

## U.S. DEPARTMENT OF THE TREASURY

**Press Center****Treasury Department Statement on AIG's Transaction Agreement**

12/8/2010

**WASHINGTON** – The US Department of the Treasury today issued the following statement from Acting Assistant Secretary for Financial Stability Tim Massad upon the announcement that American International Group Inc. (AIG) has entered into a transaction agreement with the US Department of the Treasury, the Federal Reserve Bank of New York, and the trustees of the AIG Credit Facility Trust to accelerate the repayment of U.S. taxpayer funds. This development is the next step in a process that will accelerate the government's exit from AIG and ensure that we recover our investment. When this transaction closes, which will occur no later than March 15, 2011, the Federal Reserve loan will be paid off with no expected losses and Treasury's preferred stock investment will be converted to common shares. Treasury can then sell those shares publicly in order to recover taxpayer funds over time.

"Today's announcement is a milestone in the government's long-stated efforts to exit our investments in private companies as soon as practical while protecting taxpayers," said Massad. "When all is said and done, we believe taxpayers will recover every dollar invested in AIG and stand a good chance of making a profit."

For additional background:

Treasury Update on AIG Investment Valuation, November 1, 2010: [http://www.financialstability.gov/latest/pr\\_11012010.html](http://www.financialstability.gov/latest/pr_11012010.html)

Treasury Releases Two-Year Retrospective Report on the Troubled Asset Relief Program, October 5, 2010: [http://www.financialstability.gov/latest/pr\\_10052010.html](http://www.financialstability.gov/latest/pr_10052010.html)

Statement by the US Treasury Department on AIG Exit Plan, September 30, 2010: [http://www.financialstability.gov/latest/pr\\_09302010.html](http://www.financialstability.gov/latest/pr_09302010.html)

Treasury Names Two Appointees to AIG's Board of Directors, April 1, 2010: [http://www.financialstability.gov/latest/tg\\_04012010.html](http://www.financialstability.gov/latest/tg_04012010.html)

U.S. Treasury and Federal Reserve Board Announce Participation in AIG Restructuring Plan, March 2, 2009: <http://www.financialstability.gov/latest/tg44.html>

