

The Rescue of the U.S. Auto Industry: The Auto Warranty Commitment Program (AWCP)

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Abstract

On March 30, 2009, President Obama announced a plan for government-funded protection of warranties on new vehicles sold by General Motors (GM) and Chrysler while they underwent restructuring. The initiative, which would become known as the Auto Warranty Commitment Program (AWCP), was intended to bolster consumer confidence by alleviating a major risk (the loss of warranty benefits) to consumers associated with the companies' potential bankruptcies. Under the AWCP, GM and Chrysler established independent special purpose vehicles to which they transferred a combination of their own money and funding they received from Treasury in the form of a loan. The SPV then acted as an insurance fund, guaranteeing the availability of cash to respond to eligible warranty claims should either company fail or otherwise become unable to meet new claims on its own. The program closed on July 21, 2009, without either company's SPV having been called into action. At the time of its announcement, the program received generally positive reviews from some in the industry and media, although there were concerns that the program would be more difficult to implement than the Administration had described.

Keywords: Auto Warranty Commitment Program, General Motors, Chrysler, Automotive Industry Financing Program, warranty

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Auto Warranty Commitment Program

At a Glance

On March 30, 2009, President Obama delivered a speech on the government's support and restructuring of General Motors (GM) and Chrysler. The two companies had just failed to receive approval for their restructuring plans from the President's Auto Task Force and, as a result, were refused the long-term funding they had been seeking.

Given the scope of the challenges GM and Chrysler confronted, President Obama stressed the growing possibility of their having to file for bankruptcy. But rather than leading to their liquidation, bankruptcy would be used as a restructuring "tool" to allow the companies to swiftly dispose of legacy debts while still being able to maintain operations. However, due to negative public perceptions of bankruptcy, government officials and company executives feared that simply introducing its possibility—no matter how much sense it made for the companies—would drain public confidence in the firms, posing yet another risk to their viability as demand for their vehicles also plummeted.

Therefore, at the same time, President Obama also announced a plan for a government-funded guarantee of consumer warranties on GM and Chrysler vehicles purchased while they underwent restructuring. The initiative, which would become known as the Auto Warranty Commitment Program (AWCP), was intended to bolster consumer confidence by alleviating the risk of loss of auto warranty benefits associated with the companies' potential bankruptcies. Under the AWCP, GM and Chrysler established independent special purpose vehicles to which they transferred a combination of their own money and funding they received from the U.S. Department of the Treasury (Treasury) in the form of a loan. The SPV then acted as an insurance fund, guaranteeing the availability of cash to respond to eligible warranty claims should either company fail or otherwise become unable to meet those claims on its own.

At the outset, Treasury dedicated up to \$1.1 billion for the AWCP's implementation. In the end, it extended a total of \$640.7 million in loans to GM and Chrysler. The program closed on July 21, 2009, without either company's SPV having been required to pay warranty claims. Treasury recouped all loan principal and netted \$5.5 million in interest payments.

Summary Evaluation

Given its size relative to the other components of the auto industry rescue, the AWCP has received comparatively little scrutiny from the academic community. No analysis has attempted to isolate its effect on demand for the companies' vehicles nor its overall impact on GM and Chrysler's restructuring efforts.

Summary of Key Terms	
Purpose:	To fund guarantees of warranties on all new vehicles sold by General Motors and Chrysler while they underwent a government-assisted bankruptcy and restructuring.
Announcement Date	March 30, 2009
Termination Date	July 10, 2009
Legal Authority	Troubled Asset Relief Program
Total Commitment	\$1.1 billion
Peak Utilization	\$640.7 million
Term of Loan	July 31, 2010 (in the case of GM) and June 30, 2010 (in the case of Chrysler)
Interest Rate	The greater of LIBOR+350bp and 550bp
Net Revenue	\$5.5 million
Participants/Borrowers	General Motors Co.; Chrysler LLC
Administrator/Lender	U.S. Department of the Treasury

At the time of its announcement, the AWCP received a generally positive reception from those in the auto industry as well as the media, although there were concerns that the program was too vague and that its proper implementation—if necessary—would be difficult.

