	($0.79)	OUT	$24,916,667
10/28/2008	Wells Fargo & Company, San Francisco, CA [4]	Preferred Stock w/ Warrants	$25,000,000,000	12/23/2009	$25,000,000,000	$0				$31.12	$161,454.6	$34.01	110,261,688	($2.89)	OUT	$1,440,972,222
12/05/2008	WesBanco, Inc., Wheeling, WV [4]	Preferred Stock w/ Warrants	$75,000,000	09/09/2009	$75,000,000	$0	12/23/2009	R	$950,000	$16.26	$432.0					$2,854,167
12/31/2008	West Bancorporation, Inc., West Des Moines, IA	Preferred Stock w/ Warrants	$36,000,000							$6.58	$114.5	$11.39	474,100	($4.81)	OUT	$2,025,000
02/13/2009	Westamerica Bancorporation, San Rafael, CA [4, c]	Preferred Stock w/ Warrants	$83,726,000	09/02/2009	$41,863,000	$41,863,000				$57.65	$1,687.3	$50.92	246,640	$6.73	IN	$2,755,981
02/13/2009	Westamerica Bancorporation, San Rafael, CA [4, c]	Preferred Stock w/ Warrants		11/18/2009	$41,863,000	$0										
11/21/2008	Western Alliance Bancorporation, Las Vegas, NV [b]	Preferred Stock w/ Warrants	$140,000,000							$5.69	$415.4	$13.34	787,107	($7.65)	OUT	$8,633,333
12/23/2008	Western Community Bancshares, Inc., Palm Desert, CA [2]	Preferred Stock w/ Exercised Warrants	$7,290,000													$454,746
12/29/2009	Western Illinois Bancshares Inc., Monmouth, IL [2, 10a, c]	Preferred Stock	$4,567,000													$456,766
12/23/2008	Western Illinois Bancshares Inc., Monmouth, IL [2, c]	Preferred Stock w/ Exercised Warrants	$6,855,000													
05/15/2009	Western Reserve Bancorp, Inc, Medina, OH [2]	Preferred Stock w/ Exercised Warrants	$4,700,000													$192,112
02/20/2009	White River Bancshares Company, Fayetteville, AR [2]	Preferred Stock w/ Exercised Warrants	$16,800,000													$902,883
12/19/2008	Whitney Holding Corporation, New Orleans, LA	Preferred Stock w/ Warrants	$300,000,000							$13.79	$1,330.1	$17.10	2,631,579	($3.31)	OUT	$17,333,333
12/12/2008	Wilmington Trust Corporation, Wilmington, DE	Preferred Stock w/ Warrants	$330,000,000							$16.57	$1,463.6	$26.66	1,856,714	($10.09)	OUT	$19,387,500
12/12/2008	Wilshire Bancorp, Inc., Los Angeles, CA	Preferred Stock w/ Warrants	$62,158,000							$11.03	$324.5	$9.82	949,460	$1.21	IN	$3,651,782
12/19/2008	Wintrust Financial Corporation, Lake Forest, IL	Preferred Stock w/ Warrants	$250,000,000							$37.21	$1,121.6	$22.82	1,643,295	$14.39	IN	$14,444,444
05/15/2009	Worthington Financial Holdings, Inc., Huntsville, AL [2]	Preferred Stock w/ Exercised Warrants	$2,720,000													$111,180
01/23/2009	WSFS Financial Corporation, Wilmington, DE	Preferred Stock w/ Warrants	$52,625,000							$39.00	$276.3	$45.08	175,105	($6.08)	OUT	$2,792,049
01/16/2009	Yadkin Valley Financial Corporation, Elkin, NC [c]	Preferred Stock w/ Warrants	$36,000,000							$4.30	$69.4	$13.99	385,990	($9.69)	OUT	$2,316,627
07/24/2009	Yadkin Valley Financial Corporation, Elkin, NC [c]	Preferred Stock w/ Warrants	$13,312,000									$7.30	273,534	($3.00)	OUT	
04/24/2009	York Traditions Bank, York, PA [2]	Preferred Stock w/ Exercised Warrants	$4,871,000													$214,620
11/14/2008	Zions Bancorporation, Salt Lake City, UT	Preferred Stock w/ Warrants	$1,400,000,000							$21.84	$3,284.8	$36.27	5,789,909	($14.43)	OUT	$87,694,444

Continued on next page

CPP TRANSACTION DETAIL, AS OF 3/31/2010 (CONTINUED)

				Capital Repayment Details			Final Disposition			Warrant and Market Data for Publicly Traded Companies						
Purchase Date	Institution	Investment Description	Investment Amount	Capital Repayment Date	Capital Repayment Amount	Remaining Capital Amount	Final Disposition Date	Note[15]	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization as of 3/31/2010 (in millions)	Current Strike Price [a]	Current Outstanding Warrants [a]	Amount "In the Money" or "Out of the Money"	In or Out of the Money [e]	Interest/ Dividends Paid to Treasury
		Total Purchase Amount	**$204,899,330,320**	Total Capital Repayment Amount	$135,829,721,000			**Total Warrant Proceeds**	**$4,377,690,148**							
				Total Losses	($2,334,120,000)											
				TOTAL TREASURY CPP INVESTMENT AMOUNT	**$66,735,489,320**											

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numeric notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*. All amounts and totals reflect cumulative receipts since inception through 3/31/2010.
[1a] This transaction was included in previous *Transaction Reports* with Merrill Lynch & Co., Inc. listed as the qualifying institution and a 10/28/2008 transaction date, footnoted to indicate that settlement was deferred pending merger. The purchase of Merrill Lynch by Bank of America was completed on 1/1/2009, and this transaction under the CPP was funded on 1/9/2009.
[1b] The warrant disposition proceeds amount are stated pro rata in respect of the CPP investments in Bank of America Corporation that occurred on 10/28/2008 and 1/9/2009. The total gross disposition proceeds from CPP warrants on 3/3/2010 was $310,571,615, consisting of $186,342,969 and $124,228,646. Proceeds from the disposition of TIP warrants on 3/3/2010 appear on a following page of this report.
[2] Privately held qualified financial institution; Treasury received a warrant to purchase additional shares of preferred stock (unless the institution is a CDFI), which it exercised immediately.
[3] To promote Community Development Financial Institutions ("CDFIs"), Treasury does not require warrants as part of its investment in certified CDFIs when the size of the investment is $50 million or less.
[3a] Treasury cancelled the warrants received from this institution due to its designation as a CDFI.
[4] Repayment pursuant to Title VII, Section 7001(g) of the American Recovery and Reinvestment Act of 2009.
[5] Redemption pursuant to a qualified equity offering.
[6] This amount does not include accrued and unpaid dividends, which must be paid at the time of capital repayment.
[7] The proceeds associated with the disposition of this investment do not include accrued and unpaid dividends.
[8] Subchapter S corporation; Treasury received a warrant to purchase additional subordinated debentures (unless the institution is a CDFI), which it exercised immediately.
[9] In its qualified equity offering, this institution raised more capital than Treasury's original investment, therefore, the number of Treasury's shares underlying the warrant was reduced by half.
[10] This institution participated in the expansion of CPP for small banks.
[10a] This institution received an additional investment through the expansion of CPP for small banks.
[11] Treasury made three separate investments in Citigroup Inc. ("Citigroup") under CPP, TIP, and AGP for a total of $49 billion. On 6/9/2009, Treasury entered into an agreement with Citigroup to exchange up to $25 billion of Treasury's investment in Fixed Rate Cumulative Perpetual Preferred Stock, Series H (CPP Shares) "dollar for dollar" in Citigroup's Private and Public Exchange Offerings. On 7/23/2009 and 7/30/2009, Treasury exchanged a total of $25 billion of the CPP shares for Series M Common Stock Equivalent ("Series M") and a warrant to purchase shares of Series M. On 9/11/2009, Series M automatically converted to 7,692,307,692 shares of common stock and the associated warrant terminated on receipt of certain shareholder approvals.
[12] On 8/24/2009, Treasury exchanged its Series C Preferred Stock issued by Popular, Inc. for a like amount of non tax-deductible Trust Preferred Securities issued by Popular Capital Trust III, administrative trustee for Popular, Inc. Popular, Inc. paid a $13 million exchange fee in connection with this transaction.
[13] This institution converted to a bank holding company structure and Treasury exchanged its securities for a like amount of securities that comply with the CPP terms applicable to bank holding companies. The institution in which Treasury's original investment was made is shown in parentheses.
[14] As of the date of this report, this institution is in bankruptcy proceedings.
[15] For final disposition of warrants, "R" represents proceeds from a repurchase of warrants by the financial institution, and "A" represents the proceeds to Treasury, before underwriting fees and selling expenses, from a sale by Treasury in a registered public offering of the warrants issued by the financial institution.
[16] On 12/10/2009, the bankruptcy reorganization plan of CIT Group Inc. became effective and Treasury's preferred stock and warrant investment were extinguished and replaced by Contingent Value Rights (CVRs). On 2/8/2010, the CVRs expired without value as the terms and conditions for distribution of common shares to holders of CVRs were not met.
[17] On 12/11/2009, Treasury exchanged its Series A Preferred Stock issued by Superior Bancorp, Inc. for a like amount of non tax-deductible Trust Preferred Securities issued by Superior Capital Trust II, administrative trustee for Superior Bancorp.
[18] On 2/1/2010, following the acquisition of First Market Bank (First Market) by Union Bankshares Corporation (the acquiror), the preferred stock and exercised warrants issued by First Market on 2/6/2009 were exchanged for a like amount of securities of the acquiror in a single series but with a blended dividend rate equivalent to those of Treasury's original investment.
[19] On 2/11/2010, Pacific Coast National Bancorp dismissed its bankruptcy proceedings with no recovery to any creditors or investors, including Treasury, and the investment was extinguished.
[20] On 3/8/2010, Treasury exchanged its $84,784,000 of Preferred Stock in Midwest Banc Holdings, Inc. (MBHI) for $89,388,000 of Mandatory Convertible Preferred Stock (MCP), which is equivalent to the initial investment amount of $84,784,000, plus $4,604,000 of capitalized previously accrued and unpaid dividends. Subject to the fulfillment by MBHI of the conditions related to its capital plan, the MCP may be converted to common stock.
[21] On 3/30/2010, Treasury exchanged its $7,500,000 of Subordinated Debentures in GulfSouth Private Bank for an equivalent amount of Preferred Stock, in connection with its conversion from a Subchapter S-Corporation, that comply with the CPP terms applicable to privately held qualified financial institutions.
[a] According to Treasury, "if a Share Dividend is declared on a common stock of a bank in which Treasury holds outstanding warrants, Treasury is entitled to additional warrants. The 'Update' netted is the amount of new warrant shares that have been received as a result of the corporate action." Thus, the strike price presented reflects these adjustments provided by Treasury. It appears that Treasury also adjusts the number of shares based on corporate actions as well. Those adjustments are also presented in the current number of outstanding warrants. Amounts are presented as of 3/31/2010.
[b] According to Treasury, these institutions executed Qualified Equity Offerings which "reduce the number of outstanding warrants held by Treasury."
[c] Treasury made more than one investment in these institutions. For purposes of this table, income (dividends and interest), is presented on a combined basis because it could not be split between the two transactions based on the data provided by Treasury.
[d] According to Treasury, M&T acquired Provident, therefore "warrant details changed as per the conversion ratio." The previous investment in Provident now reflects M&T market data above.
[e] When a warrant's underlying current stock price rises above the strike price, it is considered "In the Money," otherwise it is considered "Out of the Money."

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010; Market Data: Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/6/2010.

TABLE D.2

SSFI (AIG) TRANSACTION DETAIL, AS OF 3/31/2010

		Seller			Purchase Details				Exchange Details					Warrants and Market Data						
Note	Date	Institution	City	State	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism	Date	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism	Stock Price as of 3/31/2010	Market Capitalization (in millions)	Strike Price	Outstanding Warrant Shares [a]	Amount "In the Money" or "Out of the Money" [a]	In/Out [a]	Dividends/ Interest Paid to Treasury
1	11/25/2008	AIG	New York	NY	Purchase	Preferred Stock w/ Warrants	$40,000,000,000	Par	04/17/2009	Exchange	Preferred Stock w/ Warrants	$40,000,000,000	Par	$34.14	$4,606.4	$50.00	2,689,938	($15.86)	OUT	$0
2, 3	04/17/2009	AIG	New York	NY	Purchase	Preferred Stock w/ Warrants	$29,835,000,000	Par						$34.14	$4,606.4	$0.00002	150	$34.14	IN	$0
						Total	**$69,835,000,000**													

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report.*
[1] On 4/17/2009, Treasury exchanged its Series D Fixed Rate Cumulative Preferred Shares for Series E Fixed Rate Non-Cumulative Preferred Shares with no change to Treasury's initial investment amount. In addition, in order for AIG to fully redeem the Series E Preferred Shares, it has an additional obligation to Treasury of $1,604,576,000 to reflect the cumulative unpaid dividends for the Series D Preferred Shares due to Treasury through and including the exchange date.
[2] The investment price reflects Treasury's commitment to invest up to $30 billion less a reduction of $165 million representing retention payments AIG Financial Products made to its employees in March 2009.
[3] This transaction does not include AIG's commitment fee of an additional $165 million scheduled to be paid from its operating income in three equal installments over the five-year life of the facility.
[a] When a warrant's underlying current stock price rises above the strike price, it is considered "In the Money," otherwise it is considered "Out of the Money."

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010; Market Data: Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/6/2010.

TABLE D.3

TIP TRANSACTION DETAIL, AS OF 3/31/2010

		Seller							Capital Repayment Details		Treasury Investment Remaining After Capital Repayment		Final Disposition			Market and Warrants Data						
Note	Date	Institution	City	State	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism	Capital Repayment Amount	Capital Repayment Date[2]	Remaining Capital Amount	Remaining Capital Description	Final Disposition Date	Final Disposition Description	Final Disposition Proceeds	Stock Price as of 3/31/2010	Market Capitalization (in millions)	Strike Price	Outstanding Warrant Shares	Amount "In the Money" or "Out of the Money"[a]	In/ Out [a]	Dividends/ Interest Paid to Treasury
1	12/31/2008	Citigroup Inc.	New York	NY	Purchase	Trust Preferred Securities w/ Warrants	$20,000,000,000	Par	$20,000,000,000	12/23/2009	$0	Warrants				$4.05	$115,664	$10.61	188,501,414	($6.56)	OUT	$1,568,888,889
	01/16/2009	Bank of America Corporation	Charlotte	NC	Purchase	Preferred Stock w/ Warrants	$20,000,000,000	Par	$20,000,000,000	12/09/2009	$0	Warrants	03/03/2010	Warrants	$1,255,639,099.00	$17.85	$179,074					$1,435,555,556
						Total Investment	**$40,000,000,000**	**Total Capital Repayment**	**$40,000,000,000**					**Total Warrant Proceeds**	**$1,255,639,099.00**							
							Total Treasury TIP Investment Amount	**$0**														

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report.*
[1] Treasury made three separate investments in Citigroup Inc. ("Citigroup") under CPP, TIP, and AGP for a total of $49 billion. On 6/9/2009, Treasury entered into an agreement with Citigroup to exchange all of Treasury's investments. On 7/30/2009, Treasury exchanged all of its Fixed Rate Cumulative Perpetual Preferred Stock, Series I (TIP Shares) "dollar for dollar" for Trust Preferred Securities.
[2] Repayment pursuant to Title VII, Section 7001 of the American Recovery and Reinvestment Act of 2009.
[a] When a warrant's underlying current stock price rises above the strike price, it is considered "In the Money," otherwise it is considered "Out of the Money."

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010; Market Data: Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/6/2010.

TABLE D.4

AGP TRANSACTION DETAIL, AS OF 3/31/2010

		Initial Investment [b]				Premium		Exchange/Transfer/Other Details				Payment or Disposition					Market and Warrants Data						
Note	Date	Institution Name	Transaction Type	Description	Guarantee Limit	Description	Amount	Date	Type	Description	Amount	Date	Payment Type	Payment Amount	Remaining Premium Desc	Remaining Premium Amount	Stock Price	Market Capitalization (in millions)	Strike Price	Outstanding Warrant Shares	Amount "In the Money" or "Out of the Money"[a]	In/Out [a]	Dividends/ Interest Paid to Treasury
1,2,3	01/16/ 2009	Citigroup Inc., New York, NY	Guarantee	Master Agreement	$5,000,000,000	Preferred Stock w/ Warrants	$4,034,000,000	06/09/ 2009	Exchange preferred stock for trust preferred securities	Trust Preferred Securities w/ Warrants	$4,034,000,000	12/23/ 2009	Partial cancellation for early termination of guarantee	($1,800,000,000)	Trust Preferred Securities w/ Warrants	$2,234,000,000	$4.05	$115,663.6	$10.61	66,531,728	($6.56)	OUT	$321,366,667
3	12/23/ 2009	Citigroup Inc., New York, NY	Termination	Termination Agreement	($5,000,000,000)																		
				Total	**$0**																		

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from 4/2/2010 *Transactions Report*.
[1] In consideration for the guarantee, Treasury received $4.03 billion of preferred stock, which pays 8% interest.
[2] Treasury made three separate investments in Citigroup Inc. ("Citigroup") under CPP, TIP, and AGP for a total of $49 billion. On 6/9/2009, Treasury entered into an agreement with Citigroup to exchange all of Treasury's investments. On 7/30/2009, Treasury exchanged all of its Fixed Rate Cumulative Perpetual Preferred Stock Series G (AGP Shares), received as premium with the AGP agreement, "dollar for dollar" for Trust Preferred Securities.
[3] On 12/23/2009, Treasury entered into a Termination Agreement with the other parties to the Master Agreement which served to terminate Treasury's guarantee and obligations under the Master Agreement. In connection with the early termination of the guarantee, Treasury agreed to cancel $1.8 billion of the AGP Trust Preferred Securities, and the Federal Deposit Insurance Corporation (FDIC) and Treasury agreed that, subject to the conditions set out in the Termination Agreement, the FDIC may transfer $800 million of Trust Preferred Securities to Treasury at the close of Citigroup's participation in the FDIC's Temporary Liquidity Guarantee Program.
[a] When a warrant's underlying current stock price rises above the strike price, it is considered "In the Money," otherwise it is considered "Out of the Money."
[b] AGP transaction is a guarantee, not a purchase. Treasury received a premium including preferred stock and warrants as part of this transaction.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010; Market Data: Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/6/2010.

TABLE D.5

TALF TRANSACTION DETAIL, AS OF 3/31/2010

		Seller						
Note	Date	Institution	City	State	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism
1	03/03/2009	TALF LLC	Wilmington	DE	Purchase	Debt Obligation w/ Additional Note	$20,000,000,000	N/A

Note: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*.
[1] The loan was funded through TALF LLC, a special purpose vehicle created by The Federal Reserve Bank of New York. The amount of $20,000,000,000 represents the maximum loan amount. The loan will be incrementally funded.

