

Bailout and Subsidization Type Report

by Nomi Prins and Krisztina Ugrin

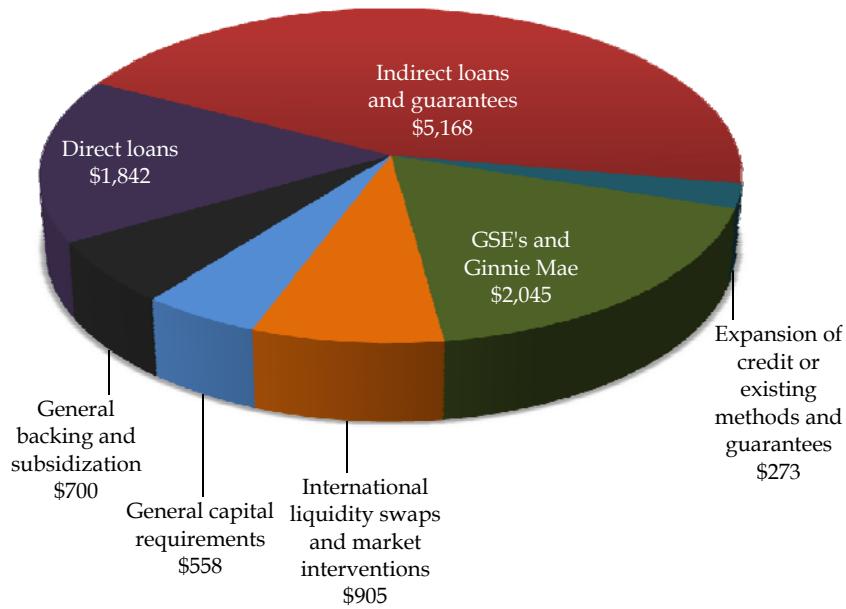
January 2010

Supplemental Analysis for

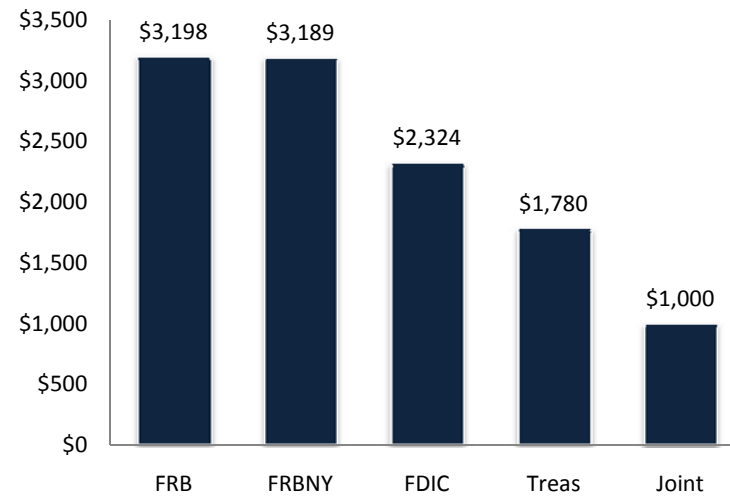
It Takes A Pillage: Behind the Bailouts, Bonuses and Backroom Deals from Washington to Wall Street