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I. Overview

Background

During the fall of 2008, as General Motors (GM) and Chrysler headed toward collapse, they repeatedly asked the U.S. government for emergency support. On December 19, 2008, the U.S. Treasury, at the direction of President George W. Bush, agreed to extend emergency bridge loans to the companies so that they could fulfill their immediate liquidity requirements. The bridge loans were positioned as stopgap measures designed to achieve two main purposes: (1) to assure that GM and Chrysler would survive the presidential transition, and (2) to force the companies to revamp their business models and begin restructuring into long-term viable entities (Paulson 2011, 425-428).

Pursuant to the bridge loan agreements, GM and Chrysler received a total of \$23.4 billion in emergency funding on the condition that, among other things, they would design and implement in-depth restructuring plans. The plans were to be reviewed by the President's Auto Task Force, whose evaluation was key to determining whether the government would fund the companies through their restructuring ([Congressional Oversight Panel 9/9/2009](#), 9-14).

On March 30, 2009, when President Obama announced the Task Force's review was complete, he disclosed that—in the Auto Task Force's view—neither company had formulated a plan that was likely to lead to viability ([Obama Speech 3/30/2009](#); [Auto Fact Sheet](#)). As a result, GM and Chrysler were refused the long-term government investments they were seeking. But rather than cutting off their funding entirely, the Obama Administration agreed to loan them additional working capital designed to last the next 30 (Chrysler) and 60 (GM) days, on the condition that they use the time to work with the government to create viable restructuring plans ([Obama Speech 3/30/2009](#); [Auto Fact Sheet](#), 1).

At the same time, President Obama announced to the public that—even with the introduction of viable restructuring plans—GM and Chrysler were unlikely to avoid filing for bankruptcy ([Obama Speech 3/30/2009](#); [Auto Fact Sheet](#), 1). Rather than forcing their liquidation, bankruptcy would be used as a restructuring “tool” that would facilitate swift reorganizations. GM and Chrysler could “quickly clear away old debt” while maintaining operations (*Ibid*). But both government officials and company executives feared that simply introducing the possibility of bankruptcy—no matter how much sense it made for the companies—would drain public confidence in the firms, posing more systemic risks (*Ibid*; [Obama Speech 3/30/2009](#)).

Program Description

On March 30, 2009, President Obama also announced government-funded protection² of consumer warranties on GM and Chrysler vehicles purchased while they underwent

² While sometimes called a “government guarantee”, technically under the AWCP, the government did not provide a guarantee. It was the non-government related SPVs (established by the participating auto

restructuring ([Auto Fact Sheet](#), 2; [Obama Speech 3/30/2009](#)). The new Auto Warranty Commitment Program (AWCP) was intended to “give consumers who [were] considering new car purchases the confidence that even in this difficult economic period, their warrantees [would] be honored” ([AWCP Fact Sheet](#), 1). Although the AWCP was announced in direct support of GM and Chrysler, participation was open to all domestic automakers ([AWCP Fact Sheet](#), 2). GM and Chrysler, however, were the only two manufacturers who chose to participate ([AWCP Fact Sheet](#), 1).

Under the AWCP, GM and Chrysler each created a new, bankruptcy-remote, special purpose vehicle (SPV) to which they transferred funding equal to 125% of the expected cost of warranty obligations³ on each new vehicle they sold, 15% of which they provided themselves and the remainder of which (110%) they funded with a Treasury loan ([AWCP Fact Sheet](#), 1-2). In the event of a “Business Failure”⁴ or in the event that the automaker otherwise became unable to meet its warranty obligations, the SPV would appoint (with Treasury’s approval) one or more third party program administrator(s) to assume the automaker’s warranty liabilities and be paid through the funding held by the SPV ([AWCP Fact Sheet](#), 2; [GM Administration Agreement](#), PDF Page 345-352; [Chrysler Administration Agreement](#), PDF Page 365-367).