Source: Treasury, *Transactions Report*, 4/2/2010.

TABLE D.6

PPIP TRANSACTION DETAIL, AS OF 3/31/2010

Seller									Adjusted Investment [3]		Capital Repayment Details		Investment after Capital Repayment		Distribution or Disposition			
Note	Date	Institution	City	State	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism	Date	Amount	Repayment Date	Repayment Amount	Amount	Description	Date	Description	Proceeds	Interest/ Distributions Paid to Treasury
2, 6	10/30/2009	AG GECC PPIF Master Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,542,675,000								$5,612,449
1, 6	10/30/2009	AG GECC PPIF Master Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,271,337,500								
2, 6	10/02/2009	AllianceBernstein Legacy Securities Master Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000								$5,739,171
1, 6	10/02/2009	AllianceBernstein Legacy Securities Master Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								
2, 6	10/02/2009	Blackrock PPIF, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000								$2,690,844
1, 6	10/02/2009	Blackrock PPIF, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								
1, 6	09/30/2009	Invesco Legacy Securities Master Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								$5,075,052
2, 6	09/30/2009	Invesco Legacy Securities Master Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000	02/18/2010	$4,888,718	$2,483,986,282	Debt Obligation w/ Contingent Proceeds				
2, 6	11/25/2009	Marathon Legacy Securities Public-Private Investment Partnership, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000								$180,296
1, 6	11/25/2009	Marathon Legacy Securities Public-Private Investment Partnership, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								
2, 6	12/18/2009	Oaktree PPIP Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000								$16,720
1, 6	12/18/2009	Oaktree PPIP Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								
2, 6	11/04/2009	RLJ Western Asset Public/Private Master Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,488,875,000								$3,235,572
1, 6	11/04/2009	RLJ Western Asset Public/Private Master Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,244,437,500								
2, 4	09/30/2009	UST/TCW Senior Mortgage Securities Fund, L.P.	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	01/04/2009	$200,000,000	01/11/2010	$34,000,000	$166,000,000	Debt Obligation w/ Contingent Proceeds		N/A		$342,176
											01/12/2010	$166,000,000	$0	Contingent Proceeds	01/29/2010	Distribution [5]	$502,302	
															02/24/2010	Distribution [5]	$1,223	
1, 4	09/30/2009	UST/TCW Senior Mortgage Securities Fund, L.P.	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	01/04/2009	$156,250,000	01/15/2010	$156,250,000	$0	Membership Interest [5]	01/29/2010	Distribution [5]	$20,091,872	
															02/24/2010	Distribution [5]	$48,922	
2, 6	10/01/2009	Wellington Management Legacy Securities PPIF Master Fund, LP	Wilmington	DE	Purchase	Debt Obligation w/ Contingent Proceeds	$2,222,222,222	Par	03/22/2010	$2,524,075,000								$1,949,973
1, 6	10/01/2009	Wellington Management Legacy Securities PPIF Master Fund, LP	Wilmington	DE	Purchase	Membership Interest	$1,111,111,111	Par	03/22/2010	$1,262,037,500								
									Total Investment Amount	**$30,356,250,000**	**Total Capital Repayment**	**$361,138,718**				**Total Proceeds**	**$20,644,319**	

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*.
[1] The equity amount may be incrementally funded. Investment amount represents Treasury's maximum obligation if the limited partners other than Treasury fund their maximum equity capital obligations.
[2] The loan may be incrementally funded. Investment amount represents Treasury's maximum obligation if Treasury and the limited partners other than Treasury fund 100% of their maximum equity obligations.
[3] Adjusted to show Treasury's maximum obligations to a fund.
[4] On 1/4/2010, Treasury and the fund manager entered into a Winding-Up and Liquidation Agreement. The adjusted amount shows Treasury's final investments in the fund. (See note 6.)
[5] Profit after capital repayments will be paid pro rata (subject to prior distribution of Contingent Proceeds to Treasury) to the fund's partners, including Treasury, in respect of their membership interests.
[6] Following termination of the TCW fund, the $3.33 billion of obligations have been reallocated to the remaining eight funds pursuant to consent letters from Treasury dated as of 3/22/2010. $133 million of maximum equity capital obligation and $267 million of maximum debt obligation were reallocated per fund, after adjustment for the $17.6 million and $26.9 million equity capital reallocations from private investors in the TCW fund to the Wellington fund and the AG GECC fund, respectively. The $356 million of final investment in the TCW fund will remain a part of Treasury's total maximum S-PPIP investment amount.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010.

TABLE D.7

AIFP TRANSACTION DETAIL, AS OF 3/31/2010

Initial Investment							Exchange/Transfer/Other Details				Treasury Investment After Exchange/Transfer/Other				Payment or Disposition[1]					
Institution	Date	Transaction Type	Seller	Description	Amount	Note	Date	Type	Amount	Note	Obligor	Note	Description	Amount/ Equity %	Date	Type	Amount/ Proceeds	Remaining Investment Description	Remaining Investment Amount/ Equity %	Dividends/ Interest Paid to Treasury
GMAC, Detroit, MI	12/29/2008	Purchase	GMAC	Preferred Stock w/ Exercised Warrants	$5,000,000,000		12/30/2009	Exchange for convertible preferred stock	$5,000,000,000		GMAC	21, 22	Convertible Preferred Stock	$5,250,000,000						$1,010,171,736
	5/21/2009	Purchase	GMAC	Convertible Preferred Stock w/ Exercised Warrants	$7,500,000,000	22	12/30/2009	Partial exchange for common stock	$3,000,000,000		GMAC	21, 22	Convertible Preferred Stock	$4,875,000,000						
											GMAC		Common Stock	56.3%						
											GMAC	3	Common Stock							
	12/30/2009	Purchase	GMAC	Trust Preferred Securities w/ Exercised Warrants	$2,540,000,000															
	12/30/2009	Purchase	GMAC	Convertible Preferred Stock w/ Exercised Warrants	$1,250,000,000	22														
General Motors,[b,d] Detroit, MI	12/29/2008	Purchase	General Motors Corporation	Debt Obligation	$884,024,131	2	5/29/2009	Exchange for equity interest in GMAC	$884,024,131	3										$524,198,730
	12/31/2008	Purchase	General Motors Corporation	Debt Obligation w/ Additional Note	$13,400,000,000		7/10/2009	Exchange for preferred and common stock in New GM	$13,400,000,000	7										
	4/22/2009	Purchase	General Motors Corporation	Debt Obligation w/ Additional Note	$2,000,000,000	4	7/10/2009	Exchange for preferred and common stock in New GM	$2,000,000,000	7	General Motors Company	10, 11	Preferred Stock	$2,100,000,000						
	5/20/2009	Purchase	General Motors Corporation	Debt Obligation w/ Additional Note	$4,000,000,000	5	7/10/2009	Exchange for preferred and common stock in New GM	$4,000,000,000	7	General Motors Company	10, 11	Common Stock	60.8%						
	5/27/2009	Purchase	General Motors Corporation	Debt Obligation w/ Additional Note	$360,624,198	6	7/10/2009	Exchange for preferred and common stock in New GM	$360,624,198	7	General Motors Holdings LLC	11, 12	Debt Obligation	$7,072,488,605	7/10/2009	Partial repayment	$360,624,198	Debt Obligation	$6,711,864,407	
															12/18/2009	Partial repayment	$1,000,000,000	Debt Obligation	$5,711,864,407	
															1/21/2010	Partial repayment	$35,084,421	Debt Obligation	$5,676,779,986	
															3/31/2010	Partial repayment	$1,000,000,000	Debt Obligation	$4,676,779,986	
	6/3/2009	Purchase	General Motors Corporation	Debt Obligation w/ Additional Note	$30,100,000,000	8	7/10/2009	Exchange for preferred and common stock in New GM	$22,041,706,310	9										
							7/10/2009	Transfer of debt to New GM	$7,072,488,605	9										
							7/10/2009	Debt left at Old GM	$985,805,085	9	Motors Liquidation Company		Debt Obligation	$985,805,085						

Continued on next page.

TABLE D.7

AIFP TRANSACTION DETAIL, AS OF 3/31/2010

	Initial Investment						Exchange/Transfer/Other Details				Treasury Investment After Exchange/Transfer/Other				Payment or Disposition[1]					
Institution	Date	Transaction Type	Seller	Description	Amount	Note	Date	Type	Amount	Note	Obligor	Note	Description	Amount/ Equity %	Date	Type	Amount/ Proceeds	Remaining Investment Description	Remaining Investment Amount/ Equity %	Dividends/ Interest Paid to Treasury
Chrysler FinCo, Farmington Hills, MI	1/16/2009	Purchase	Chrysler FinCo	Debt Obligation w/ Additional Note	$1,500,000,000	13									3/17/2009	Partial repayment	$3,499,055	Debt Obligation w/ Additional Note	$1,496,500,945	$7,405,894
															4/17/2009	Partial repayment	$31,810,122	Debt Obligation w/ Additional Note	$1,464,690,823	
															5/18/2009	Partial repayment	$51,136,084	Debt Obligation w/ Additional Note	$1,413,554,739	
															6/17/2009	Partial repayment	$44,357,710	Debt Obligation w/ Additional Note	$1,369,197,029	
															7/14/2009	Repayment	$1,369,197,029	Additional Note	$0	
															7/14/2009	Repayment	$15,000,000	None	—	
Chrysler,[c] Auburn Hills, MI	1/2/2009	Purchase	Chrysler Holding	Debt Obligation w/ Additional Note	$4,000,000,000		6/10/2009	Transfer of debt to New Chrysler	$500,000,000	19	Chrysler Holding	20	Debt Obligation	$3,500,000,000						$180,685,587
	4/29/2009	Purchase	Chrysler Holding	Debt Obligation w/ Additional Note	$—	14														
	4/29/2009	Purchase	Chrysler Holding	Debt Obligation w/ Additional Note	$280,130,642	15									7/10/2009	Repayment	$280,130,642	Additional Note	$0	
	5/1/2009	Purchase	Chrysler LLC	Debt Obligation w/ Additional Note	$1,888,153,580	16														
	5/20/2009	Purchase	Chrysler LLC	Debt Obligation w/ Additional Note	$—	17														
	5/27/2009	Purchase	Chrysler Group LLC	Debt Obligation w/ Additional Note, Equity	$6,642,000,000	18	6/10/2009	Issuance of equity in New Chrysler	$—		Chrysler Group LLC	19	Debt Obligation	$7,142,000,000						
											Chrysler Group LLC		Common Equity	9.9%						
				Total Initial Investment Amount	$81,344,932,551											Total Payments	$4,190,839,261			
																Total Treasury Investment Amount	$77,154,093,290			

Continued on next page.

TABLE D.7

AIFP TRANSACTION DETAIL, AS OF 3/31/2010

Initial Investment								Exchange/Transfer/Other Details			Treasury Investment After Exchange/Transfer/Other				Payment or Disposition[1]					
Institution	Date	Transaction Type	Seller	Description	Amount	Note	Date	Type	Amount	Note	Obligor	Note	Description	Amount/ Equity %	Date	Type	Amount/ Proceeds	Remaining Investment Description	Remaining Investment Amount/ Equity %	Dividends/ Interest Paid to Treasury

Notes: Numbers affected by rounding. Data as of 3/31/2010. Definitions and numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*. See www.financialstability.gov to see *Transactions Report* including colored lines referred to by Treasury.
"GMAC" refers to GMAC Inc., formerly known as GMAC LLC.
"Old GM" refers to General Motors Corporation, which is now known as Motors Liquidation Company.
"New GM" refers to General Motors Company, the company that purchased Old GM's assets on 7/10/2009 in a sale pursuant to section 363 of the Bankruptcy Code. See also footnote 11.
"Chrysler FinCo" refers to Chrysler Financial Services Americas LLC.
"Chrysler Holding" refers to CGI Holding LLC, the company formerly known as "Chrysler Holding LLC".
"Old Chrysler" refers to Chrysler LLC.
"New Chrysler" refers to Chrysler Group LLC, the company that purchased Old Chrysler's assets on 6/10/2009 in a sale pursuant to section 363 of the Bankruptcy Code.

[1] Payment amount does not include accrued and unpaid interest on a debt obligation, which must be paid at the time of principal repayment.
[2] Treasury committed to lend General Motors Corporation up to $1,000,000,000. The ultimate funding was dependent upon the level of investor participation in GMAC LLC's rights offering. The amount has been updated to reflect the final level of funding.
[3] Pursuant to its rights under the loan agreement with Old GM reported on 12/29/2008, Treasury exchanged its $884 million loan to Old GM for a portion of Old GM's common equity interest in GMAC. Treasury held a 35.4% common equity interest in GMAC until the transactions reported on 12/30/2009. (See transactions marked by orange line in the table above and footnote 22.)
[4] This transaction is an amendment to Treasury's 12/31/2008 agreement with Old GM (the "Old GM Loan"), which brought the total loan amount to $15,400,000,000.
[5] This transaction was a further amendment to the Old GM Loan, which brought the total loan amount to $19,400,000,000.
[6] This transaction was a further amendment to the Old GM Loan, which brought the total loan amount to $19,760,624,198. The $360,624,198 loan was used to capitalize GM Warranty LLC, a special purpose vehicle created by . On 7/10/2009, the principal amount was included in the $7.07 billion of debt assumed by the New GM, as explained in footnote 10.
[7] On 7/10/2009, the principal amount outstanding under the Old GM Loan and interest accrued thereunder were extinguished and exchanged for privately placed preferred and common equity in New GM. (See green lines in the table above.)
[8] Under the terms of the $33.3 billion debtor-in-possession credit agreement dated 6/3/2009 with Old GM (the "GM DIP Loan"), Treasury's commitment amount was $30.1 billion. The remaining $2.2 billion of the financing was provided by Canadian government entities. As of 7/9/2009, $30.1 billion of funds had been disbursed by Treasury.
[9] On 7/10/2009, Treasury and Old GM amended the GM DIP Loan, and the principal amount and interest accrued thereunder were extinguished and exchanged for privately placed preferred and common equity in New GM, except for (i) $7.07 billion, which was assumed by New GM as a new obligation under the terms of a separate credit agreement between Treasury and New GM (see transactions marked by green lines in table above) and (ii) $986 million, which remained a debt obligation of Old GM.
[10] In total, for the exchange of the Old GM Loan and the GM DIP Loan (other than as explained in footnote 9), Treasury received $2.1 billion in preferred shares and 60.8% of the common shares of New GM. (See transactions marked by green lines in the table above.)
[11] Pursuant to a corporate reorganization completed on or about 10/19/2009, the shareholders of New GM, including with respect to Treasury's preferred and common stock, became shareholders of General Motors Holding Company (the ultimate parent company of New GM), which was renamed "General Motors Company" on an equal basis to their shareholdings in New GM, and New GM was converted to "General Motors LLC". General Motors LLC is a wholly owned subsidiary of General Motors Holdings LLC, and General Motors Holdings LLC is a wholly owned subsidiary of General Motors Company.
[12] Pursuant to a corporate reorganization completed on 10/19/2009, Treasury's loan with New GM was assigned and assumed by General Motors Holdings LLC.
[13] The loan was funded through Chrysler LB Receivables Trust, a special purpose vehicle created by Chrysler FinCo. The amount of $1,500,000,000 represents the maximum loan amount. The loan was incrementally funded until it reached the maximum amount of $1.5 billion on 4/9/2009.
[14] This transaction was an amendment to Treasury's 1/2/2009 agreement with Chrysler Holding. As of 4/30/2009, Treasury's obligation to lend any funds committed under this amendment had terminated. No funds were disbursed.
[15] The loan was used to capitalize Chrysler Warranty SPV LLC, a special purpose vehicle created by Old Chrysler.
[16] This transaction was set forth in a credit agreement with Old Chrysler fully executed on 5/5/2009 following a term sheet executed on 5/1/2009 and made effective on 4/30/2009. Treasury's commitment was $3.04 billion of the total $4.1 billion debtor-in-possession credit facility (the "Chrysler DIP Loan"). As of 6/30/2009, Treasury's commitment to lend under the Chrysler DIP Loan had terminated. The remaining principal amount reflects the final amount of funds disbursed under the Chrylser DIP Loan.
[17] This transaction was an amendment to Treasury's commitment under the Chrysler DIP Loan, which increased Treasury's commitment by an amount $756,857,000 to a total of $3.8 billion under the Chrysler DIP Loan. As of 6/30/2009, Treasury's obligation to lend funds committed under the Chrysler DIP Loan had terminated.
[18] This transaction, first reported based on a term sheet fully executed on 5/27/2009 for an amount up to $6.943 billion, was set forth in a credit agreement with New Chrysler fully executed on 6/10/2009. Under the terms of the credit agreement, Treasury made a new commitment to New Chrysler of up to $6.642 billion. The total loan amount is up to $7.142 billion including $500 million of debt assumed on 6/10/2009 from Chrysler Holding originally incurred under Treasury's 1/2/2009 credit agreement with Chrysler Holding. The debt obligations are secured by a first priority lien on the assets of New Chrysler. When the sale to new Chrysler was completed, Treasury acquired the rights to 9.85% of the common equity in new Chrysler.
[19] Pursuant to the agreement explained in footnote 18, $500 million of this debt obligation was assumed by New Chrysler.
[20] Under the terms of an agreement dated 7/23/2009, Treasury agreed to hold the outstanding loans of Chrysler Holding in forbearance, and Chrysler Holding agreed to pay the greater of $1.375 billion or 40% of the equity value of Chrysler FinCo in the event it receives proceeds from Chrysler FinCo.
[21] Amount of the Treasury investment after exchange includes the exercised warrants from Treasury's initial investment.
[22] Under the terms of an agreement dated 12/30/2009, the convertible preferred shares will mandatorily convert to common stock under the conditions and the conversion price as set forth in the terms of the agreement.
[a] For the purpose of this table, income (dividends and interest) are presented in aggregate for each AIFP participant.
[b] According to Treasury, the GM warrant was "Exchanged out of bankruptcy exit."
[c] This table includes AWCP transactions.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010.

