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## Auto Supplier Support Program

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**Date:** March 19, 2009

**Policy Area:** [Sector Policy \(Non-Financial\)](#)

**Economic Target:** [Manufacturers](#)

**Action Type:** [Government Guarantee](#)

**Maximum Amount:** \$5.00 billion

**Deficit Impact:** -\$0.10 billion

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Program announced by the Treasury Department on March 19, 2009 that provides government guarantees for payments to suppliers from participating auto companies. General Motors and Chrysler have already agreed to participate in the program. The program has two components:

- Automobile part manufacturers/suppliers that sell products to participating auto companies are eligible to receive a guarantee on the payments the auto companies owe them for their products. This programs is available to suppliers for a "modest" fee.
- Suppliers may also choose to sell any debt owed to them by auto companies (i.e., "receivables") to a third-party purchaser arranged by the auto companies and U.S. government. This gives the suppliers immediate funds to increase their liquidity position.

The Treasury says it will provide up to \$5 billion in total financing for the program.

On 4/8/2009, the Treasury Department [announced](#) that Chrysler and GM had officially begun the Supplier Support Program "to any receivable created with respect to goods shipped after March 19, 2009 made on qualifying commercial terms."

As of 4/7/2010, due to a series of repayments, the outstanding investment in the Auto Supplier Support Program fell to \$413 million.

Loans under the Auto Supplier Program have been fully repaid.

**Source:**

[Treasury Fact Sheet 3/19/2009](#)

[Treasury Announcement 4/8/2009](#)

**Notes:**

Amount spent taken from [Transaction Reports](#), current as of 10/15/2010. Maximum amount is maximum financing as stated by Treasury. Amount spent equals loan amount, which will be incrementally funded.

Deficit impact is derived from CBO's subsidy rate for the all assistance given to the automotive industry (60%), as listed in the [CBO's January 2010 baseline](#).