Terms of the Loans

Immediately following the AWCP’s announcement in March, Treasury dedicated up to \$1.1 billion in funding for its implementation. \$640.7 million in loans were ultimately disbursed for the establishment of each company’s AWCP SPV: \$280.1 million to Chrysler on April 29, 2009 and \$360.6 million to GM on May 27 ([TARP Transaction Reports](#)). These funds were subsequently transferred by the two companies to their respective SPVs, as contemplated. Treasury funded the loans through the Troubled Asset Relief Program (TARP), the \$250 billion to \$750 billion pool of money created under the Emergency Economic Stability Act of 2008 ([Public Law 110-343](#), 3780). They carried an interest rate of the greater of 550 basis points or the London Interbank Offered Rate (Libor) plus 350 basis points. The loans came with promissory notes for 6.67% of the value of any advances drawn upon under the AWCP, but were also secured by a commensurate stake in GM and Chrysler’s warranty SPVs⁵ and by “Guaranty Collateral” that included a security interest in all of the collateral owned by the

manufacturers) that guaranteed the warranties. The government, i.e., Treasury indirectly provided funding to support the SPVs’ commitments. More accurately, the government “provide[d] government-funded protection for warrantees issued by participating domestic auto manufacturers” ([Auto Fact Sheet](#), 5). It labeled the ACWP as the “Obama Administration’s New Warrantee Commitment Program” ([AWCP Fact Sheet](#), 1).

³ For an automaker, the expected cost of a warranty, in simplified terms, is the likelihood of the warranty being called upon multiplied by the average cost of fulfilling its obligations under the warranty ([GM Administration Agreement](#), PDF Page 349-350; [Chrysler Administration Agreement](#), PDF Page 367-369).

⁴ The loan agreement between Treasury and each manufacturer defined a company failure as: “a bankruptcy, other reorganization, restructuring or cessation of business of General Motors Corporation in which it or any Subsidiary or Affiliate terminates, dishonors or rejects Limited Warranty Obligations, but excludes a reorganization or restructuring for purposes of implementing a plan acceptable to [Treasury]” ([GM Administration Agreement](#), PDF Page 359; [Chrysler Administration Agreement](#), PDF Page 377).

⁵ While Treasury funding to GM and Chrysler for the AWCP was structured as a loan, the funding was used to “capitalize” their SPVs, and so in return Treasury received a commensurate stake in each SPV ([GM Administration Agreement](#), PDF Page 329, 334, 364; [Chrysler Administration Agreement](#), PDF Page 290, 380).

relevant warranty SPV ([GM Administration Agreement](#), PDF Page 326; [Chrysler Administration Agreement](#), PDF Page 288-289, 303). The loans were drawn up as amendments to the loan and security agreements originally entered into between Treasury and the automakers in December 2008 and January 2009 ([GM Administration Agreement](#), PDF Page 325-372; [Chrysler Administration Agreement](#) PDF Page 287-381). For more information on the original loan and security agreements, which facilitated the emergency bridge loans, see Nye (2019).⁶

The AWCP was set to expire on June 30, 2010 for Chrysler and on July 31, 2010 for GM. GM and Chrysler could exit the program any time after they finished restructuring ([GM Administration Agreement](#), PDF Page 353; [Chrysler Administration Agreement](#) PDF Page 369).⁷ Funding held by the SPVs following a company's exit from the program (assuming its exit was due to completing restructuring and not failing) would first be used to pay interest and reduce principal on the Treasury loan. GM and Chrysler would then be entitled to any funds left over (*Ibid*).