TABLE D.8

ASSP TRANSACTION DETAIL, AS OF 3/31/2010

		Seller							Adjustment Details			Repayment[4]			
Note	Date	Institution Name	City	State	Transaction Type	Investment Description	Investment Amount	Pricing Mechanism	Adjustment Date[3]	Adjustment Amount	Adjusted Investment Amount	Date	Type	Amount	Dividends/ Interest Paid to Treasury
2, 3	04/09/2009	Chrysler Receivables SPV LLC	Wilmington	DE	Purchase	Debt Obligation w/ Additional Note	$1,500,000,000	N/A	07/08/2009	($500,000,000)	$1,000,000,000	03/09/2010	Repayment[5]	$123,076,734.86	$5,787,176.00
1, 3	04/09/2009	GM Supplier Receivables LLC	Wilmington	DE	Purchase	Debt Obligation w/ Additional Note	$3,500,000,000	N/A	07/08/2009	($1,000,000,000)	$2,500,000,000	11/20/2009	Partial repayment	$140,000,000.00	$9,087,808.00
1, 3	04/09/2009	GM Supplier Receivables LLC	Wilmington	DE	Purchase	Debt Obligation w/ Additional Note		N/A	07/08/2009			02/11/2010	Partial repayment	$100,000,000.00	
1, 3	04/09/2009	GM Supplier Receivables LLC	Wilmington	DE	Purchase	Debt Obligation w/ Additional Note		N/A	07/08/2009			03/04/2010	Repayment[5]	$50,000,000.00	
						Initial Total	**$5,000,000,000**			**Adjusted Total**	**$3,500,000,000**				

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*.
[1] The loan was funded through GM Supplier Receivables, LLC, a special purpose vehicle created by General Motors Corporation. The amount of $3,500,000,000 represents the maximum loan amount. The loan will be incrementally funded. The credit agreement was fully executed on 4/9/2009, but was made effective as of 4/3/2009. General Motors Company assumed GM Supplier Receivables LLC on 7/10/2009.
[2] The loan was funded through Chrysler Receivables SPV LLC, a special purpose vehicle created by Chrysler LLC. The amount of $1,500,000,000 represents the maximum loan amount. The loan will be incrementally funded. The credit agreement was fully executed on 4/9/2009, but was made effective as of 4/7/2009. Chyrsler Group LLC assumed Chrysler Receivables SPV LLC on 6/10/2009.
[3] Treasury issued notice to the institution of the permanent reduced commitment on 7/8/2009; the reduction was effective on 7/1/2009.
[4] Does not include accrued and unpaid interest due on the amount of principal repayment, which interest must be paid at the time of principal repayment.
[5] All outstanding principal drawn under the credit agreement was repaid.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010.

TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

Date	Servicer Modifying Borrowers' Loans: Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/ Investors (Cap) [1]	Pricing Mechanism	Adjustment Details: Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
4/13/2009	Select Portfolio Servicing, Salt Lake City, UT	Purchase	Financial Instrument for Home Loan Modifications	$376,000,000	N/A	6/12/2009	$284,590,000	$660,590,000	Updated portfolio data from servicer	
						9/30/2009	$121,910,000	$782,500,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$131,340,000	$913,840,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($355,530,000)	$558,310,000	Updated portfolio data from servicer	
4/13/2009	CitiMortgage, Inc., O'Fallon, MO	Purchase	Financial Instrument for Home Loan Modifications	$2,071,000,000	N/A	6/12/2009	($991,580,000)	$1,079,420,000	Updated portfolio data from servicer	
						9/30/2009	$1,010,180,000	$2,089,600,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($105,410,000)	$1,984,190,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($199,300,000)	$1,784,890,000	Updated portfolio data from servicer & 2MP initial cap	
4/13/2009	Wells Fargo Bank, NA, Des Moines, IA	Purchase	Financial Instrument for Home Loan Modifications	$2,873,000,000	N/A	6/17/2009	($462,990,000)	$2,410,010,000	Updated portfolio data from servicer	$161,455
						9/30/2009	$65,070,000	$2,475,080,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$1,213,310,000	$3,688,390,000	Updated portfolio data from servicer & HAFA initial cap	
						2/17/2010	$2,050,236,344	$5,738,626,344	Transfer of cap (from Wachovia) due to merger	
						3/12/2010	$54,767	$5,738,681,110	Transfer of cap (from Wachovia) due to merger	
						3/19/2010	$668,108,890	$6,406,790,000	Initial 2MP cap	
						3/26/2010	$683,130,000	$7,089,920,000	Updated portfolio data from servicer	
4/13/2009	GMAC Mortgage, Inc., Ft. Washington, PA	Purchase	Financial Instrument for Home Loan Modifications	$633,000,000	N/A	6/12/2009	$384,650,000	$1,017,650,000	Updated portfolio data from servicer	
						9/30/2009	$2,537,240,000	$3,554,890,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($1,679,520,000)	$1,875,370,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$190,180,000	$2,065,550,000	Updated portfolio data from servicer	
4/13/2009	Saxon Mortgage Services, Inc., Irving, TX	Purchase	Financial Instrument for Home Loan Modifications	$407,000,000	N/A	6/17/2009	$225,040,000	$632,040,000	Updated portfolio data from servicer	
						9/30/2009	$254,380,000	$886,420,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$355,710,000	$1,242,130,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($57,720,000)	$1,184,410,000	Updated portfolio data from servicer	
4/13/2009	Chase Home Finance, LLC,[2] Iselin, NJ	Purchase	Financial Instrument for Home Loan Modifications	$3,552,000,000	N/A	7/31/2009	($3,552,000,000)	$0	Termination of SPA	
4/16/2009	Ocwen Financial Corporation, Inc., West Palm Beach, FL	Purchase	Financial Instrument for Home Loan Modifications	$659,000,000	N/A	6/12/2009	($105,620,000)	$553,380,000	Updated portfolio data from servicer	$1,109
						9/30/2009	$102,580,000	$655,960,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$277,640,000	$933,600,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$46,860,000	$980,460,000	Updated portfolio data from servicer	
4/17/2009 as amended on 1/26/2010	Bank of America, N.A., Simi Valley, CA	Purchase	Financial Instrument for Home Loan Modifications	$798,900,000	N/A	6/12/2009	$5,540,000	$804,440,000	Updated portfolio data from servicer	$179,074
						9/30/2009	$162,680,000	$967,120,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$665,510,000	$1,632,630,000	Updated portfolio data from servicer & HAFA initial cap	
						1/26/2010	$800,390,000	$2,433,020,000	Initial 2MP cap	
						3/26/2010	($829,370,000)	$1,603,650,000	Updated portfolio data from servicer	
4/17/2009 as amended on 1/26/2010	Countrywide Home Loans Servicing LP, Simi Valley, CA	Purchase	Financial Instrument for Home Loan Modifications	$1,864,000,000	N/A	6/12/2009	$3,318,840,000	$5,182,840,000	Updated portfolio data from servicer	
						9/30/2009	($717,420,000)	$4,465,420,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$2,290,780,000	$6,756,200,000	Updated portfolio data from servicer & HAFA initial cap	
						1/26/2010	$450,100,000	$7,206,300,000	Initial 2MP cap	
						3/26/2010	$905,010,000	$8,111,310,000	Updated portfolio data from servicer	

Continued on next page.

TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

	Servicer Modifying Borrowers' Loans					Adjustment Details				
Date	Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/ Investors (Cap) [1]	Pricing Mechanism	Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
4/20/2009	Home Loan Services, Inc., Pittsburgh, PA	Purchase	Financial Instrument for Home Loan Modifications	$319,000,000	N/A	6/12/2009	$128,300,000	$447,300,000	Updated portfolio data from servicer	
						9/30/2009	$46,730,000	$494,030,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$145,820,000	$639,850,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($17,440,000)	$622,410,000	Updated portfolio data from servicer	
4/20/2009	Wilshire Credit Corporation, Beaverton, OR	Purchase	Financial Instrument for Home Loan Modifications	$366,000,000	N/A	6/12/2009	$87,130,000	$453,130,000	Updated portfolio data from servicer	
						9/30/2009	($249,670,000)	$203,460,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$119,700,000	$323,160,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$52,270,000	$375,430,000	Updated portfolio data from servicer	
4/24/2009	Green Tree Servicing LLC, Saint Paul, MN	Purchase	Financial Instrument for Home Loan Modifications	$156,000,000	N/A	6/17/2009	($64,990,000)	$91,010,000	Updated portfolio data from servicer	
						9/30/2009	$130,780,000	$221,790,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($116,750,000)	$105,040,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$13,080,000	$118,120,000	Updated portfolio data from servicer	
4/27/2009	Carrington Mortgage Services, LLC, Santa Ana, CA	Purchase	Financial Instrument for Home Loan Modifications	$195,000,000	N/A	6/17/2009	($63,980,000)	$131,020,000	Updated portfolio data from servicer	
						9/30/2009	$90,990,000	$222,010,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$57,980,000	$279,990,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$74,520,000	$354,510,000	Updated portfolio data from servicer	
5/1/2009	Aurora Loan Services, LLC, Littleton, CO	Purchase	Financial Instrument for Home Loan Modifications	$798,000,000	N/A	6/17/2009	($338,450,000)	$459,550,000	Updated portfolio data from servicer	
						9/30/2009	($11,860,000)	$447,690,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$21,330,000	$469,020,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$9,150,000	$478,170,000	Updated portfolio data from servicer	
5/28/2009	Nationstar Mortgage LLC, Lewisville, TX	Purchase	Financial Instrument for Home Loan Modifications	$101,000,000	N/A	6/12/2009	$16,140,000	$117,140,000	Updated portfolio data from servicer	
						9/30/2009	$134,560,000	$251,700,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$80,250,000	$331,950,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$67,250,000	$399,200,000	Updated portfolio data from servicer	
6/12/2009	Residential Credit Solutions, Fort Worth, TX	Purchase	Financial Instrument for Home Loan Modifications	$19,400,000	N/A	9/30/2009	($1,860,000)	$17,540,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$27,920,000	$45,460,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($1,390,000)	$44,070,000	Updated portfolio data from servicer	
6/17/2009	CCO Mortgage, Glen Allen, VA	Purchase	Financial Instrument for Home Loan Modifications	$16,520,000	N/A	9/30/2009	$13,070,000	$29,590,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$145,510,000	$175,100,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($116,950,000)	$58,150,000	Updated portfolio data from servicer	
6/17/2009	RG Mortgage Corporation, San Juan, PR	Purchase	Financial Instrument for Home Loan Modifications	$57,000,000	N/A	9/30/2009	($11,300,000)	$45,700,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($42,210,000)	$3,490,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$65,640,000	$69,130,000	Updated portfolio data from servicer	
6/19/2009	First Federal Savings and Loan, Port Angeles, WA	Purchase	Financial Instrument for Home Loan Modifications	$770,000	N/A	12/30/2009	$2,020,000	$2,790,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$11,370,000	$14,160,000	Updated portfolio data from servicer	

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TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

Date	Servicer Modifying Borrowers' Loans: Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/Investors (Cap) [1]	Pricing Mechanism	Adjustment Details: Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
6/19/2009	Wescom Central Credit Union, Anaheim, CA	Purchase	Financial Instrument for Home Loan Modifications	$540,000	N/A	9/30/2009	$330,000	$870,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$16,490,000	$17,360,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($14,260,000)	$3,100,000	Updated portfolio data from servicer	
6/26/2009	Citizens First Wholesale Mortgage Company, The Villages, FL	Purchase	Financial Instrument for Home Loan Modifications	$30,000	N/A	9/30/2009	($10,000)	$20,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$590,000	$610,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($580,000)	$30,000	Updated portfolio data from servicer	
6/26/2009	Technology Credit Union, San Jose, CA	Purchase	Financial Instrument for Home Loan Modifications	$70,000	N/A	12/30/2009	$2,180,000	$2,250,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($720,000)	$1,530,000	Updated portfolio data from servicer	
6/26/2009	National City Bank, Miamisburg, OH	Purchase	Financial Instrument for Home Loan Modifications	$294,980,000	N/A	9/30/2009	$315,170,000	$610,150,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$90,280,000	$700,430,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($18,690,000)	$681,740,000	Updated portfolio data from servicer	
7/1/2009	Wachovia Mortgage, FSB,[3] Des Moines, IA	Purchase	Financial Instrument for Home Loan Modifications	$634,010,000	N/A	9/30/2009	$723,880,000	$1,357,890,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$692,640,000	$2,050,530,000	Updated portfolio data from servicer & HAFA initial cap	
						2/17/2010	($2,050,236,344)	$293,656	Transfer of cap (to Wells Fargo Bank) due to merger	
						3/12/2010	($54,767)	$238,890	Transfer of cap (to Wells Fargo Bank) due to merger	
7/1/2009	Bayview Loan Servicing, LLC, Coral Gables, FL	Purchase	Financial Instrument for Home Loan Modifications	$44,260,000	N/A	9/30/2009	$23,850,000	$68,110,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$43,590,000	$111,700,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$34,540,000	$146,240,000	Updated portfolio data from servicer	
7/10/2009	Lake National Bank, Mentor, OH	Purchase	Financial Instrument for Home Loan Modifications	$100,000	N/A	9/30/2009	$150,000	$250,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$130,000	$380,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$50,000	$430,000	Updated portfolio data from servicer	
7/10/2009	IBM Southeast Employees' Federal Credit Union, Delray Beach, FL	Purchase	Financial Instrument for Home Loan Modifications	$870,000	N/A	9/30/2009	($10,000)	$860,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$250,000	$1,110,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($10,000)	$1,100,000	Updated portfolio data from servicer	
7/17/2009	MorEquity, Inc., Evansville, IN	Purchase	Financial Instrument for Home Loan Modifications	$23,480,000	N/A	9/30/2009	$18,530,000	$42,010,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$24,510,000	$66,520,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$18,360,000	$84,880,000	Updated portfolio data from servicer	
7/17/2009	PNC Bank, National Association, Pittsburgh, PA	Purchase	Financial Instrument for Home Loan Modifications	$54,470,000	N/A	9/30/2009	($36,240,000)	$18,230,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$19,280,000	$37,510,000	Updated portfolio data from servicer & HAFA initial cap	$30,889
						3/26/2010	$2,470,000	$39,980,000	Updated portfolio data from servicer	

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TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

	Servicer Modifying Borrowers' Loans					Adjustment Details				
Date	Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/ Investors (Cap) [1]	Pricing Mechanism	Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
7/17/2009	Farmers State Bank, West Salem, OH	Purchase	Financial Instrument for Home Loan Modifications	$170,000	N/A	9/30/2009	($90,000)	$80,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$50,000	$130,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$100,000	$230,000	Updated portfolio data from servicer	
7/17/2009	ShoreBank, Chicago, IL	Purchase	Financial Instrument for Home Loan Modifications	$1,410,000	N/A	9/30/2009	$890,000	$2,300,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$1,260,000	$3,560,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($20,000)	$3,540,000	Updated portfolio data from servicer	
7/22/2009	American Home Mortgage Servicing, Inc, Coppell, TX	Purchase	Financial Instrument for Home Loan Modifications	$1,272,490,000	N/A	9/30/2009	($53,670,000)	$1,218,820,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$250,450,000	$1,469,270,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$124,820,000	$1,594,090,000	Updated portfolio data from servicer	
7/22/2009	Mortgage Center, LLC, Southfield, MI	Purchase	Financial Instrument for Home Loan Modifications	$4,210,000	N/A	9/30/2009	$1,780,000	$5,990,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$2,840,000	$8,830,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$2,800,000	$11,630,000	Updated portfolio data from servicer	
7/22/2009	Mission Federal Credit Union, San Diego, CA	Purchase	Financial Instrument for Home Loan Modifications	$860,000	N/A	9/30/2009	($490,000)	$370,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$6,750,000	$7,120,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($6,340,000)	$780,000	Updated portfolio data from servicer	
7/29/2009	First Bank, St. Louis, MO	Purchase	Financial Instrument for Home Loan Modifications	$6,460,000	N/A	9/30/2009	($1,530,000)	$4,930,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$680,000	$5,610,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$2,460,000	$8,070,000	Updated portfolio data from servicer	
7/29/2009	Purdue Employees Federal Credit Union, West Lafayette, IN	Purchase	Financial Instrument for Home Loan Modifications	$1,090,000	N/A	9/30/2009	($60,000)	$1,030,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$1,260,000	$2,290,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$2,070,000	$4,360,000	Updated portfolio data from servicer	
7/29/2009	Wachovia Bank, N.A., Charlotte, NC	Purchase	Financial Instrument for Home Loan Modifications	$85,020,000	N/A	9/30/2009	($37,700,000)	$47,320,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$26,160,000	$73,480,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$9,820,000	$83,300,000	Updated portfolio data from servicer	
7/31/2009	J.P.Morgan Chase Bank, NA, Lewisville, TX	Purchase	Financial Instrument for Home Loan Modifications	$2,699,720,000	N/A	9/30/2009	($14,850,000)	$2,684,870,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$1,178,180,000	$3,863,050,000	Updated portfolio data from servicer & HAFA initial cap	$177,792
						3/26/2010	$1,006,580,000	$4,869,630,000	Updated portfolio data from servicer & 2MP initial cap	
7/31/2009	EMC Mortgage Corporation, Lewisville, TX	Purchase	Financial Instrument for Home Loan Modifications	$707,380,000	N/A	9/30/2009	($10,000)	$707,370,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$502,430,000	$1,209,800,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($134,560,000)	$1,075,240,000	Updated portfolio data from servicer & 2MP initial cap	
8/5/2009	Lake City Bank, Warsaw, IN	Purchase	Financial Instrument for Home Loan Modifications	$420,000	N/A	9/30/2009	$180,000	$600,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($350,000)	$250,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$20,000	$270,000	Updated portfolio data from servicer	
8/5/2009	Oakland Municipal Credit Union, Oakland, CA	Purchase	Financial Instrument for Home Loan Modifications	$140,000	N/A	9/30/2009	$290,000	$430,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$210,000	$640,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$170,000	$810,000	Updated portfolio data from servicer	

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HAMP TRANSACTION DETAIL, AS OF 3/31/2010