\$ in billions, rounded

How They Got It



Who Gave It



DIRECT LOANS

WHO	HOW MUCH	WHAT
FRBNY	\$12,900,000,000	<p>JPMorgan, Bear Stearns Bridge Loan</p> <p>"[On March 14, 2008, the FRBNY extended] credit to The Bear Stearns Companies, Inc, (Bear Stearns) through JPMorgan Chase Bank, N.A. (JPMC Bank). The extension of credit was designed to provide funding to Bear Stearns to meet its immediate liquidity needs for that day and to give the company and policymakers additional time to develop a more permanent solution to the company's severe liquidity pressures that threatened to cause its sudden default and bankruptcy."¹</p>
FRBNY	\$29,816,000,000	<p>Maiden Lane LLC (Bear Stearns)</p> <p>"On June 26, 2008, the Federal Reserve Bank of New York (FRBNY) extended credit to Maiden Lane LLC under the authority of section 13(3) of the Federal Reserve Act. This limited liability company was formed to acquire certain assets of Bear Stearns and to manage those assets through time to maximize repayment of the credit extended and to minimize disruption to financial markets."²</p>
FRB	\$138,000,000,000	<p>JPM Chase/Lehman Brothers Transaction</p> <p>"At the request of [Lehman] and the Federal Reserve Bank of New York, and in order to avoid a disruption of the financial markets ... [J.P. Morgan] advanced [the money] to or for the benefit of Lehman in order to clear, and facilitate the settlement of, certain securities transactions with customers or clients of Lehman," the filing said. The first advance was repaid Monday night, and Tuesday's advance was made at the request of both Lehman and the New York Fed..³</p>
FRBNY	\$37,800,000,000	<p>AIG Securities Lending Facility</p> <p>"On October 8, the Federal Reserve announced an additional program under which it would lend up to \$37.8 billion to finance investment-grade, fixed-income securities held by AIG. These securities had previously been lent by AIG's insurance company subsidiaries to third parties."⁴</p>
FRBNY	\$60,000,000,000	<p>AIG Credit</p> <p>"On March 2, 2009, the Federal Reserve took several actions relating to the \$60 billion Revolving Credit Facility for AIG established by the Federal Reserve Bank of New York (New York Fed) in September 2008. After these actions, the total amount available under the facility was reduced from \$60 billion to no less than \$25 billion. See footnote for more details."⁵</p>
FRBNY	\$22,500,000,000	<p>Maiden Lane II LLC (AIG)</p>

		"Maiden Lane II LLC (ML II LLC) and Maiden Lane III LLC (ML III LLC) were formed to facilitate the restructuring of the New York Fed's financial support to American International Group (AIG). The New York Fed extended credit to ML II LLC to purchase residential mortgage-backed securities from the securities lending portfolio of several regulated U.S. insurance subsidiaries of AIG." ⁶
FRBNY	\$30,000,000,000	Maiden Lane III LLC (AIG) "The New York Fed extended credit to ML III LLC to purchase multi-sector collateralized debt obligations from certain counterparties of AIG Financial Products Corp." ⁷
FRBNY	\$8,500,000,000	Loan to AIG's Life Insurance Subsidiaries "On March 2, 2009, the New York Fed announced that it was "authorized to make new loans under section 13(3) of the Federal Reserve Act of up to an aggregate amount of approximately \$8.5 billion to special purpose vehicles (SPVs) established by domestic life insurance subsidiaries of AIG. The SPVs would repay the loans from the net cash flows they receive from designated blocks of existing life insurance policies held by the parent insurance companies." ⁸
FRBNY	\$26,000,000,000	AIG Preferred Stock Interests "The Revolving Credit Facility will be reduced in exchange for preferred interests in two special purpose vehicles created to hold all of the outstanding common stock of American Life Insurance Company (ALICO) and American International Assurance Company Ltd. (AIA), two life insurance holding company subsidiaries of AIG. AIG will retain control of ALICO and AIA, though the New York Fed will have certain governance rights to protect its interests. The valuation for the New York Fed's preferred stock interests, which may be up to approximately \$26 billion, will be a percentage of the fair market value of ALICO and AIA based on valuations acceptable to the New York Fed." ⁹
Treas	\$700,000,000,000	Troubled Assets Relief Program (TARP) "The Troubled Assets Relief Program (TARP) was established under the EESA with the specific goal of stabilizing the United States financial system and preventing a systemic collapse. Treasury has established several programs under the TARP to stabilize the financial system, [...] and restore the flow of credit to consumers and businesses..." ¹⁰
Joint	\$1,000,000,000,000	Public-Private Investment Fund (\$500 billion with a maximum potential of \$1 trillion) "The Federal Deposit Insurance Corporation (FDIC) and the United States Department of the Treasury (UST) will coordinate public-private investment funds (PPIFs) to purchase troubled and illiquid loans and other assets in substantially sized pools from insured banks and thrifts. These PPIFs are designed to facilitate buy and hold investment strategies." ¹¹
Subtotal	\$2,065,516,000,000	
FRBNY	(\$12,900,000,000)	JPMorgan, Bear Stearns Bridge Loan repaid ¹²
FRB	(\$138,000,000,000)	JPM Chase/Lehman Brothers Transaction repaid ¹³