Outcomes

Programmatic

Soon after receiving the funding both companies filed for bankruptcy and were supported through that process by TARP debtor-in-possession (DIP) loans. By July 2009, both GM and Chrysler had successfully emerged from bankruptcy having completed the most essential phase of their restructuring. By July 10, although other obligations to the government remained outstanding, GM and Chrysler paid back all AWCP loan principal plus \$5.5 million in interest.⁸ The program subsequently closed without either company having called upon the guarantee ([SIGTARP Q4 2009 Report](#), 91).

GM and Chrysler Vehicle Sales

As shown in Figure 1, consistent with broader market trends, GM's net revenue from sales began to decline in first-quarter 2008 and fell more sharply from fall 2008 through first-quarter 2009. Even though the company had yet to emerge from bankruptcy, its net revenue from sales began to stabilize during second-quarter 2009 when, among other things, the AWCP was implemented. However, sales generally did not start to rebound until after its completion of a major restructuring and emergence from bankruptcy in the summer of 2009.

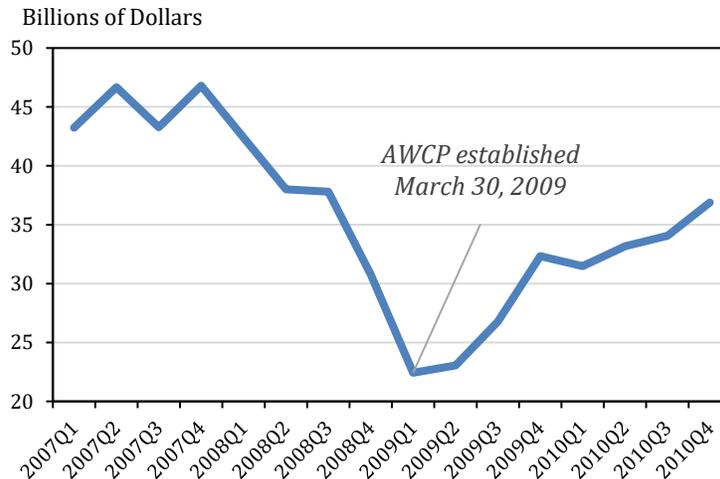
⁶ Nye, Alexander. "Automotive Bridge Loans." *Yale Program on Financial Stability*. 2019.

⁷ What it would mean to "finish restructuring" is left undefined, but presumably this meant emerging from bankruptcy. To exit the program after finishing restructuring, the companies were required to provide written notice to this effect.

⁸ Only Chrysler paid interest on the AWCP funding; GM only repaid the principal ([Allison Testimony 12/17/2009](#)). Chrysler repaid the \$280.1 million warranty loan and related interest due when other pre-bankruptcy loans (but not the warranty loan) were transferred to the post-bankruptcy Chrysler. With respect to GM, it appears that the principal of the \$360.6 million warranty loan was transferred to new GM along with other pre-bankruptcy loan obligations, but it is not clear why GM's interest obligations from the warranty loan seem to have gone unpaid (TARP Transaction Reports).

Because Chrysler was a private company prior to the crisis, quarterly data on its sales revenue were not publicly available for comparison.

Figure 1: General Motors Net Sales Revenue, 2007-2010



Source: Compustat Capital IQ

II. Key Design Decisions⁹

1. The AWCP was a small part of Treasury’s broader initiative to rescue and restructure the U.S. auto industry.

The U.S. government’s strategy for assisting the struggling U.S. auto industry was largely ad-hoc and evolved considerably over time. Treasury’s original stated purpose for intervening was to prevent the immediate collapse of GM and Chrysler—at the time two of the three largest U.S. automakers—an event that was widely expected to be destabilizing for the entire industry ([Congressional Oversight Panel 9/9/2009](#), PDF Page 4). The AWCP constituted just \$0.6 billion of the \$79.7 billion in TARP funding ultimately disbursed in support of GM and Chrysler’s restructurings and to assist other key players in the industry as well, including two auto finance companies (General Motors Acceptance Corporation and Chrysler Financial) and auto parts suppliers ([TARP Transaction Reports](#)).