	Servicer Modifying Borrowers' Loans					Adjustment Details				
Date	Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/ Investors (Cap) [1]	Pricing Mechanism	Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
8/5/2009	HomEq Servicing, North Highlands, CA	Purchase	Financial Instrument for Home Loan Modifications	$674,000,000	N/A	9/30/2009	($121,190,000)	$552,810,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	($36,290,000)	$516,520,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$199,320,000	$715,840,000	Updated portfolio data from servicer	
8/12/2009	Litton Loan Servicing LP, Houston, TX	Purchase	Financial Instrument for Home Loan Modifications	$774,900,000	N/A	9/30/2009	$313,050,000	$1,087,950,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$275,370,000	$1,363,320,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$278,910,000	$1,642,230,000	Updated portfolio data from servicer	
8/12/2009	PennyMac Loan Services, LLC, Calasbasa, CA	Purchase	Financial Instrument for Home Loan Modifications	$6,210,000	N/A	9/30/2009	($1,200,000)	$5,010,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$30,800,000	$35,810,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$23,200,000	$59,010,000	Updated portfolio data from servicer	
8/12/2009	Servis One, Inc., Titusville, PA	Purchase	Financial Instrument for Home Loan Modifications	$29,730,000	N/A	9/30/2009	($25,510,000)	$4,220,000	Updated portfolio data from servicer & HPDP initial cap	
						12/30/2009	$520,000	$4,740,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$4,330,000	$9,070,000	Updated portfolio data from servicer	
8/28/2009	OneWest Bank, Pasadena, CA	Purchase	Financial Instrument for Home Loan Modifications	$668,440,000	N/A	10/2/2009	$145,800,000	$814,240,000	HPDP initial cap	
						12/30/2009	$1,355,930,000	$2,170,170,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$121,180,000	$2,291,350,000	Updated portfolio data from servicer	
8/28/2009	Stanford Federal Credit Union, Palo Alto, CA	Purchase	Financial Instrument for Home Loan Modifications	$300,000	N/A	10/2/2009	$70,000	$370,000	HPDP initial cap	
						12/30/2009	$2,680,000	$3,050,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$350,000	$3,400,000	Updated portfolio data from servicer	
8/28/2009	RoundPoint Mortgage Servicing Corporation, Charlotte, NC	Purchase	Financial Instrument for Home Loan Modifications	$570,000	N/A	10/2/2009	$130,000	$700,000	HPDP initial cap	
						12/30/2009	($310,000)	$390,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$2,110,000	$2,500,000	Updated portfolio data from servicer	
9/2/2009	Horicon Bank, Horicon, WI	Purchase	Financial Instrument for Home Loan Modifications	$560,000	N/A	10/2/2009	$130,000	$690,000	HPDP initial cap	
						12/30/2009	$1,040,000	$1,730,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($1,680,000)	$50,000	Updated portfolio data from servicer	
9/2/2009	Vantium Capital, Inc., Plano, TX	Purchase	Financial Instrument for Home Loan Modifications	$6,000,000	N/A	10/2/2009	$1,310,000	$7,310,000	HPDP initial cap	
						12/30/2009	($3,390,000)	$3,920,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$410,000	$4,330,000	Updated portfolio data from servicer	
9/9/2009	Central Florida Educators Federal Credit Union, Lake Mary, FL	Purchase	Financial Instrument for Home Loan Modifications	$1,250,000	N/A	10/2/2009	$280,000	$1,530,000	HPDP initial cap	
						12/30/2009	($750,000)	$780,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$120,000	$900,000	Updated portfolio data from servicer	
9/9/2009	U.S. Bank National Association, Owensboro, KY	Purchase	Financial Instrument for Home Loan Modifications	$114,220,000	N/A	10/2/2009	$24,920,000	$139,140,000	HPDP initial cap	
						12/30/2009	$49,410,000	$188,550,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$41,830,000	$230,380,000	Updated portfolio data from servicer	
9/9/2009	CUC Mortgage Corporation, Albany, NY	Purchase	Financial Instrument for Home Loan Modifications	$4,350,000	N/A	10/2/2009	$950,000	$5,300,000	HPDP initial cap	
						12/30/2009	$5,700,000	$11,000,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$740,000	$11,740,000	Updated portfolio data from servicer	

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HAMP TRANSACTION DETAIL, AS OF 3/31/2010

Date	Servicer Modifying Borrowers' Loans: Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/ Investors (Cap) [1]	Pricing Mechanism	Adjustment Details: Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
9/11/2009	ORNL Federal Credit Union, Oak Ridge, TN	Purchase	Financial Instrument for Home Loan Modifications	$2,070,000	N/A	10/2/2009	$460,000	$2,530,000	HPDP initial cap	
						12/30/2009	$2,730,000	$5,260,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$13,280,000	$18,540,000	Updated portfolio data from servicer	
9/11/2009	Allstate Mortgage Loans & Investments, Inc., Ocala, FL	Purchase	Financial Instrument for Home Loan Modifications	$250,000	N/A	10/2/2009	$60,000	$310,000	HPDP initial cap	
						12/30/2009	($80,000)	$230,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$280,000	$510,000	Updated portfolio data from servicer	
9/11/2009	Metropolitan National Bank, Little Rock, AR	Purchase	Financial Instrument for Home Loan Modifications	$280,000	N/A	10/2/2009	$70,000	$350,000	HPDP initial cap	
						12/30/2009	$620,000	$970,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$100,000	$1,070,000	Updated portfolio data from servicer	
9/11/2009	Franklin Credit Management Corporation, Jersey City, NJ	Purchase	Financial Instrument for Home Loan Modifications	$27,510,000	N/A	10/2/2009	$6,010,000	$33,520,000	HPDP initial cap	
						12/30/2009	($19,750,000)	$13,770,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($4,780,000)	$8,990,000	Updated portfolio data from servicer	
9/16/2009	Bay Federal Credit Union, Capitola, CA	Purchase	Financial Instrument for Home Loan Modifications	$410,000	N/A	10/2/2009	$90,000	$500,000	HPDP initial cap	
						12/30/2009	$1,460,000	$1,960,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$160,000	$2,120,000	Updated portfolio data from servicer	
9/23/2009	AMS Servicing, LLC, Buffalo, NY	Purchase	Financial Instrument for Home Loan Modifications	$4,390,000	N/A	10/2/2009	$960,000	$5,350,000	HPDP initial cap	
						12/30/2009	($3,090,000)	$2,260,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$230,000	$2,490,000	Updated portfolio data from servicer	
9/23/2009	Schools Financial Credit Union, Sacramento, CA	Purchase	Financial Instrument for Home Loan Modifications	$390,000	N/A	10/2/2009	$90,000	$480,000	HPDP initial cap	
						12/30/2009	$940,000	$1,420,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($980,000)	$440,000	Updated portfolio data from servicer	
9/23/2009	Glass City Federal Credit Union, Maumee, OH	Purchase	Financial Instrument for Home Loan Modifications	$230,000	N/A	10/2/2009	$60,000	$290,000	HPDP initial cap	
						12/30/2009	($10,000)	$280,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$130,000	$410,000	Updated portfolio data from servicer	
9/23/2009	Central Jersey Federal Credit Union, Woodbridge, NJ	Purchase	Financial Instrument for Home Loan Modifications	$30,000	N/A	10/2/2009	$10,000	$40,000	HPDP initial cap	
						12/30/2009	$120,000	$160,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	$10,000	$170,000	Updated portfolio data from servicer	
9/23/2009	Yadkin Valley Bank, Elkin, NC	Purchase	Financial Instrument for Home Loan Modifications	$240,000	N/A	10/2/2009	$60,000	$300,000	HPDP initial cap	
						12/30/2009	$350,000	$650,000	Updated portfolio data from servicer & HAFA initial cap	$69
						3/26/2010	$1,360,000	$2,010,000	Updated portfolio data from servicer	
9/25/2009	SEFCU, Albany, NY	Purchase	Financial Instrument for Home Loan Modifications	$440,000	N/A	10/2/2009	$100,000	$540,000	HPDP initial cap	
						12/30/2009	$20,000	$560,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($290,000)	$270,000	Updated portfolio data from servicer	
10/14/2009	Great Lakes Credit Union, North Chicago, IL	Purchase	Financial Instrument for Home Loan Modifications	$570,000	N/A	12/30/2009	$1,030,000	$1,600,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($880,000)	$720,000	Updated portfolio data from servicer	
10/14/2009	Mortgage Clearing Corporation, Tulsa, OK	Purchase	Financial Instrument for Home Loan Modifications	$4,860,000	N/A	12/30/2009	($2,900,000)	$1,960,000	Updated portfolio data from servicer & HAFA initial cap	
						3/26/2010	($1,600,000)	$360,000	Updated portfolio data from servicer	
10/21/2009	United Bank Mortgage Corporation, Grand Rapids, MI	Purchase	Financial Instrument for Home Loan Modifications	$410,000	N/A	1/22/2010	$20,000	$430,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$400,000	$830,000	Updated portfolio data from servicer	
10/23/2009	Bank United, Miami Lakes, FL	Purchase	Financial Instrument for Home Loan Modifications	$93,660,000	N/A	1/22/2010	$4,370,000	$98,030,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$23,880,000	$121,910,000	Updated portfolio data from servicer	

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HAMP TRANSACTION DETAIL, AS OF 3/31/2010

Date	Servicer Modifying Borrowers' Loans: Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/Investors (Cap) [1]	Pricing Mechanism	Adjustment Details: Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
10/23/2009	IC Federal Credit Union, Fitchburg, MA	Purchase	Financial Instrument for Home Loan Modifications	$760,000	N/A	1/22/2010	$40,000	$800,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($760,000)	$40,000	Updated portfolio data from servicer	
10/28/2009	Harleysville National Bank & Trust Company, Harleysville, PA	Purchase	Financial Instrument for Home Loan Modifications	$1,070,000	N/A					
10/28/2009	Members Mortgage Company, Inc, Woburn, MA	Purchase	Financial Instrument for Home Loan Modifications	$510,000	N/A					
10/30/2009	DuPage Credit Union, Naperville, IL	Purchase	Financial Instrument for Home Loan Modifications	$70,000	N/A	1/22/2010	$10,000	$80,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$10,000	$90,000	Updated portfolio data from servicer	
11/6/2009	Los Alamos National Bank, Los Alamos, NM	Purchase	Financial Instrument for Home Loan Modifications	$700,000	N/A	1/22/2010	$40,000	$740,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$50,000	$790,000	Updated portfolio data from servicer	
11/18/2009	Quantum Servicing Corporation, Tampa, FL	Purchase	Financial Instrument for Home Loan Modifications	$18,960,000	N/A	1/22/2010	$890,000	$19,850,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$3,840,000	$23,690,000	Updated portfolio data from servicer	
11/18/2009	Hillsdale County National Bank, Hillsdale, MI	Purchase	Financial Instrument for Home Loan Modifications	$1,670,000	N/A	1/22/2010	$80,000	$1,750,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$330,000	$2,080,000	Updated portfolio data from servicer	
11/18/2009	QLending, Inc., Coral Gables, FL	Purchase	Financial Instrument for Home Loan Modifications	$20,000	N/A	1/22/2010	$0	$20,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($10,000)	$10,000	Updated portfolio data from servicer	
11/25/2009	Marix Servicing, LLC, Pheonix, AZ	Purchase	Financial Instrument for Home Loan Modifications	$20,360,000	N/A	1/22/2010	$950,000	$21,310,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($17,880,000)	$3,430,000	Updated portfolio data from servicer	
11/25/2009	Home Financing Center, Inc, Coral Gables, FL	Purchase	Financial Instrument for Home Loan Modifications	$230,000	N/A					
11/25/2009	First Keystone Bank, Media, PA	Purchase	Financial Instrument for Home Loan Modifications	$1,280,000	N/A	1/22/2010	$50,000	$1,330,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$1,020,000	$2,350,000	Updated portfolio data from servicer	
12/4/2009	Community Bank & Trust Company, Clark Summit, PA	Purchase	Financial Instrument for Home Loan Modifications	$380,000	N/A	1/22/2010	$10,000	$390,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$520,000	$910,000	Updated portfolio data from servicer	
12/4/2009	Idaho Housing and Finance Association, Boise, ID	Purchase	Financial Instrument for Home Loan Modifications	$9,430,000	N/A	1/22/2010	$440,000	$9,870,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$14,480,000	$24,350,000	Updated portfolio data from servicer	
12/9/2009	Spirit of Alaska Federal Credit Union, Fairbanks, AK	Purchase	Financial Instrument for Home Loan Modifications	$360,000	N/A	1/22/2010	$10,000	$370,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$850,000	$1,220,000	Updated portfolio data from servicer	
12/9/2009	American Eagle Federal Credit Union, East Hartford, CT	Purchase	Financial Instrument for Home Loan Modifications	$1,590,000	N/A	1/22/2010	$70,000	$1,660,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($290,000)	$1,370,000	Updated portfolio data from servicer	
12/9/2009	Silver State Schools Credit Union, Las Vegas, NV	Purchase	Financial Instrument for Home Loan Modifications	$1,880,000	N/A	1/22/2010	$90,000	$1,970,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$1,110,000	$3,080,000	Updated portfolio data from servicer	
12/9/2009	Fidelity Homestead Savings Bank, New Orleans, LA	Purchase	Financial Instrument for Home Loan Modifications	$2,940,000	N/A	1/22/2010	$140,000	$3,080,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$6,300,000	$9,380,000	Updated portfolio data from servicer	
12/9/2009	Bay Gulf Credit Union, Tampa, FL	Purchase	Financial Instrument for Home Loan Modifications	$230,000	N/A	1/22/2010	$10,000	$240,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$440,000	$680,000	Updated portfolio data from servicer	
12/9/2009	The Golden 1 Credit Union, Sacramento, CA	Purchase	Financial Instrument for Home Loan Modifications	$6,160,000	N/A	1/22/2010	$290,000	$6,450,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$40,000	$6,490,000	Updated portfolio data from servicer	
12/9/2009	Sterling Savings Bank, Spokane, WA	Purchase	Financial Instrument for Home Loan Modifications	$2,250,000	N/A	1/22/2010	$100,000	$2,350,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($740,000)	$1,610,000	Updated portfolio data from servicer	

Continued on next page.

TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

Date	Servicer Modifying Borrowers' Loans: Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/Investors (Cap) [1]	Pricing Mechanism	Adjustment Details: Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
12/11/2009	HomeStar Bank & Financial Services, Manteno, IL	Purchase	Financial Instrument for Home Loan Modifications	$310,000	N/A	1/22/2010	$20,000	$330,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$820,000	$1,150,000	Updated portfolio data from servicer	
12/11/2009	Glenview State Bank, Glenview, IL	Purchase	Financial Instrument for Home Loan Modifications	$370,000	N/A	1/22/2010	$20,000	$390,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$1,250,000	$1,640,000	Updated portfolio data from servicer	
12/11/2009	Verity Credit Union, Seattle, WA	Purchase	Financial Instrument for Home Loan Modifications	$600,000	N/A	1/22/2010	$30,000	$630,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$400,000	$1,030,000	Updated portfolio data from servicer	
12/11/2009	Hartford Savings Bank, Hartford, WI	Purchase	Financial Instrument for Home Loan Modifications	$630,000	N/A	1/22/2010	$30,000	$660,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$800,000	$1,460,000	Updated portfolio data from servicer	
12/11/2009	The Bryn Mawr Trust Co., Bryn Mawr, PA	Purchase	Financial Instrument for Home Loan Modifications	$150,000	N/A					
12/16/2009	Citizens 1st National Bank, Spring Valley, IL	Purchase	Financial Instrument for Home Loan Modifications	$620,000	N/A	1/22/2010	$30,000	$650,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($580,000)	$70,000	Updated portfolio data from servicer	
12/16/2009	Golden Plains Credit Union, Garden City, KS	Purchase	Financial Instrument for Home Loan Modifications	$170,000	N/A	1/22/2010	$10,000	$180,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$30,000	$210,000	Updated portfolio data from servicer	
12/16/2009	First Federal Savings and Loan Association of Lakewood, Lakewood, OH	Purchase	Financial Instrument for Home Loan Modifications	$3,460,000	N/A	1/22/2010	$160,000	$3,620,000	Updated HPDP cap & HAFA initial cap	
12/16/2009	Sound Community Bank, Seattle, WA	Purchase	Financial Instrument for Home Loan Modifications	$440,000	N/A	1/22/2010	$20,000	$460,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$1,430,000	$1,890,000	Updated portfolio data from servicer	
12/16/2009	Horizon Bank, NA, Michigan City, IN	Purchase	Financial Instrument for Home Loan Modifications	$700,000	N/A	1/22/2010	$30,000	$730,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$1,740,000	$2,470,000	Updated portfolio data from servicer	
12/16/2009	Park View Federal Savings Bank, Solon, OH	Purchase	Financial Instrument for Home Loan Modifications	$760,000	N/A	1/22/2010	$40,000	$800,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$140,000	$940,000	Updated portfolio data from servicer	
12/23/2009	Iberiabank, Sarasota, FL	Purchase	Financial Instrument for Home Loan Modifications	$4,230,000	N/A	1/22/2010	$200,000	$4,430,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($1,470,000)	$2,960,000	Updated portfolio data from servicer	
12/23/2009	Grafton Suburban Credit Union, North Grafton, MA	Purchase	Financial Instrument for Home Loan Modifications	$340,000	N/A	1/22/2010	$20,000	$360,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($320,000)	$40,000	Updated portfolio data from servicer	
12/23/2009	Eaton National Bank & Trust Company, Eaton, OH	Purchase	Financial Instrument for Home Loan Modifications	$60,000	N/A	1/22/2010	$0	$60,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	$90,000	$150,000	Updated portfolio data from servicer	
12/23/2009	Tempe Schools Credit Union, Tempe, AZ	Purchase	Financial Instrument for Home Loan Modifications	$110,000	N/A	1/22/2010	$0	$110,000	Updated HPDP cap & HAFA initial cap	
						3/26/2010	($20,000)	$90,000	Updated portfolio data from servicer	
1/13/2010	Fresno County Federal Credit Union, Fresno, CA	Purchase	Financial Instrument for Home Loan Modifications	$260,000	N/A	3/26/2010	$480,000	$740,000	Updated portfolio data from servicer	
1/13/2010	Roebling Bank, Roebling, NJ	Purchase	Financial Instrument for Home Loan Modifications	$240,000	N/A	3/26/2010	$610,000	$850,000	Updated portfolio data from servicer	
1/13/2010	First National Bank of Grant Park, Grant Park, IL	Purchase	Financial Instrument for Home Loan Modifications	$140,000	N/A	3/26/2010	$150,000	$290,000	Updated portfolio data from servicer	
1/13/2010	Specialized Loan Servicing, LLC, Highlands Ranch, CO	Purchase	Financial Instrument for Home Loan Modifications	$64,150,000	N/A	3/26/2010	($51,240,000)	$12,910,000	Updated portfolio data from servicer	
1/13/2010	Greater Nevada Mortgage Services, Carson City, NV	Purchase	Financial Instrument for Home Loan Modifications	$770,000	N/A	3/26/2010	$8,680,000	$9,450,000	Updated portfolio data from servicer	
1/15/2010	Digital Federal Credit Union, Marlborough, MA	Purchase	Financial Instrument for Home Loan Modifications	$3,050,000	N/A	3/26/2010	$12,190,000	$15,240,000	Updated portfolio data from servicer	

Continued on next page.

