

TARP FUNDS HELPED AVERT FINANCIAL DISASTER

Taxpayers See Profits on Investments

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– Federal Reserve Chairman Ben S. Bernanke, 9/15/09

In remarks made after a speech marking the anniversary of the collapse of Lehman Brothers, Federal Reserve Chairman Ben Bernanke said yesterday that the recession is “very likely over.” Eleven months ago, the Democratic Congress worked with Chairman Bernanke and the Bush Administration to pass the Troubled Assets Relief Program (TARP) to avert an economic catastrophe. Included at the insistence of Democrats were provisions to protect taxpayers, including language to make sure that as the financial sector recovered from the crisis it helped create, taxpayers would be compensated. Today, the results are running far ahead of schedule and at far less cost than critics had predicted:

- **In just 11 months, financial institutions have already started paying back money, and taxpayers are seeing a profit on their investment**
- **Under the \$700 billion set aside for the TARP program, \$218 billion under the Capital Purchase Program has gone to banks and other financial institutions at this point, and of that, \$72.57 billion (1/3) has already been repaid**
- **On top of that \$72.57 billion, the U.S. Treasury has received an additional \$12.05 billion in return for its investment:**
 - **\$9.15 billion** in dividends
 - **\$2.9 billion** from repurchased warrants

Clear Agreement: Steps Taken to Avert Crisis Were Necessary and Successful

“[I]f Bernanke and Paulson and whoever else was involved with the decision...if they hadn't have stepped up to...guarantee commercial paper and guarantee the money market funds, the meltdown would have been immediate... [I]t's hard to tell how far it would have gone. But it would have gone...further than anybody would have wanted to see.” – Warren Buffett, [9/16/09](#)

“[I]t's hard to deny that things would have been considerably worse had Congress, the Treasury Department and the Federal Reserve not gone to extraordinary lengths to restore the credit markets.” – Los Angeles Times, [9/15/09](#)

“In the midst of last fall's terrifying financial crisis, the Bush administration, the Federal Reserve and the Congress put aside partisan divisions and took urgent actions to avert catastrophe. Since then, the Fed and the Obama administration have acted to help credit markets recover.” – USA Today, [9/15/09](#)

“Mr. Obama's team and the Federal Reserve have been more successful than generally recognized at winding down many of the support programs for banks. Nearly three dozen financial institutions have repaid \$70 billion in loans to the Treasury, and officials predict that \$50 billion more will be repaid over the next 18 months. Indeed, the government has earned tidy profit on the first round of repayments.” – New York Times, [9/14/09](#)

“[W]hat those gentlemen did, beginning in the Bush administration and extending to the Obama administration was necessary... we had to doing do something to stabilize the system. And that's happened.” – Sam Donaldson, 9/14/09