2. Legal authority for intervention in the U.S. auto industry came from the Troubled Asset Relief Program.

Created with the enactment of the Emergency Economic Stabilization Act (EESA) in October 2008, the Troubled Asset Relief Program (TARP) enabled the U.S. Treasury to “purchase and insure certain types of assets for the purposes of providing stability to and preventing disruption in the economy and financial system” ([Public Law 110-343](#), xiv, 3765). In addition to targeting distressed mortgage-related holdings of U.S. financial institutions, the law also

⁹ **Yellow** text marks interesting features that we do not know were effective. **Light blue** text marks interesting features that appear to have been effective.

enabled Treasury to purchase “any other financial instrument that the [Treasury] Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, determines the purchase of which is necessary to promoting financial market stability” (*Ibid*). That clause proved essential when, in December 2008, it became apparent that no resolution for the auto industry would take hold in Congress (See Nye 2019). As a result, the Bush Treasury used the flexibility built into EESA to justify extending GM and Chrysler emergency loans ([Bush Press Release 12/19/2008](#)).

President Obama announced the creation of the AWCP in a televised speech.

President Obama announced the warranty protection plan in a speech delivered to the public, speaking directly to American consumers whom the program targeted ([Obama Speech 3/30/2009](#)). Before discussing the AWCP, the President explained why the government was assisting the automakers. He described the process that had been applied including judging their restructuring plans to be inadequate, and the decision to provide further working capital to give the companies a second chance (*Ibid*). In particular, the President explained how bankruptcy might be employed as a “tool” to speed the restructuring of the automakers (*Ibid*). He then explained how the AWCP would work in broad terms, but also taking pains to describe such things as automatic enrollment for purchases of eligible cars (*Ibid*). The President’s speech was supplemented by the release of a program fact sheet on the White House and Treasury websites (*Ibid*; [AWCP Fact Sheet](#))

The AWCP was open to participation by all domestic automakers.

Even though President Obama announced the program in support of GM and Chrysler, in its fact sheet Treasury confirmed that “any domestic auto manufacturer [was] eligible to participate in the program” ([AWCP Fact Sheet](#), 2). No other manufacturers chose to participate ([TARP Transaction Reports](#)).

3. The AWCP provided funding that indirectly guaranteed warranties on new vehicles sold by GM and Chrysler during their restructuring to bolster consumer confidence in the companies.

The looming threat of a GM or Chrysler bankruptcy had the potential to negatively and possibly significantly affect demand for the companies’ vehicles. While President Obama attempted to position bankruptcy as a valuable restructuring tool, there was great risk that consumers would view the announcement as confirmation of the firms’ precarious futures and would be hesitant to purchase one of their vehicles ([Congressional Oversight Panel 9/9/2009](#), 13). For consumers, bankruptcy put at risk, among other things, the fulfillment of warranty benefits, and would likely result in the closure of many dealerships and service centers as well as a huge drop in vehicle resale value (*Ibid*, 22-23; [GM Restructuring Plan](#), 6). Given these risks, it was thought that some consumers would avoid GM and Chrysler offerings entirely in favor of vehicles sold by financially sound automakers.

As a result, on March 30, 2009, at the same time as announcing the possibility of a GM or Chrysler bankruptcy, President Obama also took the step of announcing a government-funded protection plan for warranties on vehicles the companies sold while restructuring. While concern over the future of GM and Chrysler would remain, the program was intended

to alleviate a major risk associated with bankruptcy and—to the maximum extent possible—bolster consumer confidence in their vehicles ([AWCP Fact Sheet](#)).

GM and Chrysler were required to create new SPVs to which they transferred funding to be held in reserve in case of their failures.