TABLE D.9

HAMP TRANSACTION DETAIL, AS OF 3/31/2010

	Servicer Modifying Borrowers' Loans					Adjustment Details				
Date	Name of Institution	Transaction Type	Investment Description	Cap of Incentive Payments on Behalf of Borrowers and to Servicers & Lenders/Investors (Cap) [1]	Pricing Mechanism	Adjustment Date	Cap Adjustment Amount	Adjusted Cap	Reason for Adjustment	Market Capitalization (in Millions)
1/29/2010	iServe Residential Lending, LLC, San Diego, CA	Purchase	Financial Instrument for Home Loan Modifications	$960,000	N/A	3/26/2010	($730,000)	$230,000	Updated portfolio data from servicer	
1/29/2010	United Bank, Griffin, GA	Purchase	Financial Instrument for Home Loan Modifications	$540,000	N/A	3/26/2010	$160,000	$700,000	Updated portfolio data from servicer	
3/3/2010	Urban Trust Bank, Lake Mary, FL	Purchase	Financial Instrument for Home Loan Modifications	$1,060,000	N/A					
3/5/2010	iServe Servicing, Inc., Irving, TX	Purchase	Financial Instrument for Home Loan Modifications	$28,040,000	N/A					
3/10/2010	Navy Federal Credit Union, Vienna, VA	Purchase	Financial Instrument for Home Loan Modifications	$60,780,000	N/A					
3/10/2010	Vist Financial Corp, Wyomissing, PA	Purchase	Financial Instrument for Home Loan Modifications	$300,000	N/A					
			Total Initial Cap	**$23,755,130,000**		**Total Cap Adjustments**	**$16,131,418,890.00**			
				TOTAL CAP			**$39,886,548,890.00**			

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes and definitions taken verbatim from Treasury's 4/2/2010 *Transactions Report*.
[1] The Cap of Incentive Payments represents the potential total amount allocated to each servicer and includes the maximum amount allotted for all payments on behalf of borrowers and payments to servicers and lenders/investors. The Cap is subject to adjustment based on the total amount allocated to the program and individual servicer usage for borrower modifications. Each adjustment to the Cap is reflected under Adjustment Details.
[2] On July 31, 2009, the SPA with Chase Home Finance, LLC was terminated and superseded by new SPAs with J.P. Morgan Chase Bank, NA and EMC Mortgage Corporation.
[3] Wachovia Mortgage, FSB was merged with Wells Fargo Bank, NA, and the remaining Adjusted Cap stated above represents the amount previously paid to Wachovia Mortgage, FSB prior to such merger.
"HAFA" means the Home Affordable foreclosure Alternatives program.
"HPDP" means the Home Price Decline Protection program.
"2MP" means the Second Lien Modification Program.

Sources: Treasury, *Transactions Report*, 4/2/2010; Treasury, responses to SIGTARP data call, 4/7/2010 and 4/8/2010; Market Data: Capital IQ, Inc. (a division of Standard & Poor's), www.capitaliq.com, accessed 4/6/2010.

TABLE D.10

UCSB TRANSACTION DETAIL, AS OF 3/31/2010

	Purchase Details[1]							Settlement Details				Final Disposition			
Trade Date	**Investment Description**	**Institution Name**	**CUSIP**	**Original Face Value**	**Pricing Mechanism**	**Initial Investment Amount [2]**	**TBA[3]**	**Settlement Date**	**Final Investment Amount**	**TBA[3]**	**Senior Security Proceeds[4]**	**Trade Date**	**Life-to-date Principal Received[1]**	**Current Face Value**	**Disposition Amount[5]**
3/19/2010	Floating Rate SBA 7a security due 2025	Coastal Securities, Inc.	83164KYN7	$4,070,000	107.75	$4,377,249	N	3/24/2010	$4,377,249		$2,184				
3/19/2010	Floating Rate SBA 7a security due 2022	Coastal Securities, Inc.	83165ADC5	$7,617,617	109	$8,279,156	N	3/24/2010	$8,279,156		$4,130				
3/19/2010	Floating Rate SBA 7a security due 2022	Coastal Securities, Inc.	83165ADE1	$8,030,000	108.875	$8,716,265	N	3/24/2010	$8,716,265		$4,348				
	Total Orignal Face Value			**$19,717,617**			**Total Treasury SBA 7a investment amount**		**$21,372,670**	**Total Senior Security Proceeds**	**$10,661**			**Total Disposition Proceeds**	**$—**

Notes: Numbers affected by rounding. Data as of 3/31/2010. Numbered notes taken verbatim from Treasury's 4/2/2010 *Transactions Report*.
[1] The amortizing principal and interest payments are reported on the monthly Dividends and Interest Report available at www.FinancialStability.gov.
[2] Investment Amount is stated after giving effect to factor and, if applicable, the purchase of accrued principal and interest.
[3] If a purchase is listed as TBA, or To-Be-Announced, the underlying loans in the SBA Pool have yet to come to market, and the actual Investment Amount will be adjusted within the variance permitted under the program terms.
[4] In order to satisfy the requirements under Section 113 of the Emergency Economic Stabilization Act of 2008, Treasury will acquire a senior indebtedness instrument (a Senior Security) from the seller of each respective SBA 7a Security. Each Senior Security will (i) have an aggregate principal amount equal to the product of (A) 0.05% and (B) the Final Investment Amount (excluding accrued interest) paid by Treasury for the respective SBA 7a Security, and (ii) at the option of the respective seller, may be redeemed at par value immediately upon issuance, or remain outstanding with the terms and conditions as set forth in the Master Purchase Agreement.
[5] Disposition Amount is stated after giving effect, if applicable, to sale of accrued principal and interest.

Source: Treasury, *Transactions Report*, 4/2/2010, accessed 4/6/2010.

CROSS-REFERENCE OF REPORT TO THE INSPECTOR GENERAL ACT OF 1978

This appendix cross-references this report to the reporting requirements under the Inspector General Act of 1978 (P.L. 95-452), as amended, 5 U.S.C. APP.

Section	Statute (Inspector General Act of 1978)	SIGTARP Action	Report Reference
Section 5(a)(1)	"Description of significant problems, abuses, and deficiencies... "	List problems, abuses, and deficiencies from SIGTARP audits and investigations.	Section 1: "The Office of the SIGTARP" Section 4: "SIGTARP Recommendations"
Section 5(a)(2)	"Description of recommendations for corrective action…with respect to significant problems, abuses, or deficiencies... "	List recommendations from SIGTARP audits and investigations.	Section 1: "The Office of the SIGTARP" Section 4: "SIGTARP Recommendations"
Section 5(a)(3)	"Identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed..."	List all instances of incomplete corrective action from previous semiannual reports.	Section 4: "SIGTARP Recommendations"
Section 5(a)(4)	"A summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted... "	List status of SIGTARP investigations referred to prosecutive authorities.	Section 1: "The Office of the SIGTARP"
Section 5(a)(5)	"A summary of each report made to the [Treasury Secretary] under section 6(b)(2)... " (instances where information requested was refused or not provided)	List TARP oversight reports by Treasury, FSOB, SEC, GAO, COP, OMB, CBO, Federal Reserve, FDIC, and SIGTARP.	Appendix G: "Key Oversight Reports and Testimonies"
Section 5(a)(6)	"A listing, subdivided according to subject matter, of each audit report issued..." showing dollar value of questioned costs and recommendations that funds be put to better use.	List SIGTARP audits.	Section 1: "The Office of the SIGTARP"
Section 5(a)(7)	"A summary of each particularly significant report... "	Provide a synopsis of significant SIGTARP audits.	Section 1: "The Office of the SIGTARP"
Section 5(a)(8)	"Statistical tables showing the total number of audit reports and the total dollar value of questioned costs... "	Provide statistical tables showing dollar value of questioned costs from SIGTARP audits.	As detailed in Section 1: "The Office of the SIGTARP," SIGTARP has made significant findings in its audit reports. However, to date SIGTARP's audits have not included questioned costs findings.
Section 5(a)(9)	"Statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management..."	Provide statistical tables showing dollar value of funds put to better use by management from SIGTARP audits.	As detailed in Section 1: "The Office of the SIGTARP," SIGTARP has made important findings in its audit reports. However, to date SIGTARP's audits have not included funds put to better use findings.
Section 5(a)(10)	"A summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of reporting period, an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision..."	Provide a synopsis of significant SIGTARP audit reports in which recommendations by SIGTARP are still open.	Section 1: "The Office of the SIGTARP" Section 4: "SIGTARP Recommendations"
Section 5(a)(11)	"A description and explanation of the reasons for any significant revised management decision..."	Explain audit reports in which significant revisions have been made to management decisions.	As detailed in Section 1: "The Office of the SIGTARP," and Section 4: "SIGTARP Recommendations," SIGTARP has made noteworthy recommendations in its audit reports, and the majority of these recommendations have been agreed to. To date, no management decisions have been revised.
Section 5(a)(12)	"Information concerning any significant management decision with which the Inspector General is in disagreement..."	Provide information where management disagreed with a SIGTARP audit finding.	See discussion of "Factors Affecting Implementation of the Home Affordable Modification Program" in Section 1: "The Office of the SIGTARP," and Section 4: "SIGTARP Recommendations."

PUBLIC ANNOUNCEMENTS OF AUDITS

This appendix provides an announcement of new and ongoing public audits by the agencies listed below. See Appendix G: "Key Oversight Reports and Testimonies" for a listing of published reports. Italics style indicates narrative taken as verbatim from the agencies' responses to SIGTARP's data call.

- U.S. Department of the Treasury Office of the Inspector General ("Treasury OIG")
- Federal Reserve Board Office of Inspector General ("Federal Reserve OIG")
- Government Accountability Office ("GAO")
- Federal Deposit Insurance Corporation Office of the Inspector General ("FDIC OIG")

Treasury OIG

Ongoing Audits

- None provided

Federal Reserve OIG[1]

Ongoing Audits

- *Review of the Federal Reserve's Lending Facilities and Special Programs (report is being drafted)*

GAO[2]

Ongoing Audits

- *AIG Financial Update tracks indicators through 4th quarter 2009. April issuance.*
- *Treasury's Decision to Extend TARP. Comment on process and criteria for making decision. Probable May [issuance].*
- *CPP Approval and Return Process: Review Treasury's process as well as regulators' processes for approval, as well as Treasury and regulators' application of criteria for repayment. Probable June/July issuance.*
- *Partnering with SIGTARP on oversight of government management of formerly private sector entities.*
- *Effect of TARP on Treasury's Debt Management. Likely May issuance.*
- *Effectiveness of HAMP and oversight of servicers. Likely July issuance.*
- *Review of SCAP. Likely June/July issuance.*

FDIC OIG

Ongoing Audits

- None provided

Endnotes

1 Federal Reserve OIG, response to SIGTARP data call, 4/1/2010.

2 GAO, response to SIGTARP data call, 3/31/2010.

KEY OVERSIGHT REPORTS AND TESTIMONIES

This list reflects TARP-related reports and testimonies published since SIGTARP's last quarterly report. See prior SIGTARP quarterly reports for lists of prior oversight reports and testimonies.

U.S. DEPARTMENT OF THE TREASURY (TREASURY)
ROLES AND MISSION
The mission of Treasury is to serve the American people and strengthen national security by managing the U.S. government's finances effectively; promoting economic growth and stability; and ensuring the safety, soundness, and security of the U.S. and international financial systems. Treasury advises the President on economic and financial issues, encourages sustainable economic growth, and fosters improved governance in financial institutions.
OVERSIGHT REPORTS
Treasury, *Transactions Report*, 1/4/2010 – 3/31/2010, www.financialstability.gov/latest/reportsanddocs.html, accessed 4/6/2010 (released weekly).
Treasury, Section 105(a) Report, 1/11/2010 – 3/10/2010, www.financialstability.gov/latest/reportsanddocs.html, accessed 4/6/2010.
Treasury, *Citizens' Report on the Troubled Asset Relief Program, Fiscal Year 2009*, 3/2/2010, www.financialstability.gov/docs/09%20OFS_CitizensReport%20MAR2.pdf, accessed 4/6/2010.
Treasury, "Summary Response to GAO Report, November 2009," 1/14/2010, www.financialstability.gov/docs/Summary%20Response%20to%20GAO%20Auto%20Report%201%204%2010.pdf, accessed 4/6/2010.
Treasury, *Warrant Disposition Report*, 1/20/2010, www.financialstability.gov/docs/TARP%20Warrant%20Disposition%20Report%20v4.pdf, accessed 4/6/2010.
RECORDED TESTIMONY
Treasury, "Treasury Secretary Timothy F. Geithner Opening Statement – As Prepared for Delivery, Senate Committee on Finance," 2/2/2010, www.financialstability.gov/latest/st_02022010.html, accessed 4/6/2010.
Treasury, "Treasury Secretary Timothy F. Geithner Written Testimony before the US Senate Budget Committee," 2/4/2010, www.financialstability.gov/latest/st_02042010.html, accessed 4/6/2010.
Treasury, "Special Master Kenneth Feinberg Testimony before the House Committee on Financial Services," 2/25/2010, www.financialstability.gov/latest/st_02252010.html, accessed 4/6/2010.
Treasury, "Written Testimony of Herbert M. Allison, Jr., Assistant Secretary for Financial Stability, before the Congressional Oversight Panel," 3/4/2010, www.financialstability.gov/latest/st_03042010.html, accessed 4/6/2010.
Treasury, "Secretary Timothy F. Geithner Written Testimony before the House Committee on Financial Services," 3/23/2010, www.financialstability.gov/latest/tg_03232010b.html, accessed 4/6/2010.
Treasury, "Foreclosure Prevention: Is the Home Affordable Modification Program Preserving Homeownership?" Testimony of Herbert M. Allison, Assistant Secretary for Financial Stability, U.S. Department of the Treasury, before the House Committee on Oversight and Government Reform, 3/25/2010, www.financialstability.gov/latest/tg_03252010.html, accessed 4/6/2010.

FINANCIAL STABILITY OVERSIGHT BOARD (FSOB)
ROLES AND MISSION
FSOB is responsible for reviewing the exercise of authority under programs developed in accordance with EESA, including: *• policies implemented by the Secretary and the Office of Financial Stability, including the appointment of financial agents, the designation of asset classes to be purchased, and plans for the structure of vehicles used to purchase troubled assets* *• the effect of such actions in assisting American families in preserving home ownership, stabilizing financial markets, and protecting taxpayers* *In addition, FSOB is responsible for making recommendations to the Secretary on the use of the authority under EESA, as well as for reporting any suspected fraud, misrepresentation, or malfeasance to SIGTARP or the U.S. Attorney General.*
OVERSIGHT REPORTS
None
RECORDED TESTIMONY
None

SECURITIES AND EXCHANGE COMMISSION (SEC)

ROLES AND MISSION

SEC administers the federal securities laws, requires disclosure by public companies, and brings enforcement actions against violators of securities law. While other federal and state agencies are legally responsible for regulating mortgage lending and the credit markets, SEC has taken these decisive actions to address the extraordinary challenges caused by the current credit crisis:
- *aggressively combating fraud and market manipulation through enforcement actions*
- *taking swift action to stabilize financial markets*
- *enhancing transparency in financial disclosure*

OVERSIGHT REPORTS

None

RECORDED TESTIMONY

SEC, "Testimony Concerning the State of the Financial Crisis," Chairman Mary L. Schapiro, before the Financial Crisis Inquiry Commission, 1/14/2010, sec.gov/news/testimony/2010/ts011410mls.htm, accessed 4/6/2010.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO)

ROLES AND MISSION

GAO is tasked with performing ongoing oversight of TARP's performance, including:
- *evaluating the characteristics of asset purchases and the disposition of assets acquired*
- *assessing TARP's efficiency in using the funds*
- *evaluating compliance with applicable laws and regulations*
- *assessing the efficiency of contracting procedures*
- *auditing TARP's annual financial statements and internal controls*
- *submitting reports to Congress at least every 60 days*

OVERSIGHT REPORTS

GAO, "Troubled Asset Relief Program, Treasury Needs to Strengthen Its Decision-Making Process on the Term Asset-Backed Securities Loan Facility," 2/28/2010, www.gao.gov/new.items/d1025.pdf, accessed 4/6/2010.

GAO, "Troubled Asset Relief Program, Automaker Pension Funding and Multiple Federal Roles Pose Challenges for the Future," 4/6/2010, www.gao.gov/new.items/d10492.pdf, accessed 4/6/2010.

RECORDED TESTIMONY

GAO, "Troubled Asset Relief Program, Home Affordable Modification Program Continues to Face Implementation Challenges," Statement of Gene L. Dodaro, Acting Comptroller General of the United States, before the Committee on Oversight and Government Reform, U.S. House of Representatives, 3/25/2010, www.gao.gov/new.items/d10556t.pdf, accessed 4/6/2010.

CONGRESSIONAL OVERSIGHT PANEL (COP)

ROLES AND MISSION

COP is tasked with reviewing the current state of the financial markets and the regulatory system. As a by-product of these oversight activities, COP is required to produce the following reports to Congress:

- *regular reports every 30 days that cover a variety of issues, including administration of the program, the impact of purchases on the financial markets/financial institutions, market transparency, and the effectiveness of foreclosure mitigation, minimization of long-term costs, and maximization of benefits for taxpayers*
- *a special report on regulatory reform, published no later than January 20, 2009, analyzing the current state of the regulatory system and its effectiveness at overseeing the participants in the financial system and protecting consumers. The report is to provide recommendations for improvement regarding whether any participants in the financial markets that are currently outside the regulatory system should become subject to the regulatory system, the rationale underlying such recommendation, and whether there are any gaps in existing consumer protections.*

OVERSIGHT REPORTS

COP, "Exiting TARP and Unwinding Its Impact on the Financial Markets," 1/14/2010, http://cop.senate.gov/reports/library/report-011410-cop.cfm, accessed 4/5/2010.

COP, "Commercial Real Estate Losses and the Risk to Financial Stability,"2/11/2010, http://cop.senate.gov/reports/library/report-021110-cop.cfm, accessed 4/5/2010.

COP, "The Unique Treatment of GMAC Under TARP," 3/11/2010, http://cop.senate.gov/reports/library/report-031110-cop.cfm, accessed 4/5/2010.

RECORDED TESTIMONY

COP, "Atlanta Field Hearing on Commercial Real Estate," 1/27/2010, http://cop.senate.gov/hearings/library/hearing-012710-atlanta.cfm, accessed 4/5/2010.

COP, "COP Hearing on GMAC Financial Services," 2/25/2010, http://cop.senate.gov/hearings/library/hearing-022510-gmac.cfm, accessed 4/5/2010.

COP, "COP Hearing on Assistance Provided to Citigroup Under TARP," 3/4/2010, http://cop.senate.gov/hearings/library/hearing-030410-citi.cfm, accessed 4/5/2010.

OFFICE OF MANAGEMENT AND BUDGET (OMB)

ROLES AND MISSION

OMB's predominant mission is to assist the President in overseeing the preparation of the federal budget and to supervise its administration in Executive Branch agencies. In helping to formulate the President's spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies.

