



## Chrysler Repays Outstanding TARP Loans

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*Early Repayment Comes Six Years before Loans Mature in 2017*

*115,000 Jobs Added in Auto Industry since June 2009 – Strongest Growth in a Decade*

**WASHINGTON** – Today, the U.S. Department of the Treasury announced that Chrysler Group LLC has repaid its outstanding Troubled Asset Relief Program (TARP) loans. Chrysler's repayment comes six years before the scheduled maturity of those loans in 2017.

As part of today's announcement, Chrysler Group LLC repaid \$5.1 billion in TARP loans and terminated its ability to draw a remaining \$2.1 billion TARP loan commitment. In total, Treasury has received \$1.5 billion in interest and fees from Chrysler Group LLC, including \$865 million associated with today's transaction.

"Chrysler's early repayment of its outstanding TARP loans is an important step in the turnaround of this company and the resurgence of the auto industry," said Treasury Secretary Tim Geithner. "Because President Obama made the tough decision to stand behind and restructure the auto industry, America's automakers are growing stronger, making new investments, and creating new jobs today throughout our nation's industrial heartland."

Treasury committed a total of \$12.5 billion to Chrysler under TARP's Automotive Industry Financing Program (AIFP). With today's transaction, Chrysler has returned more than \$10.6 billion of that amount to taxpayers through principal repayments, interest, and cancelled commitments. Treasury continues to hold a 6.6 percent common equity stake in Chrysler. As previously stated, however, Treasury is unlikely to fully recover its remaining outstanding investment of \$1.9 billion in Chrysler.

When President Obama took office, the American auto industry was on the brink of collapse. The President made the difficult decision to provide support to General Motors (GM) and Chrysler on the condition that all stakeholders make the sacrifices necessary to fundamentally restructure those companies and put them on a path to viability. By conservative estimates, providing this support and preventing the abrupt liquidation of GM and Chrysler saved more than 1 million American jobs. Moreover, the expected costs of TARP's support for the industry have come down dramatically over the last two years as the auto industry has continued to recover and strengthen.

Today, as a result of the President's tough decisions and the hard work of the companies' new management teams, their dedicated employees, and the communities that support them, the American auto industry is growing stronger and creating new jobs. For the first time since 2004, all three American automakers have an operating profit. Since GM and Chrysler emerged from bankruptcy in June 2009, the industry has added more than 115,000 jobs – the industry's strongest period of job growth in more than a decade.

Lazard served as Treasury's exclusive financial advisor on today's transaction.