

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury: With \$6.9 Billion Repayment Today from AIG, 70 Percent of TARP Disbursements Now Recovered

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WASHINGTON – The U.S. Department of the Treasury announced that, with the receipt today of a \$6.9 billion repayment from AIG, taxpayers have now recovered 70 percent of total Troubled Asset Relief Program (TARP) disbursements.

"We're optimistic that as we continue to wind down TARP, our temporary investments in private companies will ultimately result in little or no cost to taxpayers taken as a whole," said Tim Massad, Acting Assistant Secretary for Financial Stability. "While cost isn't the primary measure of TARP's success, the fact that we've already recovered more than two-thirds of the money disbursed for the program is an important milestone for taxpayers."

Today's \$6.9 billion repayment from AIG brings total TARP repayments and income to \$287 billion – 70 percent of the \$411 billion that has been disbursed to date for that program. Treasury currently expects that TARP investment programs – including financial support for banks, AIG, and the domestic auto industry; as well as targeted initiatives to restart the credit markets – will result in little or no cost to taxpayers. The lifetime cost of TARP is likely to be limited to funds disbursed for Treasury's foreclosure prevention programs, which were not expected to be recovered.

In the President's FY2012 Budget, the Administration estimated that the lifetime cost of the overall TARP program will be approximately \$48 billion. When also including AIG common stock held for the benefit of Treasury outside of TARP – that projected cost drops to \$28 billion.

AIG used \$6.6 billion of the \$9.6 billion of proceeds it received from the March 2, 2011 sale of its equity stake in MetLife to make today's repayment. Additionally, \$300 million previously held in anticipation of expenses related to the sale of ALICO to MetLife was paid to Treasury, bringing the total amount repaid today to \$6.9 billion. These funds will be used to reduce an equal portion of Treasury's remaining preferred equity interests in AIG, which, after today's repayment, stand at \$11.3 billion. The remaining \$3 billion of proceeds from the sale of the MetLife equity units were placed in an indemnity escrow to secure obligations that may be owed to MetLife, as previously agreed to under the terms of the ALICO sale. These proceeds will be released according to agreed-upon minimum holding periods over the next two years and similarly used to pay down Treasury's preferred equity interests. Based on current market prices, Treasury estimates that taxpayers will ultimately recover every dollar that the U.S. government invested in AIG.

In addition to today's \$6.9 billion repayment from AIG, taxpayers also received a \$2.7 billion TARP repayment on Monday, March 7 from the sale of Treasury's trust preferred securities (TruPs) in Ally Financial Inc. In total, taxpayers have received \$9.6 billion in TARP repayments this week.