FRBNY	(\$37,800,000,000)	AIG Securities Lending Facility repaid and terminated ¹⁴
FRBNY	(\$35,000,000,000)	AIG Credit reduced from \$60 billion to \$25 billion ¹⁵
Total	\$1,841,816,000,000	

INDIRECT LOANS AND GUARANTEES

WHO	HOW MUCH	WHAT
FRBNY	\$200,000,000,000	<p>Term Securities Lending Facility (TSLF)</p> <p>"The TSLF is a 28-day facility that will offer Treasury general collateral (GC) to the Federal Reserve Bank of New York's primary dealers in exchange for other program-eligible collateral. It is intended to promote liquidity in the financing markets for Treasury and other collateral and thus to foster the functioning of financial markets more generally."¹⁶</p>
FRBNY	\$147,692,000,000	<p>Primary Dealer Credit Facility (PDCF) (as of 10/01/2008)</p> <p>"The Primary Dealer Credit Facility (PDCF) is an overnight loan facility that will provide funding to primary dealers in exchange for any tri-party-eligible collateral and is intended to foster the functioning of financial markets more generally."¹⁷</p>
FRB	\$145,890,000,000	<p>Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF) (as of 10/08/2008)</p> <p>"Eligible borrowers include all U.S. depository institutions, U.S. bank holding companies (parent companies incorporated in the U.S. or their U.S. broker-dealer subsidiaries), or U.S. branches and agencies of foreign banks. Eligible borrowers may borrow funds from the AMLF in order to fund the purchase of eligible ABCP from a money market mutual fund (MMMF) under certain conditions."¹⁸</p>
FRB	\$900,000,000,000	<p>Term Auction Facility (TAF)</p> <p>"Under the Term Auction Facility (TAF), the Federal Reserve will auction term funds to depository institutions. All depository institutions that are eligible to borrow under the primary credit program will be eligible to participate in TAF auctions. All advances must be fully collateralized. Each TAF auction will be for a fixed amount, with the rate determined by the auction process (subject to a minimum bid rate). Bids will be submitted by phone through local Reserve Banks."¹⁹</p>
FRBNY	\$1,800,000,000,000	<p>Commercial Paper Funding Facility LLC (CPFF)</p> <p>"The CPFF is intended to improve liquidity in short-term funding markets and thereby contribute to greater availability of credit for businesses and households. Under the CPFF, the Federal Reserve Bank of New York will finance the purchase of highly-rated unsecured and asset-backed commercial paper from eligible issuers via eligible primary dealers."²⁰</p>

Treas	\$50,000,000,000	<p>Special Deposit to FRBNY for Commercial Paper Funding Facility LLC (CPFF)</p> <p>"The U.S. Treasury believes this facility [CPFF] is necessary to prevent substantial disruptions to the financial markets and the economy and will make a special deposit at the New York Fed in support of this facility."²¹</p>
FRBNY	\$540,000,000,000	<p>Money Market Investor Funding Facility (MMIFF) (total: \$600 bln, Fed provides 90% of financing, \$540 bln)</p> <p>"In addition to U.S. 2a-7 money market mutual funds, eligible investors will include funds that are managed or owned by a U.S. bank, insurance company, pension fund, trust company, SEC-registered investment advisor or a U.S. state or local government entity and are required to (i) maintain a dollar-weighted average portfolio maturity of 90 days or less; (ii) hold the fund's assets until maturity under usual circumstances; and (iii) hold only assets that, at time of purchase, are rated by an NRSRO in one of the top three long-term investment-grade rating categories (e.g., A and above) or the top two short-term investment-grade rating categories (e.g., A-2 and above), or that are the credit equivalent thereof. Eligible investors will also include any U.S. dollar-denominated cash collateral reinvestment fund, account, or portfolio associated with securities lending transactions that is managed or owned by a U.S. bank, insurance company, pension fund, trust company, or SEC-registered investment advisor."²²</p>
FRBNY	\$1,000,000,000,000	<p>Term Asset Backed Securities Loan Facility (TALF) (created 11/25/08, extended 3/3/09)</p> <p>"The Federal Reserve created the Term Asset-Backed Securities Loan Facility (TALF), to help market participants meet the credit needs of households and small businesses by supporting the issuance of asset-backed securities (ABS) collateralized by auto loans, student loans, credit card loans, equipment loans, floorplan loans, insurance premium finance loans, loans guaranteed by the Small Business Administration, residential mortgage servicing advances or commercial mortgage loans."²³</p>
FRB	\$300,000,000,000	<p>Treasury Purchase Program (TPP)</p> <p>"The goal of the longer-dated Treasury purchase program is to help improve conditions in private credit markets."²⁴</p>
FDIC	\$940,000,000,000	<p>Temporary Liquidity Guarantee Program-Debt Guarantees (TLGP - DGP)</p> <p>"The FDIC has created this program to strengthen confidence and encourage liquidity in the banking system by providing full coverage of non-interest bearing deposit transaction accounts, regardless of dollar amount."²⁵</p>
FDIC	\$684,000,000,000	<p>Temporary Liquidity Guarantee Program-Transaction Account Guarantee Program (TLGP - TAG)</p> <p>"The FDIC has created this program to strengthen confidence and encourage liquidity in the banking system by guaranteeing newly issued senior unsecured debt of banks, thrifts, and certain holding companies."²⁶</p>
Joint	\$301,000,000,000	<p>Citigroup Asset Guarantee</p>