The AWCP required a participating auto manufacturer to establish an independent bankruptcy-remote SPV to guarantee the warranties; the guarantees did not flow from the manufacturer or the government. Guarantees normally do not require upfront payments by the guarantors; rather, auto manufacturers typically establish an accounting reserve to cover the expected cost of providing warranty services on each newly sold vehicle ([AWCP Fact Sheet](#)). The AWCP required Treasury and the participating manufacturers to pre-fund the SPV so funding backing the guarantee would be set aside. In the event of either company's failure, the SPV—a separate legal entity—would remain financially able to meet the warranty commitments ([Ibid](#)).

Each SPV was funded by contributions from Treasury and the participating automaker's funding.

Each participating automaker and Treasury together contributed funding equal to 125% of the expected cost of fulfilling warranties on eligible vehicles they projected to sell while restructuring (88% contributed by Treasury and 12% contributed by the participant) ([GM Administration Agreement](#); [Chrysler Administration Agreement](#)).¹⁰ GM and Chrysler were responsible for providing 15% of this amount (as 12% of 125% is 15%) and funded the remainder with a Treasury loan ([AWCP Fact Sheet](#)). Treasury did not state why it divided up the funding in this manner.

The companies calculated the expected cost of warranty obligations using historical data on warranty payouts in years past ([GM Administration Agreement](#); [Chrysler Administration Agreement](#)). If at any point during the program warranty cost expectations increased by more than 10% (i.e. by the companies selling more vehicles than expected or due to an unforeseen increase in the average cost of fulfilling each eligible warranty), the companies were required to deposit into the SPV additional funds to cover this increase ([Ibid](#)). The Administration Agreements do not detail how this historical data would be used to compute the expected cost of warranty data.

Treasury extended loans to each participating manufacturer to support the warranty commitment.

Treasury originally committed up to \$1.1 billion for the program, and ultimately disbursed \$640.7 million in loans. Treasury extended Chrysler a loan worth \$280.1 million on April 29 and GM a loan worth \$360.6 million to GM on May 27 ([TARP Transaction Reports](#)).

Treasury's loans to each manufacturer had an interest rate of the greater of (i) the 3-month Libor plus 350 basis points, or (ii) 550 basis points. The loans were payable by thirty days after the termination of the facility, which was June 30, 2010 for Chrysler and July 31, 2010

¹⁰ Based on available information, it is unclear how long each company expected to be in restructuring and thus over how long of a timeframe they projected these costs.

for GM (or, whichever was earlier, thirty days after the entrance of the warranty SPV into an arrangement with a third party administrator or thirty days after notice of a successfully completed restructuring) ([GM Administration Agreement](#), PDF Page 353; [Chrysler Administration Agreement](#), PDF Page 369). There is not data available that explains why Treasury chose these dates to terminate the facility or why the dates differ for the two automotive companies.

Treasury's loans were secured by a senior lien on the SPV's assets after the program's end.

Treasury's loan was designed to comprise 88% of the total funding in each warranty SPV. If the AWCP ended with the funding in each company's SPV having gone unused, Treasury would be entitled to receive what it had accrued. However, if one of the companies failed and its SPV had to be put to use, Treasury had no recourse other than its investment plus any interest that might remain after the program's end. Treasury stood first in line (ahead of the companies) to receive any funding left over ([GM Administration Agreement](#), PDF Page 325-328; [Chrysler Administration Agreement](#), PDF Page 287-296, 349-358).

Consumers who purchased an eligible vehicle were automatically registered for the program.

To be eligible, a vehicle had to be new and sold by a participating automaker while it restructured. For those purchasing an eligible vehicle, registration for the program was "automatic." As explained to consumers on the AWCP Fact Sheet: "You do not have to do anything to receive the U.S. commitment to your warrantee [*sic*]. It is automatic" ([AWCP Fact Sheet](#)). President Obama stated the same in his contemporaneous speech ([Obama Speech 3/30/2009](#)). Individuals owning a GM or Chrysler vehicle at the time of the program's announcement, or purchasing a used car during the restructuring, would continue to be covered by outstanding warranties, but would not receive benefits under the AWCP ([AWCP Fact Sheet](#)).