In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

OVERSIGHT REPORTS

None

RECORDED TESTIMONY

None

CONGRESSIONAL BUDGET OFFICE (CBO)

ROLES AND MISSION

CBO's mandate is to provide the Congress with objective, nonpartisan, and timely analyses to aid in economic and budgetary decisions on the wide array of programs covered by the Federal budget, and the information and estimates required for the Congressional budget process.

CBO assists the House and Senate Budget Committees, and the Congress more generally, by preparing reports and analyses. In accordance with the CBO's mandate to provide objective and impartial analysis, CBO's reports contain no policy recommendations.

OVERSIGHT REPORTS

CBO, "Report on the Troubled Asset Relief Program," 3/2010, http://cbo.gov/ftpdocs/112xx/doc11227/03-17-TARP.pdf, accessed on 4/5/2010.

RECORDED TESTIMONY

None

FEDERAL RESERVE BOARD (FEDERAL RESERVE)

ROLES AND MISSION

Federal Reserve's duties fall into four general areas:

- *conducting the nation's monetary policy by influencing the monetary and credit conditions in the economy in pursuit of maximum employment, stable prices, and moderate long-term interest rates*
- *supervising and regulating banking institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers*
- *maintaining the stability of the financial system and containing systemic risk that may arise in financial markets*
- *providing financial services to depository institutions, the U.S. government, and foreign official institutions, including playing a major role in operating the nation's payments system*

OVERSIGHT REPORTS

None

RECORDED TESTIMONY

Federal Reserve, "Commercial Real Estate," Jon D. Greenlee, Associate Director, Division of Banking Supervision and Regulation, before the Congressional Oversight Panel Field Hearing, Atlanta, Georgia, 1/27/2010, http://federalreserve.gov/newsevents/testimony/greenlee20100127a.htm, accessed 4/6/2010.

Federal Reserve, "Federal Reserve's Exit Strategy," Chairman Ben S. Bernanke, before the Committee on Financial Services, U.S. House of Representatives, 2/10/2010, http://federalreserve.gov/newsevents/testimony/bernanke20100210a.htm, accessed 4/6/2010.

Federal Reserve, "Incentive Compensation," Scott G. Alvarez, General Counsel, before the Committee on Financial Services, U.S. House of Representatives, 2/25/2010, http://federalreserve.gov/newsevents/testimony/alvarez20100225a.htm, accessed 4/6/2010.

Federal Reserve, "Small Business Lending," Governor Elizabeth A. Duke, before the Committee on Financial Services and Committee on Small Business, U.S. House of Representatives, 2/26/2010, http://federalreserve.gov/newsevents/testimony/duke20100226a.htm, accessed 4/6/2010.

Federal Reserve, "The Federal Reserve's Role in Bank Supervision," Chairman Ben S. Bernanke, before the Committee on Financial Services, U.S. House of Representatives, 3/17/2010, http://federalreserve.gov/newsevents/testimony/bernanke20100317a.htm, accessed 4/6/2010.

Federal Reserve, "Federal Reserve's Exit Strategy," Chairman Ben S. Bernanke, before the Committee on Financial Services, U.S. House of Representatives, 3/25/2010, http://federalreserve.gov/newsevents/testimony/bernanke20100325a.htm, accessed 4/6/2010.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)
ROLES AND MISSION
FDIC is an independent agency created by Congress that maintains the stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions, and managing receiverships.
OVERSIGHT REPORTS
None
RECORDED TESTIMONY
FDIC, Statement of Sheila C. Bair, Chairman, Federal Deposit Insurance Corporation, before the Financial Crisis Inquiry Commission, 1/14/2010, http://fdic.gov/news/news/speeches/chairman/spjan1410.html, accessed 4/6/2010.
FDIC, Statement of Mitchell L. Glassman, Director, Division of Resolutions and Receiverships, Federal Deposit Insurance Corporation before the Subcommittee on Financial Institutions and Consumer Credit, House Committee on Financial Services, U.S. House of Representatives, 1/21/2010, http://fdic.gov/news/news/speeches/chairman/spjan2110.html, accessed 4/6/2010.
FDIC, Statement of Martin J. Gruenberg, Vice Chairman, Federal Deposit Insurance Corporation before the Committee on Financial Services and Committee on Small Business, U.S. House of Representatives, 2/26/2010, http://fdic.gov/news/news/speeches/others/spfeb2610.html, accessed 4/6/2010.

FEDERAL DEPOSIT INSURANCE CORPORATION OFFICE OF THE INSPECTOR GENERAL (FDIC OIG)
ROLES AND MISSION
The Office of Inspector General promotes the economy, efficiency, and effectiveness of FDIC programs and operations, and protects against fraud, waste, and abuse, to assist and augment the FDIC's contribution to stability and public confidence in the nation's financial system.
OVERSIGHT REPORTS
None
RECORDED TESTIMONY
None

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM (SIGTARP)
ROLES AND MISSION
Under EESA, the Special Inspector General has the responsibility, among other things, to conduct, supervise and coordinate audits and investigations of the purchase, management and sale of assets under the Troubled Asset Relief Program ("TARP"). SIGTARP's mission is to advance economic stability by promoting the efficiency and effectiveness of TARP management, through transparency, through coordinated oversight, and through robust enforcement against those, whether inside or outside of Government, who waste, steal or abuse TARP funds.
OVERSIGHT REPORTS
SIGTARP, *Quarterly Report to Congress*, 1/30/2010, www.sigtarp.gov/reports/congress/2010/January2010_Quarterly_Report_to_Congress.pdf, accessed 4/6/2010.
SIGTARP, "Factors Affecting Implementation of The Home Affordable Modification Program," 3/25/2010, www.sigtarp.gov/reports/audit/2010/Factors_Affecting_Implementation_of_the_Home_Affordable_Modification_Program.pdf, accessed 4/6/2010.
RECORDED TESTIMONY
SIGTARP, "Statement of Neil Barofsky, Special Inspector General for the Troubled Asset Relief Program, before the House Committee on Oversight and Government Reform," 1/27/2010, www.sigtarp.gov/reports/testimony/2010/Testimony%20Jan%2027_2010_House%20Committee%20on%20Oversight%20and%20Government%20Reform.pdf, accessed 4/6/2010.

Note: Italics style indicates verbatim narrative taken from source documents.

Sources: Treasury, www.treas.gov, accessed 4/6/2010; Treasury Inspector General, www.treas.gov, accessed 4/6/2010; FSOB, www.treas.gov, accessed 4/6/2010; SEC, www.sec.gov, accessed 4/6/2010; GAO, www.gao.gov, accessed 4/6/2010; COP, www.cop.senate.gov, accessed 4/6/2010; OMB, www.whitehouse.gov, accessed 4/6/2010; CBO, www.cbo.gov, accessed 4/6/2010; Federal Reserve Board, www.federalreserve.gov, accessed 4/6/2010; FDIC, www.fdic.gov, accessed 4/6/2010; FDIC OIG, www.fdicoig.gov, accessed 4/6/2010; SIGTARP, www.sigtarp.gov, accessed 4/6/2010.

CORRESPONDENCE

This appendix provides a copy of the following correspondence:

CORRESPONDENCE			
Date	**From**	**To**	**Regarding**
2/19/2010	SIGTARP	Treasury	Oversight of Small Business Lending Fund
3/30/2010	Treasury	SIGTARP	Status Report on Recommendations in the SIGTARP Quarterly Report
4/17/2010	Treasury	SIGTARP	Response to SIGTARP Quarterly Report

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM
1801 L STREET, NW
WASHINGTON, D.C. 20220

FEB 19 2010

Herbert Allison
Assistant Secretary
Office of Financial Stability
U.S. Department of the Treasury
Main Treasury Building
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Oversight of Small Business Lending Fund

Dear Mr. Allison:

I was surprised to learn from you Wednesday that Treasury is contemplating excluding SIGTARP from the oversight provisions of its legislative proposal concerning the Small Business Lending Fund ("SBLF"), contrary to what you previously told us. I write to reiterate our view that insulating SBLF from the purview of SIGTARP's oversight (and, for that matter, the oversight of the other oversight bodies set forth in Emergency Economic Stabilization Act of 2008 ("EESA")) would be contrary to the best interests of the taxpayer.

Although I recognize that SBLF, as proposed, would not be part of the Troubled Asset Relief Program ("TARP"), as you know, SBLF is in many ways an extension of the TARP's Capital Purchase Program ("CPP"). Many of the oversight issues inherent in CPP that SIGTARP has been dealing with since its inception will be equally applicable to oversight of SBLF. Even putting aside the congruent stated goals of the two programs (*i.e.*, to increase lending), the mechanics are very similar: the economic structure is basically the same, with Treasury providing capital, just as in CPP, in the form of preferred equity; like CPP, the maximum amount of capital available under SBLF will be a percentage of the bank's risk-weighted assets; and the initial SBLF dividend rate will be the same as the initial CPP dividend rate. It would also appear that the application and approval process for new participants will be similar and will involve the same primary regulators; the same agency responsible for running CPP and managing the CPP investments will apparently also be running SBLF and managing those investments; and even many of the same banks will be participants — SBLF is expressly being designed so that smaller CPP participants will be able to convert their CPP capital into SBLF capital. Indeed, Treasury has indicated that $11 billion in CPP capital investments would be eligible for conversion to SBLF, and we estimate that up to *approximately 95%* of the current CPP participants could be

A/S Herbert Allison
February 19, 2010
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eligible to convert. In sum, the funds being utilized, the core mechanics, the economic terms of the program and even many of the participants all stem from TARP's CPP.

In light of this very substantial overlap between CPP and SBLF, it was not surprising when you and your staff told us — just two weeks ago — that it was your understanding that Treasury's legislative proposal concerning SBLF would provide for the same oversight coverage as TARP, and thus SIGTARP would expressly have oversight jurisdiction over SBLF. For reasons that remain unclear, however, you have now informed us that Treasury's original position has apparently changed and that SIGTARP is not included in the current legislative proposal.

This curious change in course, if reflected in the final legislation, would have the unfortunate effect of insulating Treasury's administration of SBLF from an oversight body that has already spent very substantial time and resources building the expertise and developing the relationships necessary to oversee the inextricably related CPP. SIGTARP has spent more than a year now developing that expertise by receiving regular detailed briefings; making recommendations regarding the structure of CPP; meeting with the individuals at OFS, the bank regulators and the outside contractors administering the program; conducting audits of the CPP, including the same sort of selection process now being contemplated for SBLF; reporting on a quarterly basis on the CPP investments and on lending by CPP participants; by pushing for increased transparency on CPP participants' use of TARP funds; by initiating more than 20 criminal investigations into CPP-related matters, including investigations of banks that may have sought to fraudulently obtain taxpayer funds through the application process; and by contacting literally hundreds of the participants. Disregarding that expertise when developing a program that has the same goals, a very similar basic structure, that is being run by the same people, and that involves many of the same participants (and many of which might remain under SIGTARP's oversight in any event), would, at best, be terribly wasteful and lead to duplicative efforts and, at worst, could lead to significant exposure to waste, fraud and abuse as another oversight body gets up to speed (even assuming that another body could find the resources to do so). Indeed, the very proposed structure of SBLF, which contemplates a reduction in the dividend payments to taxpayers based on representations by the SBLF recipients, is one that leaves it vulnerable to potential fraud and will require vigorous and experienced oversight from the onset of the program.

For all of these reasons, I strongly urge Treasury to reconsider its position with respect to the oversight provisions of SBLF and include express reference to SIGTARP's oversight jurisdiction in the SBLF legislative proposal. Moreover, while I do not speak for any other oversight body, it would appear to make sense to give explicit oversight authority over SBLF to all of the EESA

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oversight bodies, including the Congressional Oversight Panel and the Government Accountability Office.

Very truly yours,

Neil M. Barofsky
Special Inspector General

cc: Elizabeth Warren
(Chair, Congressional Oversight Panel)

Gene Dodaro
(Acting Comptroller General)

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

March 30, 2010

Neil M. Barofsky, Esq.
Special Inspector General
for the Troubled Assets Relief Program
United States Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: Status Report on Recommendations in the SIGTARP Quarterly Report

Dear Mr. Barofsky:

This letter comments on the actions taken by the U.S. Department of the Treasury (Treasury) in response to the outstanding recommendations outlined in the Special Inspector General for the Troubled Asset Relief Program's (SIGTARP) *Quarterly Report to Congress*, dated January 30, 2010.

Treasury looks forward to the release of the SIGTARP's sixth major report on the Troubled Asset Relief Program (TARP) in April 2010, and has continued to take significant steps to address recommendations from the SIGTARP's quarterly and audit reports. We request that you include the enclosed *Summary Response to SIGTARP Recommendations* in your upcoming quarterly report.

As described in our enclosed *Summary Response to SIGTARP Recommendations*, Treasury has made significant progress in addressing the SIGTARP's comments. We agree that Treasury must do more in many of these areas, and appreciate the SIGTARP's recognition of the significant progress we have made in your report. The enclosed summary outlines steps Treasury is taking to implement action plans that are responsive to the SIGTARP's outstanding recommendations as well as the progress made in completing the action plans for each outstanding recommendation.

We appreciate the open and collaborative relationship with you and your team, and have strived to achieve the highest standard for protecting taxpayers while carrying out our mandate of promoting financial stability. We look forward to continuing to work with you and your team as we move forward.

Sincerely,

Herbert M. Allison, Jr.
Assistant Secretary for Financial Stability

Enclosure

The U.S. Department of the Treasury
Summary Response to SIGTARP's Outstanding Recommendations

March 30, 2010

The Department of the Treasury (Treasury) welcomes the recommendations on the Troubled Asset Relief Program (TARP) from the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). This summary response serves as a status report on Treasury's response to specific recommendations included in SIGTARP's quarterly and audit reports, which appear in the SIGTARP recommendation chart included in the January 2010 Quarterly Report to Congress.

Treasury has given careful consideration to all recommendations in SIGTARP's quarterly and audit reports when taking actions to stabilize the financial system and restore the flow of credit. Treasury's policies and programs currently address many of the issues raised in your recommendations, and in many cases, Treasury has taken specific actions to implement your recommendations. When we believe a particular recommendation would not help carry out Treasury's statutory duties under the Emergency Economic Stabilization Act (EESA), we have developed alternative ways to address the underlying concerns SIGTARP has raised and have explained the measures we are employing to do so to in our summary responses to SIGTARP and to Congress. Finally, SIGTARP Recommendations 6, 7, 8, 9, 11 and 13 identified in this summary response should be closed because Treasury has implemented the substance of the recommendation, and believes that no further action is necessary or appropriate.

Specific Recommendations from SIGTARP's Reports

SIGTARP Recommendation 1
Treasury should include language in new TARP agreements to facilitate compliance and oversight. Specifically, each program participant should (1) acknowledge explicitly the jurisdiction and authority of SIGTARP and other oversight bodies, as relevant, to oversee compliance of the conditions contained in the agreement in question, (2) establish internal controls with respect to that condition, (3) report periodically to the Compliance department of the Office of Financial Stability ("OFS-Compliance") regarding the implementation of those controls and its compliance with the condition, and (4) provide a signed certification from an appropriate senior official to OFS-Compliance that such report is accurate.

Treasury's Response
Treasury continues to implement this recommendation with respect to new TARP programs going forward, as appropriate.

The definitive documentation for the Community Development Capital Initiative (CDCI) will expressly acknowledge the jurisdiction and authority of SIGTARP and other oversight bodies in the TARP agreements.

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Treasury will also require Community Development Financial Institutions (CDFIs) participating in the CDCI to provide to OFS Compliance any assessments of internal controls (performed with their own internal resources or by external auditors). CDFIs are generally small, mission driven institutions with limited resources. Therefore, Treasury believes that requiring that any internal controls assessments performed by the CDFI (or an outside party) be given to Treasury, and not imposing a requirement on CDFIs to perform internal control assessments, accomplishes the spirit of this recommendation without being burdensome to these small, mission driven institutions and, lessens the likelihood of deterrence to participate in the CDCI.

SIGTARP Recommendation 2
Treasury should require TARP recipients to report on the actual use of TARP funds.

Treasury's Response
As you know, Treasury has worked with SIGTARP to design a process that addresses this recommendation, which includes a *Use of Funds Survey*. The scope of the annual *Use of Funds Survey* will cover how each financial institution has employed the capital infusion of CPP funds from the date they initially received the funds until the end of the fourth quarter 2009.

Treasury will post all answers that are collected from each individual CPP recipient through the *Use of Funds Survey*, and will publish the names of any financial institutions that fail to submit a survey response to Treasury, on the *FinancialStability.gov* website. Treasury will also post a summary of quantitative data on the categories provided in the overall Quarterly CPP Report for each individual CPP recipient on the *FinancialStability.gov* website.

Treasury sent the *Use of Funds Survey* to CPP participants on March 12, 2010. Financial institutions will have 30 days to complete and submit their survey responses to Treasury.

Additionally, under CDCI, participating CDFIs will be required to comply with the rules, regulations and guidance of the Treasury with respect to transparency, accountability and monitoring, as published and in effect at the time of the investment closing. This will include participating in the annual use of funds survey described above.

SIGTARP Recommendation 3
Treasury should significantly increase the staffing levels of OFS-Compliance and ensure the timely development and implementation of an integrated risk management and compliance program.

Treasury's Response
Treasury continues to hire staff for OFS-Compliance with experience regarding conflicts of interest, anti-fraud, audit, internal controls, and securities, banking and investment company

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regulations/compliance. Two new employees began within the last six weeks, and an additional two employees will start in April 2010. Treasury continues to advertise for candidates with the above experience to fill open positions.

As stated in prior responses, OFS-Compliance continues to receive assistance from other OFS personnel, including those in the risk management, financial management, home ownership preservation and investment areas as well as engaged financial agents/contractors, specifically for the Public Private Investment Program (PPIP) and the Home Affordability Modification Program (HAMP), to ensure that TARP participants are meeting their responsibilities under the investment agreements.

SIGTARP Recommendation 4
Treasury should require servicers in MHA to submit third-party verified evidence that the applicant is residing in the subject property before funding a mortgage modification.

Treasury's Response
Treasury ensures that borrowers reside in their HAMP-modified property in three ways. Two of these mechanisms occur prior to the funding of the modification.

During evaluation for HAMP, servicers must obtain a credit report from an independent credit reporting agency for every borrower and joint-borrower. Servicers use this credit report to confirm that the property securing the mortgage loan is the borrower's principal residence. If the credit report is inconsistent with other information provided by the borrower, the servicer must reconcile the inconsistency.

Secondly, Treasury's Program Administrator, Fannie Mae, is establishing a fraud detection surveillance procedure using reported IR2 data that specifically focuses on verifying borrower residency. When occupancy discrepancies or potential misrepresentations are identified, servicers will be notified and will be required to take appropriate action to resolve the discrepancy prior to any incentive is paid.