<p>"The agreement provides protection against the possibility of unusually large losses on an asset pool of approximately \$301 billion of loans and securities backed by residential and commercial real estate and other such assets, which will remain on Citigroup's balance sheet."²⁷</p>		
Joint	\$118,000,000,000	<p>Bank of America Asset Guarantee</p> <p>"Treasury and the Federal Deposit Insurance Corporation will provide protection against the possibility of unusually large losses on an asset pool of approximately \$118 billion of loans, securities backed by residential and commercial real estate loans, and other such assets, all of which have been marked to current market value. The large majority of these assets were assumed by Bank of America as a result of its acquisition of Merrill Lynch. The assets will remain on Bank of America's balance sheet. As a fee for this arrangement, Bank of America will issue preferred shares to the Treasury and FDIC. In addition and if necessary, the Federal Reserve stands ready to backstop residual risk in the asset pool through a non-recourse loan."²⁸</p>
Subtotal	\$7,126,582,000,000	
FRBNY	(\$125,000,000,000)	Term Securities Lending Facility (TSLF) reduced from \$200 billion to \$75 billion ²⁹
FRB	(\$500,000,000,000)	Term Auction Facility (TAF) reduced from \$900 billion in Oct. 2008 to \$400 billion ³⁰
FRBNY	(\$25,000,000,000)	Term Securities Lending Facility (TSLF) reduced from \$75 billion to \$50 billion ³¹
FRBNY	(\$540,000,000,000)	Money Market Investor Funding Facility (MMIFF) expired ³²
FRBNY	(\$25,000,000,000)	Term Securities Lending Facility (TSLF) reduced from \$50 billion to \$25 billion ³³
FRB	(\$325,000,000,000)	Term Auction Facility (TAF) reduced to \$75 billion ³⁴
Joint	(\$301,000,000,000)	Citigroup asset guarantee terminated ³⁵
Joint	(\$118,000,000,000)	Bank of America asset guarantee terminated ³⁶
Total	\$5,167,582,000,000	

EXPANSION OF CREDIT OR EXISTING METHODS AND GUARANTEES

WHO	HOW MUCH	WHAT
FRB	\$124,643,000,000	<p>Tri-Party Repurchase Agreements</p> <p>"Repurchase agreements are transactions in which securities are purchased from a primary dealer under an agreement to sell them back to the dealer on a specified date in the future. The difference between the purchase price and the repurchase price reflects an interest payment. The Federal Reserve may enter into repurchase agreements for up to 65 business days, but the typical maturity is between one and 14 days. Federal Reserve repurchase agreements supply reserve balances to the banking system for the length of the agreement. The Federal Reserve employs a naming convention for these transactions based on the perspective of the primary dealers: the dealers receive cash while the Federal Reserve receives the collateral."³⁷</p>