The failure of either automaker would trigger a search for a third party capable of taking over its warranty obligations.

If GM or Chrysler were to fail, its SPV would be given a ten-day period during which to try to locate a third party willing to accept the warranty obligations in exchange for the funding it held. If the ten-day period passed and no suitor was found, Treasury's program administrator would seek to carry out this objective ([GM Administration Agreement](#), PDF Page 345-352; [Chrysler Administration Agreement](#), PDF Page 365-367). During this time, the program administrator would be responsible for fulfilling a range of duties, including structuring the processing of claims, assuring their validity, cutting down on fraud, and doing "other administrative functions" as needed (*Ibid*). The government believed it would not be difficult to find a suitor. "Because of the significant funding of the reserve account, Treasury is confident that qualified third parties will be interested in taking over the warranty obligations" ([AWCP Fact Sheet](#)).

The Canadian government simultaneously guaranteed warranties on new GM and Chrysler vehicles sold in Canada.

Canada established a warranty guarantee program similar to the AWCP. The Canadian Warranty Commitment Program, announced on April 7, 2009, supported new vehicle warranties for GM and Chrysler customers with the “goal [...] to increase consumer confidence and encourage Canadians to buy new cars” ([Canada PR 04/07/2009](#)). The program ended on September 16, 2009, after both companies emerged from bankruptcy ([Canada PR 9/16/2009](#)).

The Canadian ministry stated that: “Under the Canadian Warranty Commitment Program, the federal government is committed to honouring consumer warranties on new vehicles purchased from GMCL or Chrysler Canada for a limited period while improved restructuring plans are put in place.” It described the warranty program as one that “paralleled the U.S. warranty program announced by President Barack Obama on March 30, 2009.” We have been unable to uncover specific details of the program or individual amounts reported as allocated towards this commitment. However, one Canadian publication describes assistance to GM as:

“Prior to and during GM’s bankruptcy proceedings in the U.S., some \$2.8 billion was provided directly to GM’s Canadian operations to fund general corporate and working capital needs. This support included payments to suppliers, salaries, benefits and payments to cover warranty commitments” ([Industry Canada 2014](#), 3).

Thus, it may be that segregated information about the warranty commitments may not be available.

III. Evaluation

Given its size relative to the other components of the auto industry rescue, the AWCP has received comparatively little scrutiny from the academic community. No analysis has attempted to isolate its effect on demand for the companies’ vehicles nor its overall impact on GM and Chrysler’s restructuring efforts. However, the AWCP did roughly coincide with auto sales’ lowest point in the recession ([Goolsbee and Krueger 2015](#), 23-24). This raises the possibility that the AWCP may have helped stabilize sales during this time.

At the time of its announcement, the AWCP received a generally positive reception from those in the auto industry as well as the media, although there were concerns that the program was too vague and that its implementation—if necessary—might be difficult. On the positive end, Joe Serra, president of a major U.S. dealership group, called the initiative a game-changer, suggesting it would go a long way toward making consumers comfortable with buying a car from the companies ([Roland and Truett 2009](#)). Clarence Ditlow, executive director of the Center for Auto Safety, criticized the program for not backing current vehicle owners and pointed out that safety recalls can occur years after warranties expire. He also questioned whether it would be as easy as Treasury thought to find a third-party warranty service provider to take over the program in the event the companies went out of business ([Fox News 2009](#)).