Finally, Treasury's Compliance Agent, Freddie Mac, conducts loan file reviews of participating servicers. Freddie Mac selects a sample of loan files from servicers in order to identify non-compliance, including cases where borrowers' residency has not been adequately verified. Additionally, Freddie Mac will receive reporting from the above described Fannie Mae surveillance procedure and randomly sample loans to ensure the servicers have appropriately resolved flagged items.

3

SIGTARP Recommendation 5

Additional anti-fraud protections should be adopted in MHA to verify the identity of the participants in the transaction and to address the potential for servicers to steal from individuals by receiving Government subsidies without applying them for the benefit of the homeowner.

Treasury's Response

Treasury's Program Administrator for HAMP, Fannie Mae, is establishing fraud detection surveillance procedures using data reported by servicers in the HAMP system of record (IR2), similar to that mentioned in response 4 that will specifically focuses on the borrower identity. When borrower identity discrepancies or potential misrepresentations are identified, servicers will be notified and will be required to take appropriate action to resolve the discrepancy prior to any incentive being paid.

Freddie Mac, Treasury's Compliance Agent for HAMP, has developed procedures to verify that incentives paid to servicers are accurately applied to the respective borrower participating in HAMP during its servicer compliance reviews. Freddie Mac will select and review a sample of serviced mortgage loans. Freddie Mac will then compare the source information from the loan files to IR2 to validate existence. After the first anniversary date, Freddie Mac will assess whether servicers' controls and processes appropriately applied the borrowers' reduction in principal, and for a selected sample of loans will assess whether the servicers reduced the borrowers' principal amount of the loans appropriately. Freddie Mac also reviews on a sample basis the investor payments remitted to the servicer to verify that servicers are not retaining these incentives. Additionally, Freddie Mac will receive reporting from the above described Fannie Mae surveillance procedure and randomly sample loans to ensure the servicers have appropriately resolved flagged items.

SIGTARP Recommendation 6

Treasury should require that verifiable, third-party information be obtained to confirm an applicant's income before any modification payments are made.

Treasury's Response

Treasury has implemented this recommendation. Servicers are required to verify borrower income using tax returns, credit reports and other third party data sources. This verification must be retained by the servicer in the case file and provided to Treasury or its agent upon request or during a compliance audit. Additionally, Supplemental Directive 10-1 will require servicers to verify borrowers' income prior to offering a HAMP trial modification. This procedure will take effect beginning with trial plans offered after April 15, 2010.

SIGTARP Recommendation 7

In MHA, Treasury should defer payment of the $1,000 incentive to the servicer until after the homeowner has verifiably made a minimum number of payments under the mortgage modification program.

Treasury's Response

Treasury has designed the HAMP program to address SIGTARP's concern in this recommendation. Under the HAMP program, servicers are not eligible to receive the $1,000 upfront incentive until the borrower has made three full payments under the modification and submitted documentation verifying borrower income.

Treasury also has the ability to claw-back any servicer incentive if a permanent modification is deemed to be inappropriate. In such an event, incentives paid to date on loan modifications, including any up front one-time incentives, monthly investor cost share reductions, or annual incentives, will be recouped from the servicer.

Furthermore, Treasury's Compliance Agent, Freddie Mac, includes procedures in servicer compliance reviews to verify that borrowers have made the required number of payments under the trial modification. Freddie Mac's loan file reviews ensure that all HAMP requirements were met in the modification of the loan.

SIGTARP Recommendation 8

Treasury should require its agents to keep track of the names and identifying information for each participant in each mortgage modification transaction and to maintain a database of such information.

Treasury's Response

Treasury already tracks the identity of servicers and borrowers involved in the mortgage modification. Tracking of investors (both participating and non-participating) is being enhanced in Supplemental Directive 10-02.

Treasury requires Fannie Mae, Treasury's Program Administrator for HAMP, to maintain servicers' and investors' names and participating borrowers' personally-identifiable information. The information collected is retained in a repository that facilitates analysis and allows for customized searches. Fannie Mae is also evaluating potential automated methods to validate reported Social Security numbers for borrowers.

Treasury does not, however, obtain the names of individual employees involved in each mortgage modification transaction because of feasibility, costs, and privacy issues. The names and identifying information of appraisers, mortgage brokers, and attorneys are not collected because these entities do not play a significant role in the mortgage modification process.

<u>SIGTARP Recommendation 9</u>
Treasury should periodically disclose trading activity and require PPIF managers to disclose to SIGTARP, within seven days of the close of the quarter, all trading activity, holdings, and valuations so that SIGTARP may disclose such information, subject to reasonable protections, in its quarterly reports.

<u>Treasury's Response</u>
Treasury requires the PPIP fund managers (PPIFs) to submit the requested trading activity data within 15 calendar days following month end. This period is needed because the month end reporting process for fund managers is very involved, requiring numerous steps and multiple parties to ensure accuracy, consistency, and data integrity. Treasury confirmed the need for the 15 calendar day timeframe with the recent publication of the initial quarterly report summarizing PPIP capital activity, portfolio holdings and current pricing and fund performance for the quarter ended on December 31, 2009.

Each PPIF must disclose a report to Treasury and SIGTARP containing trading activity, holdings, and valuations through the end of each quarter. The process for preparing these reports takes significant time following the end of each month to validate the report for release to both Treasury and SIGTARP.

More specifically, each fund manager participates in a formal valuation process for determining the market value of portfolio investments at the end of each month. This process takes approximately six business days for fund managers and the valuation agent to complete. Upon completion, the collateral administrator authors a draft collateral administration report, which is delivered to each fund manager no later than seven business days after month end. The fund manager reviews this report for accuracy and consistency, and incorporates the results of the report into the discussion and analysis of the previous month's fund performance. This validation review can take several days to complete before a final report is delivered to both Treasury and SIGTARP.

As previously indicated in our prior correspondence, Treasury continues to believe that receiving the report within 15 calendar days following month end as required under the terms of the definitive legal agreements that Treasury has entered into with each fund manager is a reasonable period to ensure that Treasury receives accurate and complete data from the fund managers for inclusion in the public report on PPIP capital activity.

<u>SIGTARP Recommendation 10</u>
Treasury should have appropriate metrics defined and an evaluation should be in place to monitor the effectiveness of the PPIF managers, both to ensure that they are fulfilling the terms of their agreements and to measure their performance against pre-established benchmarks and against each other.

<u>Treasury's Response</u>
Treasury continues to develop appropriate metrics to monitor financial performance of the PPIFs. Metrics are expected to include each PPIF's actual cumulative returns on equity investments in each PPIF relative to the total equity investment returns promised by each fund manager.

Treasury also continues to develop internal controls policies and procedures specific to the ongoing administration of the PPIP to ensure that the fund managers achieve Treasury's investment objectives while also protecting taxpayers from potential risks through robust oversight of the business, legal, operational, and compliance requirements of the PPIP.

<u>SIGTARP Recommendation 11</u>
Treasury should establish policies to guide any similar future decisions to take a substantial ownership position in financial institutions that would require an advance review so that Treasury can be reasonably aware of the obligations and challenges facing such institutions.

<u>Treasury's Response</u>
As you know, Treasury has made very few decisions to take substantial ownership position in particular financial institutions under EESA. In those few cases where it was necessary to do so, Treasury was acting to address situations where the financial distress at a company could have significant repercussions for the financial system. Treasury assessed the obligations and challenges of each situation as thoroughly as possible given the need to act quickly, often working in conjunction with federal banking regulators, and designed its interventions accordingly.

Going forward, Treasury does not anticipate taking a substantial percentage ownership position in any other financial institution pursuant to its EESA authority. Since the SIGTARP issued its recommendation, Treasury has made clear its intentions in this regard. When Secretary Geithner sent letters to Congress on December 9, 2009, extending the statutory authority to purchase troubled assets to October 3, 2010, the Secretary stated Treasury's plans regarding future TARP purchases and said that future commitments of funds would be limited to three areas: (i) actions to address the housing crisis and mitigate foreclosures, (ii) capital investment in small and community banks and other efforts to support small business lending, and (iii) potential additional support for the Term Asset Backed Securities Lending Facility (TALF). Treasury will not otherwise use remaining EESA funds unless necessary to respond to an immediate and substantial threat to the economy stemming from financial stability.

Additionally, the Administration has proposed legislation to create a new regulatory regime that will allow for better monitoring, mitigation and responses to risks in the financial system so as to avoid repeating the need for the types of actions that were taken under EESA. The proposed regime would include "resolution authority" for major banks and bank-like entities. This resolution authority would not constitute a permanent bailout fund, and neither the Senate nor House versions provide authority to inject capital into financial institutions. Instead, the legislation would give the government the ability to put an entity into receivership so that it can be wound down safely, at less cost to the taxpayer and less risk to the financial system as a whole.

Treasury believes these developments, which have occurred since the recommendation was issued, may render this recommendation moot. Treasury will continue to monitor the progress of the proposed legislation, and will address the issues raised by the recommendation if it becomes necessary to make such an investment in the interim.

SIGTARP Recommendations 12

Treasury should establish policies to guide decision making in determining whether it is appropriate to defer to another agency when making TARP programming decisions where more than one Federal agency is involved. To the extent that Treasury chooses to rely on another agency to provide oversight over TARP related activities, Treasury should establish controls to ensure that effective communication takes place so that Treasury can carry out its own oversight role.

Treasury's Response

Treasury maintains broad oversight of all TARP programs. Treasury does not defer to another agency when making TARP programming decisions. However, Treasury has coordinated with other Federal agencies when executing or implementing programs and it may continue to do so in the future. This is in order to leverage platforms that are currently in place at these agencies or to otherwise utilize expertise or resources of another agency. Treasury will continue to work closely with other federal agencies that are involved in TARP programs to ensure that Treasury can carry out its oversight role.

For example, Treasury has worked closely with the Federal Reserve Board and the Federal Reserve Bank of New York (FRBNY) to implement the TALF. Treasury provides a backstop in the form of a $20 billion subordinated debt facility to TALF LLC for losses on loans. The FRBNY provides the funds for all loans in the first instance and administers the program. Treasury has broad oversight of the TALF, and has worked extensively with the Federal Reserve and FRBNY to develop appropriate controls and oversight mechanisms over this TARP program, including robust safeguards to assure measured, informed, and well thought out decision making. Specifically, Treasury engages in daily phone conversations with the Federal Reserve and FRBNY on TALF, requires multiple levels of approval for program amendments, and coordinates all decision-making between its investment and legal departments. Treasury is creating explicit policies and procedures for documenting its decision-making process. These policies and procedures will codify already existing practice, and we expect these documents to be approved and implemented shortly.

SIGTARP Recommendation 13

Treasury should improve existing control systems to document the occurrence and nature of external phone calls and in-person meetings about action and potential recipients of funding under the CPP and other similar TARP-assistance programs to which they may be part of the decision making.

Treasury's Response

Treasury has implemented this recommendation. Treasury issued guidance in September 2009 regarding communications with lobbyists and outside persons on the American Recovery and Reinvestment Act and EESA. This guidance prohibits meetings and other oral communications with any party or entity concerning a pending application for funding under TARP-assisted programs. This guidance also requires the posting of all written communications from TARP applicants or their representatives while the application is pending. In addition, the guidance requires that Treasury employees disclose oral and written communications regarding EESA policy or applications with federally registered lobbyists. Treasury has conducted training presentations on the above guidance informing employees of the communication prohibitions and necessary reporting mechanisms.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

April 17, 2010

Neil M. Barofsky
Special Inspector General
for the Troubled Assets Relief Program
United States Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: Response to SIGTARP Quarterly Report

Dear Mr. Barofsky:

The Department of the Treasury (Treasury) appreciates the opportunity to review the recommendation section of the Special Inspector General for the Troubled Asset Relief Program's (SIGTARP) April 2010 Quarterly Report to Congress to be issued next week. Since we received the section on April 15, 2010, we have not had an opportunity to fully analyze your recommendations regarding program changes to the Home Affordable Modification Program (HAMP), and therefore offer our general comments at this time. A detailed description of the actions that Treasury has already taken or plans to take with regard to the concerns expressed in these recommendations will be provided to SIGTARP within 30 days of the issuance of the quarterly report. Additionally, we wish to comment on your recommendations regarding the Community Development Capital Initiative (CDCI) initially received by Treasury on March 11, 2010.

Program Changes to the Home Affordable Modification Program: We will take additional steps to increase transparency of HAMP. We recognize the need to provide as much transparency and data as soon as is feasible and will continue to expand the number and depth of reports on program implementation, successes and challenges. The MHA Public Reports expand with each installment. In the past months we have added conversion metrics, eligibility estimates, modifications characteristics, and geographical data. Later this year, the report will include operational metrics to measure the performance of each servicer in categories such as average time to pick up incoming borrower calls and the percent of borrowers personally contacted. However, given the massive scale and complexity of the program, we have been careful to make certain that data is reliable and consistent before it is released in public form. With lessons learned from the past several months, we will set targets for key program objectives this year.

We also agree with you that mortgage fraud is a serious concern. To that end, Treasury has an information campaign about mortgage fraud and foreclosure rescue scams which it promotes through its MHA website and at borrower outreach events in various cities throughout the country, including on local media at these borrower events. We have posted a video about mortgage fraud on its MHA website and are about to roll out a public service campaign directing homeowners towards our website and our hotline. We will endeavor to provide fraud warnings to homeowners in the rollout of each new program, including cautioning homeowners from paying unnecessary fees for participation in HAMP.

We believe the other recommendations on the announced program changes to HAMP identified in your report address policy matters and raise various concerns. We will expand on our reasons for our policies at a later date.

Community Development Capital Initiative: Treasury has given careful consideration to your recommendations on CDCI. The actions that we have taken or plan to take to address your recommendations are described under each recommendation.

Recommendation 1: Treasury should institute careful screening before putting additional capital into an institution with insufficient capital to ensure that the TARP matching funds are not flowing into an institution that is on the verge of failure.

Recommendation 2: Treasury should develop a robust procedure to audit and verify the bona fides of any purported capital raised and to establish adequate controls to verify the source, amount, and closing of all claimed private investments.

Treasury understands your concerns raised in the above recommendations, and will develop procedures to address them. These procedures will be similar to the robust process that we developed for the Capital Purchase Program (CPP).

For example, Treasury will develop a screening and approval process for the CDCI program that that is similar to CPP. For each financial institution applying to participate in CDCI, Treasury will seek the recommendation of the appropriate federal regulator in determining eligibility for the CDCI. The eligibility recommendation will be based on an assessment of the overall strength and viability of the institution, which will take into account any proposed matching funds. In certain cases, applications will also be reviewed by a council of representatives from appropriate regulators, including in all situations involving matching funds. Treasury officials will review the application received from the federal regulators and recommendations from one of the CDCI regulatory councils, if applicable, before approving any disbursement of funds under the CDCI program.

Recommendation 3: Treasury should revise CDCI terms to clarify that Treasury's inspection and copy right continue until the entire CDCI investment is terminated and to expressly provide SIGTARP access to the CDFI's records equal to that of Treasury.

The definitive documentation for CDCI will expressly acknowledge the jurisdiction and authority of SIGTARP and other oversight bodies. The definitive documentation will also state that that both Treasury and SIGTARP will have access to personnel and any books, papers, records or other data relevant to ascertaining compliance with the financing terms and conditions of CDCI participants as long as Treasury owns the CDCI securities.

Recommendation 4: Treasury should consider more frequent surveys than annually as currently contemplated.

We believe requiring an annual survey covering how each financial institution has employed capital received under the CDCI program will provide sufficient transparency on the operational activities of these institutions. We believe that CDFIs would need to hire additional resources to complete more frequent surveys, and the time and costs involved with requiring additional surveys may limit participation in the CDCI program.

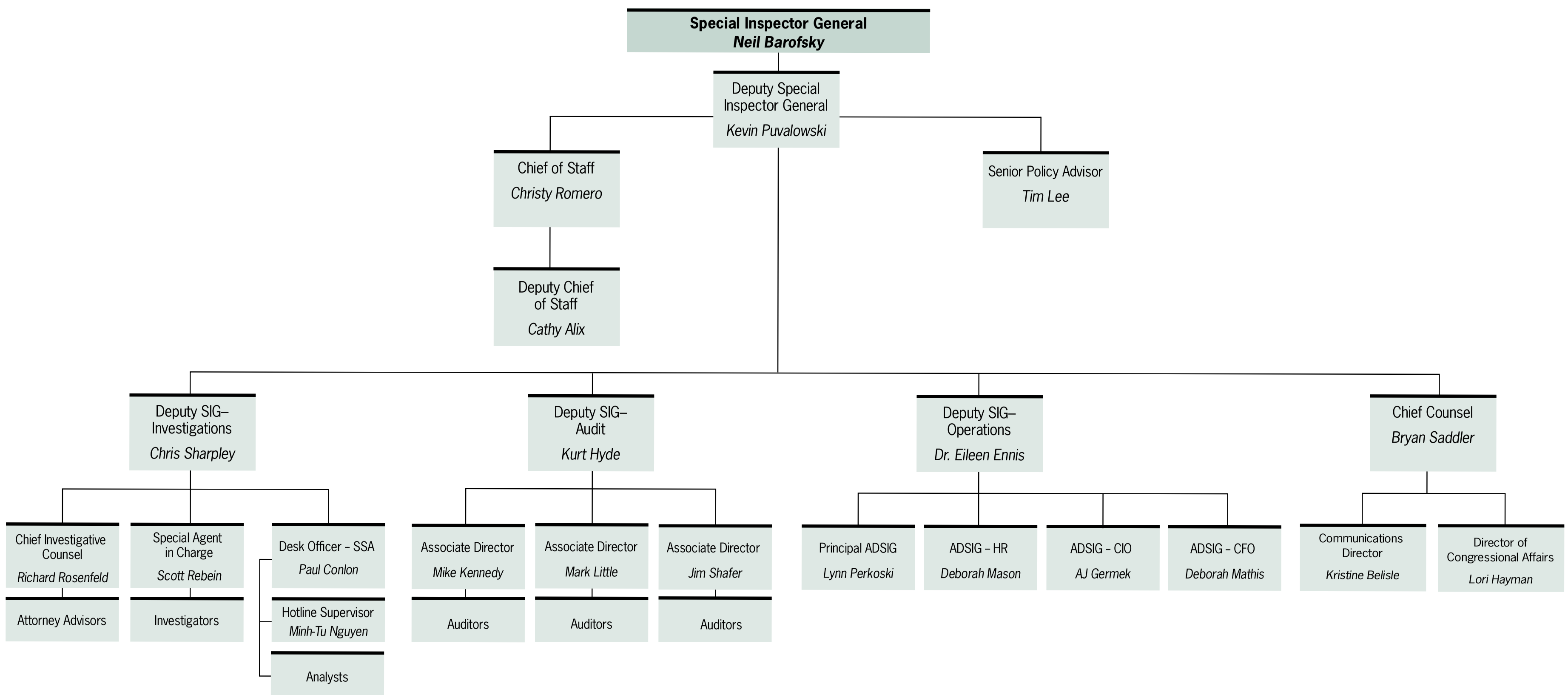
We appreciate the open and collaborative relationship with you and your team, and have strived to achieve the highest standard for protecting taxpayers while carrying out our mandate of promoting financial stability. We look forward to continuing to work with you and your team as we move forward.