FRBNY	\$36,000,000,000	Expansion of System Open Market Account (SOMA) Securities Lending "Loans will be awarded to primary dealers based on competitive bidding in an auction held each day at noon. As with all domestic operations conducted by the New York Fed, the auctions will have a multiple price format. Dealers may submit two bids per issue on as many issues as they choose." ³⁸
FRB	\$111,946,000,000	Primary Credit (as of 10/29/08) "The Discount Window functions as a safety valve in relieving pressures in reserve markets; extensions of credit can help alleviate liquidity strains in a depository institution and in the banking system as a WHOLE. It also helps ensure the basic stability of the payment system by supplying liquidity during times of systemic stress. In order to borrow from the New York Fed, an institution must have on file the necessary authorizing resolutions and agreements, as described in Operating Circular 10 as well as pre-approved eligible collateral." ³⁹
FRBNY	\$50,000,000,000	Term Securities Lending Facility Options Program (TOP) "The System Open Market Account (SOMA) Term Securities Lending Facility Options Program (TOP) offers options to draw upon loans of U.S. Treasury securities from the SOMA portfolio in accordance with the program terms and conditions set forth in the Term Securities Lending Facility (TSLF) terms and conditions. TOP is currently suspended, but may resume if market conditions warrant." ⁴⁰
Subtotal	\$322,589,000,000	
FRBNY	(\$50,000,000,000)	Term Securities Lending Facility Options Program (TOP) suspended ⁴¹
Total	\$272,589,000,000	

GENERAL BACKING AND SUBSIDIZATION

WHO	HOW MUCH	WHAT
FDIC	\$700,000,000,000	Enhanced Deposit Insurance (to \$250K/account) "The Emergency Economic Stabilization Act of 2008 (Division A of P.L. 110-343) temporarily raised the limit on deposit insurance through December 31, 2009. That action is estimated to increase the amount of insured deposits by about \$700 billion, or 15 percent." ⁴²
Treas	\$3,738,700,000,000	Money Market Mutual Fund (MMMF) Program (as of Q1 2009) "The temporary guarantee program provides coverage to shareholders for amounts that they held in participating money market funds as of the close of business on September 19, 2008. The guarantee will be triggered if a participating fund's net asset value falls below \$0.995, commonly referred to as breaking the buck. All money market mutual funds that are regulated under Rule 2a-7 of the Investment Company Act of 1940, maintain a stable share price of \$1, and are publicly offered and registered with the Securities and Exchange Commission will be eligible to participate in the program."

"Total exposure of the MMMF program is theoretically \$3.7 trillion, the total amount of money market mutual funds outstanding as of the first quarter of 2009."⁴³

Subtotal	\$4,438,700,000,000	
Treas	(\$3,738,700,000,000)	Money Market Mutual Fund (MMMF) Program expired ⁴⁴
Total	\$700,000,000,000	

GSE'S AND GINNIE MAE

WHO	HOW MUCH	WHAT
Treas	\$400,000,000,000	<p>Fannie Mae and Freddie Mac backup, GSE Preferred Stock Purchase Agreements (PSPA)</p> <p>"In September 2008 FHFA, established under HERA to oversee the housing GSEs, put Fannie Mae and Freddie Mac under Federal conservatorship, and Treasury entered into a Preferred Stock Purchase Agreement (PSPA) with Fannie Mae and Freddie Mac to make investments of up to \$100 billion each in senior preferred stock as required to maintain positive equity. On February 18, 2009, Treasury announced that the funding commitments for the PSPA would be increased to \$200 billion each."</p> <p>"The function of the PSPAs is to instill confidence in investors that Fannie Mae and Freddie Mac will remain viable entities critical to the functioning of the housing and mortgage markets."⁴⁵</p>
FRB	\$200,000,000,000	<p>GSE Program</p> <p>"To promote market functioning, the availability of credit, and support for the housing and mortgage markets, the Federal Reserve, on September 19, 2008, announced that it would commence purchasing debt and other instruments of the GSEs through its Open Market Trading Desk; these purchases are made in competitive auctions through primary dealers. On November 25, 2008, the Federal Reserve announced a program to purchase up to \$100 billion in the GSEs' direct obligations. Note that GSEs raise funds for mortgage lending in two ways – by direct borrowing or by guaranteeing third-party mortgage-backed securities ("MBS"). On March 18, 2009, the Federal Reserve's FOMC increased the size of these lines to a total of \$200 billion for direct obligations."⁴⁶</p>
FRB	\$1,250,000,000,000	<p>MBS Program</p> <p>"In addition to purchasing the direct obligations of GSEs, the Federal Reserve is further supporting the mortgage markets by committing to purchase up to \$1.25 trillion of MBS that have been guaranteed by the GSEs. This purchase line was originally announced on November 25, 2008, with a maximum purchase limit of \$500 billion, but this amount was raised by \$750 billion to \$1.25 trillion on March 18, 2009."⁴⁷</p>