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To provide authority for the Federal Government to purchase and insure certain types of troubled assets for the purposes of providing stability to and preventing disruption in the economy and financial system and protecting taxpayers, to amend the Internal Revenue Code of 1986 to provide incentives for energy production and conservation, to extend certain expiring provisions, to provide individual income tax relief, and for other purposes., Public Law 110-343, *U.S. Statutes at Large* 122 (2008): 3765-3934. <https://www.govinfo.gov/content/pkg/STATUTE-122/pdf/STATUTE-122.pdf>

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The White House. “President Bush Discusses Administration’s Plan to Assist Automakers.” December 19, 2009. (Bush Press Release 12/19/2009). <https://georgewbush-whitehouse.archives.gov/news/releases/2008/12/20081219.html>

The White House. “Remarks by President Obama on the American automotive industry, 3/30/2009.” March 30, 2009. (Obama Speech 3/30/2009).
<https://obamawhitehouse.archives.gov/the-press-office/remarks-president-american-automotive-industry-33009>

V. Key Program Documents

Summary of Program

- Obama Administration’s New Warrantee Commitment Program – *U.S. government fact sheet highlight key terms of the AWCP.*
https://media.npr.org/documents/2009/mar/autos/warrantee_program.pdf

Legal/Regulatory Guidance

- GM Original Loan and Security Agreement (with amendments) December 31, 2008 – *Original loan security agreement entered into by GM and Treasury; Amendment Number Four and the corresponding Administration Agreement signed May 27, 2009, concern the AWCP.* <https://www.treasury.gov/initiatives/financial-stability/TARP-Programs/automotive-programs/Documents/Posted%20-%20Contract%20-%20GM%20Original%20Loan%20and%20Security%20Agreement%20with%20a%20amendments%2009-09-09.pdf>
- Chrysler Original Loan and Security Agreement (with amendments) December 31, 2008 – *Original loan security agreement entered into by Chrysler and Treasury; Amendment Number Four and the corresponding Administration Agreement signed May 27, 2009, concern the AWCP.* <https://www.treasury.gov/initiatives/financial-stability/TARP-Programs/automotive-programs/Documents/Chrysler%20LSA%20as%20of%2005-26-10.pdf>

Press Releases/Announcements

- Remarks by the President on the American Automotive Industry, 3/30/09 – *Speech by President Obama announcing the results of the Auto Task Force’s review of GM and Chrysler’s restructuring plans and introducing what would become the AWCP.*
<https://obamawhitehouse.archives.gov/the-press-office/remarks-president-american-automotive-industry-33009>

Media Stories

- U.S. will guarantee GM, Chrysler warranties (Automotive News – 3/30/2009) – *Article discussing the AWCP’s announcement.*
- Understanding Obama’s Auto Warranty Plan (New York Times – 3/30/09) – *Column analyzing the AWCP on the day of its announcement.*
<https://wheels.blogs.nytimes.com/2009/03/30/understanding-obamas-auto-warranty-plan/>

- Canada to guarantee new GM, Chrysler warranties (4/7/09) – *Article discussing Canada’s guarantee program associated with the AWCP.*
<https://ca.reuters.com/article/domesticNews/idCAN0747151220090407>
- Government ends warranty program for GM, Chrysler (Automotive News – 7/21/09) – *Article discussing the AWCP’s termination.*
<https://www.autonews.com/article/20090721/OEM02/307219917/government-ends-warranty-program-for-gm-chrysler>

Reports/Assessments

- The Use of TARP Funds in Support and Reorganization of the Domestic Automotive Industry (Congressional Oversight Panel 9/9/2009) – *In-depth overview and analysis of TARP programs established in support of the auto industry.*
<https://cybercemetery.unt.edu/archive/cop/20110402043042/http://cop.senate.gov/documents/cop-090909-report.pdf>
- Q2 2009 Office of the Special Inspector General for the Troubled Asset Relief Program Quarterly Report – *Covers all TARP programs and includes key programmatic and financial details.*
https://www.sig tarp.gov/Quarterly%20Reports/April2009_Quarterly_Report_to_Congress.pdf
- Q3 2009
https://www.sig tarp.gov/Quarterly%20Reports/july2009_Quarterly_Report_to_Congress.pdf
- Q4 2009
https://www.sig tarp.gov/Quarterly%20Reports/october2009_Quarterly_Report_to_Congress.pdf