Sincerely,

Herbert M. Allison

Herbert M. Allison, Jr.
Assistant Secretary for Financial Stability

ORGANIZATIONAL CHART



Note: SIGTARP organizational chart as of 4/20/2010.

UST/TCW FUND HOLDINGS

The following is an excerpt from the UST/TCW Senior Mortgage Securities Fund, LP Monthly Report dated December 31, 2009.

UST/TCW Senior Mortgage Securities Fund, LP

Description of Partnership Holdings[1]

As of December 31, 2009

Investment	CUSIP/ISIN	Sector	Date of: Initial Purchase	Issue	Maturity	Ratings - Current Moody's	S&P	Fitch	Ratings - At Issue Moody's	S&P	Fitch	Par Value	Market Value	Market Price	Total Cost	Unrealized Gain / (Loss)	Accrued Interest
Eligible Assets																	
Non-Agency RMBS																	
BAFC 2006-8T2 A4	05951UAE1	Alt-A	23-Nov-2009	01-Nov-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$9,546,000.00	$5,768,204.22	60.1486900	$5,632,140.00	$109,653.95	$46,410.27
BAFC 2006-8T2 A6	05951UAW1	Alt-A	02-Dec-2009	01-Nov-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$17,271,000.00	$10,354,705.79	59.6818000	$10,211,473.75	$96,164.93	$87,063.11
BAFC 2007-1 TA2	05951FAC8	Alt-A	26-Oct-2009	30-Jan-2007	25-Jan-2037	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$45,000,000.00	$21,414,795.25	47.5844200	$20,503,125.00	$909,864.00	$1,806.25
BAFC 2007-3 TA2	059515AC0	Alt-A	29-Oct-2009	30-Apr-2007	25-Apr-2037	Unrated	B	Unrated	Aaa	AAA	Unrated	$9,450,000.00	$4,387,591.21	46.4292000	$4,311,562.50	$75,995.90	$431.81
BALTA 2006-8 1A1	07387QAA8	Alt-A	23-Oct-2009	28-Dec-2006	25-Jun-2046	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$166,306,215.00	$35,284,561.47	42.1268000	$37,303,979.21	($2,023,058.51)	$3,640.77
BCAA 2006-6 2A10	059487AY4	Prime	10-Nov-2009	01-Jun-2006	25-Jun-2046	Unrated	CCC	CC	Aaa	AAA	AAA	$12,000,000.00	$5,200,138.02	69.7530100	$5,107,390.04	$55,737.91	$37,010.07
BCAA 2006-6 2A5	059487AT5	Prime	04-Nov-2009	25-Jun-2006	25-Jun-2046	B3	CCC	CC	Aaa	AAA	AAA	$16,081,166.00	$5,171,638.81	62.5989000	$5,245,474.75	($74,436.18)	$800.24
BCAA 2006-6 2A6	059487AU2	Prime	04-Nov-2009	25-Jun-2006	25-Jun-2046	B3	CCC	CC	Aaa	AAA	AAA	$16,081,166.00	$1,140,179.71	13.6873300	$1,197,785.56	($67,131.34)	$9,525.49
CHASE 2006-A1 4A1	16163CAN2	Prime	01-Dec-2009	01-Aug-2006	25-Sep-2036	BA1	Unrated	BB	Aaa	Unrated	AAA	$17,811,000.00	$8,651,550.15	84.7096100	$8,528,552.68	$72,046.98	$50,950.49
CMLTI 2006-WF2 A2D	17309BAC1	Alt-A	23-Nov-2009	01-May-2006	25-May-2036	Unrated	CCC	CC	Aaa	AAA	AAA	$9,000,000.00	$4,765,195.30	52.6551700	$4,725,000.00	$13,965.30	$46,230.00
CSAB 2006-4 A3	12628LAF7	Alt-A	24-Nov-2009	29-Nov-2006	25-Dec-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$33,338,663.00	$13,747,445.69	41.2307300	$13,668,851.83	$76,922.30	$1,671.56
CWALT 2005-60T1 A3	12668AUS2	Alt-A	21-Oct-2009	01-Oct-2005	25-Dec-2035	B3	B-	Unrated	Unrated	Unrated	Unrated	$26,000,000.00	$7,679,265.84	56.6898700	$7,753,474.72	($75,859.45)	$1,650.53
CWALT 2005-60T1 A4	12668AUT0	Alt-A	21-Oct-2009	25-Oct-2005	25-Dec-2035	BAA3	B-	Unrated	Unrated	Unrated	Unrated	$117,567,000.00	$5,607,482.03	9.7814900	$6,041,951.40	($479,665.55)	$45,196.17
CWALT 2005-J11 5A1	12668AJT3	Alt-A	06-Nov-2009	01-Sep-2005	25-Nov-2020	B3	CCC	Unrated	Aaa	AAA	Unrated	$28,360,000.00	$10,557,712.52	79.7500000	$10,629,011.36	($131,623.62)	$60,329.79
CWALT 2005-J14 A3	12668AQ24	Alt-A	04-Dec-2009	01-Nov-2005	25-Dec-2035	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$28,800,000.00	$14,219,293.91	71.6093200	$14,797,859.98	($668,997.44)	$90,431.37
CWALT 2006-45T1 1A4	02149JAD8	Alt-A	02-Nov-2009	25-Dec-2006	25-Feb-2037	Unrated	CCC	CC	Aaa	AAA	AAA	$20,000,000.00	$7,124,520.49	55.4261600	$7,196,483.50	($73,743.40)	$1,780.38
CWALT 2006-45T1 1A5	02149JAE6	Alt-A	02-Nov-2009	25-Dec-2006	25-Feb-2037	Unrated	CCC	CC	Aaa	AAA	AAA	$20,000,000.00	$998,965.42	7.6874600	$1,108,386.97	($120,481.98)	$11,060.44
CWALT 2007-17CB 1A6	02151HAF2	Prime	23-Oct-2009	25-Jun-2007	25-Aug-2037	Unrated	B-	CC	Unrated	AAA	AAA	$10,800,000.00	$5,522,396.04	64.0704500	$5,515,271.22	$6,074.55	$1,050.27
CWALT 2007-22 2A16	02151BBG2	Alt-A	19-Nov-2009	01-Jul-2007	25-Sep-2037	B3	Unrated	CC	Aaa	Unrated	AAA	$50,894,000.00	$29,495,266.17	71.0937500	$29,027,768.13	$244,471.45	$223,026.59
CWALT 2007-23CB A4	02151EAD4	Prime	28-Oct-2009	25-Jul-2007	25-Sep-2037	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$35,000,000.00	$3,092,672.84	11.9877700	$3,485,022.05	($418,773.04)	$26,723.83
DBALT 2005-6 2A1	251510KF9	Alt-A	14-Oct-2009	01-Nov-2005	25-Dec-2035	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$45,000,000.00	$17,893,509.94	73.5693100	$17,901,935.29	($119,210.88)	$110,785.53
DBALT 2006-AB4 A1C	251513AT4	Alt-A	20-Nov-2009	01-Sep-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$9,803,000.00	$5,413,387.17	54.7217400	$4,999,530.00	$364,842.17	$49,015.00
FHAMS 2005-FA6 A8	32051GTH8	Prime	27-Oct-2009	25-Jul-2005	25-Sep-2035	B3	CCC	Unrated	Unrated	Unrated	Unrated	$10,000,000.00	$3,256,514.61	65.6108800	$3,250,407.44	$5,502.37	$604.80
FHAMS 2006-FA1 1A1	32051GS48	Alt-A	16-Oct-2009	25-Feb-2006	25-Apr-2036	B3	CCC	CC	Aaa	AAA	AAA	$20,000,000.00	$3,778,123.07	58.9021300	$3,959,692.84	($182,618.47)	$1,048.70
FHAMS 2006-FA2 1A5	32051G2Z7	Alt-A	04-Dec-2009	01-Mar-2006	25-May-2036	Unrated	CCC	CC	Aaa	AAA	AAA	$29,105,000.00	$11,392,315.94	73.4853800	$11,702,528.41	($387,202.79)	$76,990.32
FHAMS 2006-FA8 1A4	32052DAD3	Alt-A	16-Oct-2009	25-Dec-2006	25-Feb-2037	Unrated	AA	CCC	Unrated	AAA	AAA	$40,000,000.00	$2,546,987.06	10.6563000	$2,578,015.10	($51,844.77)	$20,816.73
FHAMS 2007-FA2 1A10	32053LAK8	Alt-A	24-Nov-2009	25-Mar-2007	25-Apr-2037	Unrated	CCC	CC	Unrated	AAA	AAA	$27,610,000.00	$8,002,378.67	54.7677700	$7,889,040.79	$112,166.09	$1,171.79
FHAMS 2007-FA3 A2	32053GAB9	Alt-A	24-Nov-2009	25-Apr-2007	25-Jun-2037	Unrated	CCC	C	Unrated	AAA	AAA	$64,406,250.00	$6,212,522.12	13.7201300	$6,233,889.20	($69,581.44)	$48,214.36
FHAMS 2007-FA3 A6	32053GAF0	Alt-A	27-Oct-2009	25-Apr-2007	25-Jun-2037	Unrated	CCC	CCC	Unrated	Unrated	Unrated	$27,000,000.00	$1,851,893.36	10.2064200	$1,889,216.02	($52,822.48)	$15,499.82
GMACM 2005-AF2 A1	36185MDB5	Alt-A	02-Dec-2009	01-Nov-2005	25-Dec-2035	Unrated	CCC	CC	Unrated	AAA	AAA	$20,000,000.00	$7,516,108.13	65.9062500	$7,583,310.98	($123,794.72)	$56,591.87
GSAA 2006-18 AF3A	3622ELAC0	Alt-A	18-Nov-2009	01-Nov-2006	25-Nov-2036	B3	CCC	Unrated	Aaa	AAA	Unrated	$12,067,000.00	$6,793,781.14	55.8194700	$6,832,938.75	($97,203.31)	$58,045.69
GSAA 2007-10 A1A	3622NDAA2	Prime	22-Oct-2009	01-Oct-2007	25-Nov-2037	Unrated	CCC	CC	Unrated	Unrated	Unrated	$20,355,000.00	$12,788,655.87	72.6562500	$12,936,151.25	($234,904.83)	$87,406.45
IMSA 2007-3 A1B	45257VAB2	Alt-A	23-Oct-2009	30-Apr-2007	25-Sep-2037	CA	CCC	Unrated	Aaa	AAA	Unrated	$9,927,999.00	$3,827,683.04	38.5491900	$4,072,961.59	($245,798.39)	$519.84
MSM 2006-12XS A4	61749EAE7	Alt-A	24-Nov-2009	01-Sep-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$14,000,000.00	$7,871,419.15	55.7234300	$7,770,000.00	$31,280.20	$70,138.95
MSM 2006-7 5A5	61749JAV8	Alt-A	30-Nov-2009	01-May-2006	25-Jun-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$5,000,000.00	$2,701,823.57	55.0899200	$2,721,179.41	($44,223.05)	$24,867.21
NHELI 2006-AF1 A2	65535AAB0	Alt-A	03-Dec-2009	01-Oct-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$26,103,000.00	$12,047,643.88	45.6712500	$13,573,560.00	($1,651,993.61)	$126,077.49
RALI 2006-QS12 2A12	751151AR2	Alt-A	03-Nov-2009	28-Sep-2006	25-Sep-2036	Unrated	CCC	C	Aaa	AAA	AAA	$22,368,000.00	$8,468,845.77	57.0320300	$7,442,576.24	$1,025,558.05	$711.47
RALI 2006-QS3 1A8	761118XL7	Alt-A	19-Oct-2009	25-Mar-2006	25-Mar-2036	Unrated	CCC	C	Aaa	AAA	AAA	$20,000,000.00	$3,606,542.82	52.5064200	$3,725,558.74	($119,738.43)	$722.51
RALI 2006-QS3 1A9	761118XM5	Alt-A	19-Oct-2009	25-Mar-2006	25-Mar-2036	Unrated	CCC	C	Aaa	AAA	AAA	$88,458,000.00	$2,510,301.26	8.1752200	$3,341,115.42	($857,992.37)	$27,178.20
RALI 2007-QS1 1A2	74922KAB1	Alt-A	05-Nov-2009	25-Jan-2007	25-Jan-2037	Unrated	CCC	CC	Aaa	AAA	AAA	$104,191,250.00	$8,355,839.33	9.2875400	$8,913,351.70	($635,040.66)	$77,528.33
RALI 2007-QS1 2A2	74922KAH8	Alt-A	19-Oct-2009	25-Jan-2007	25-Jan-2037	Unrated	CCC	CC	Aaa	AAA	AAA	$48,250,000.00	$18,290,409.10	54.7664500	$17,622,886.96	$664,231.71	$3,290.42
RALI 2007-QS11 A1	74925GAA9	Alt-A	16-Nov-2009	01-Sep-2007	25-Oct-2037	Unrated	CCC	CC	Unrated	AAA	AAA	$17,650,000.00	$8,414,162.44	62.3281200	$8,158,512.98	$177,630.89	$78,018.57
RALI 2007-QS8 A4	74922UAD5	Alt-A	03-Nov-2009	25-Jun-2007	25-Jun-2037	Unrated	CCC	CC	Aaa	AAA	AAA	$67,500,000.00	$5,976,732.76	9.2467300	$6,323,906.14	($402,341.32)	$55,167.94
RAST 2005-A5 A1	45660LJX8	Alt-A	20-Oct-2009	25-Apr-2005	25-May-2035	BA1	AAA	Unrated	Aaa	AAA	Unrated	$45,192,500.00	$14,730,665.77	86.0359800	$14,733,689.98	($4,540.16)	$1,515.95
RAST 2005-A5 A2	45660LJY6	Alt-A	20-Oct-2009	25-Apr-2005	25-May-2035	BA1	AAA	Unrated	Aaa	AAA	Unrated	$148,812,000.00	$4,062,954.49	7.1244900	$3,241,432.64	$774,837.70	$46,684.15
RAST 2006-A9CB A1	76112HAA5	Alt-A	19-Oct-2009	25-Jul-2006	25-Sep-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$11,800,000.00	$4,852,650.26	54.7849200	$4,882,081.57	($30,118.79)	$687.48
RAST 2006-A9CB A11	76112HAL1	Alt-A	22-Oct-2009	25-Jul-2006	25-Sep-2036	Unrated	CCC	Unrated	Unrated	Unrated	Unrated	$30,000,000.00	$10,564,870.12	46.9820300	$10,622,636.84	($60,244.40)	$2,477.68
RAST 2006-A9CB A3	76112HAC1	Alt-A	22-Oct-2009	25-Jul-2006	25-Sep-2036	Unrated	CCC	Unrated	Unrated	Unrated	Unrated	$129,654,330.00	$14,082,686.10	14.3566700	$13,988,440.51	($17,642.46)	$111,888.06
RAST 2006-A9CB A6	76112HAF4	Alt-A	20-Nov-2009	01-Jul-2006	25-Sep-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$10,422,000.00	$5,432,255.93	51.6229700	$5,478,063.75	($97,917.82)	$52,110.00
RAST 2006-A9CB A7	76112HAG2	Alt-A	20-Nov-2009	01-Jul-2006	25-Sep-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$15,500,000.00	$8,034,490.10	51.3354200	$8,147,187.50	($190,197.40)	$77,500.00
RAST 2007-A9 A2	761143AB2	Alt-A	19-Oct-2009	26-Jul-2007	25-Sep-2037	Unrated	CCC	CC	Unrated	AAA	AAA	$84,603,000.00	$8,466,922.09	11.8021100	$9,778,477.93	($1,385,265.41)	$73,709.57
RBSGC 2007-B 1A1	74927XAA0	Prime	17-Nov-2009	25-Mar-2007	25-Jan-2037	Unrated	CCC	CC	Aaa	AAA	Unrated	$25,000,000.00	$7,817,736.74	46.9977800	$7,982,944.75	($166,680.56)	$1,472.55
RBSGC 2007-B 1A3	74927XAC6	Prime	17-Nov-2009	25-Mar-2007	25-Jan-2037	Unrated	CCC	CC	Aaa	AAA	Unrated	$57,733,000.00	$4,782,954.82	12.1423900	$5,563,753.05	($822,892.74)	$42,094.51
RFMSI 2006-S11 A3	74958FAC7	Prime	16-Nov-2009	01-Nov-2006	25-Nov-2036	Unrated	CCC	CCC	Unrated	AAA	AAA	$4,643,000.00	$3,142,519.37	67.1829500	$3,145,632.50	($26,328.13)	$23,215.00
RFMSI 2007-S1 A7	749581AL8	Prime	01-Dec-2009	01-Jan-2007	25-Jan-2037	B3	Unrated	CC	Aaa	Unrated	AAA	$15,000,000.00	$10,661,991.00	70.5799400	$10,875,000.00	($288,009.00)	$75,000.00
SARM 2006-4 7A1	86360BAM0	Prime	02-Dec-2009	01-Apr-2006	25-May-2036	Unrated	CCC	CC	Unrated	AAA	AAA	$6,000,000.00	$3,005,014.24	77.7630900	$2,920,472.75	$67,750.74	$16,790.75
WMALT 2006-8 A4	93935EAF1	Alt-A	13-Nov-2009	01-Sep-2006	25-Oct-2036	Unrated	CCC	Unrated	Aaa	AAA	Unrated	$10,588,072.00	$6,409,593.15	60.0359800	$6,273,432.66	$83,220.13	$52,940.36
WMALT 2006-9 A4	93935WAE4	Alt-A	30-Nov-2009	01-Oct-2006	25-Oct-2036	B2	CCC	Unrated	Aaa	AAA	Unrated	$7,200,000.00	$4,266,638.32	59.0378100	$4,212,000.00	$38,722.32	$35,916.00
Sub-total												**$2,042,248,611.00**	**$480,116,204.62**		**$485,258,084.33**	**($7,493,283.24)**	**$2,351,403.53**

[1] Section 6.01(c)(i)(A) of Loan Agreement.

SIGTARP

SIG-QR-10-02

202.622.1419
Hotline: 877.SIG.2009
SIGTARP@do.treas.gov
www.SIGTARP.gov