Treas	\$314,000,000,000	GSE MBS Purchase Program "The function of the GSE MBS Purchase Program is to help improve the availability of mortgage credit to American homebuyers and mitigate pressures on mortgage rates. To promote the stability of the mortgage market, Treasury has purchased GSE MBS in the secondary market. By purchasing these guaranteed securities, Treasury sought to broaden access to mortgage funding for current and prospective homeowners as well as to promote market stability." ⁴⁸
Treas	\$25,000,000,000	GSE Credit Facility Program "The function of the GSE Credit Facility is to ensure credit availability to the housing GSEs by providing secured funding on an as needed basis under terms and conditions established by the Secretary of the Treasury to protect taxpayers. Fannie Mae, Freddie Mac, and FHLBs are eligible to borrow under this program if needed. This facility offers liquidity if needed until December 31, 2009." ⁴⁹
Subtotal	\$2,189,000,000,000	
FRB	(\$25,000,000,000)	Agency debt purchase (GSE) reduced from a total of \$200 billion to \$175 billion ⁵⁰
Treas	(\$94,000,000,000)	GSE MBS Purchase Program (Treasury purchased approximately \$220 billion) ⁵¹
Treas	(\$25,000,000,000)	GSE Credit Facility Program ⁵²
Total	\$2,045,000,000,000	

INTERNATIONAL LIQUIDITY SWAPS AND MARKET INTERVENTIONS

WHO	HOW MUCH	WHAT
FRB	\$755,000,000,000	Foreign Central Bank Currency Liquidity Swaps "Because of the global nature of bank funding markets, the Federal Reserve coordinates with other central banks to provide liquidity. The Federal Reserve has entered into agreements to establish temporary reciprocal currency arrangements (central bank liquidity swap lines) with a number of foreign central banks. Two types of temporary swap lines have been established: dollar liquidity lines and foreign-currency liquidity lines." See footnote for more info. ⁵³
Treas	\$100,000,000,000	Potential International Fund Liabilities "On April 2, at the G-20 Leaders' Summit in London, President Obama secured agreement to increase the IMF New Arrangements to Borrow (NAB) by up to \$500 billion, of which the United States committed up to \$100 billion. President Obama is seeking Congressional approval for two actions to strengthen the IMF as part of the FY 2009 supplemental bill currently under consideration – an increase of up to \$100 billion for U.S. participation in the NAB, and an increase of about \$8 billion in the U.S. quota in the IMF." ⁵⁴

Treas	\$50,000,000,000	Treasury Exchange Stabilization Fund (ESF) "The Treasury Department's Exchange Stabilization Fund (ESF) buys and sells foreign currency to promote exchange rate stability and counter disorderly conditions in the foreign exchange market." "The ESF is used to provide short-term credit to foreign governments and monetary authorities and to hold and administer Special Drawing Rights." "ESF operations are normally conducted through the Federal Reserve Bank of New York in its capacity as fiscal agent for the Treasury Department." ⁵⁵
Total	\$905,000,000,000	

GENERAL CAPITAL REQUIREMENTS

WHO	HOW MUCH	WHAT
FRB	\$24,000,000,000	Temporary Reserves see Open Market Operations ⁵⁶
FRBNY	\$38,000,000,000	Temporary Reserves see Open Market Operations ⁵⁷
FRB	\$31,250,000,000	Temporary Reserves see Open Market Operations ⁵⁸
Treas	\$260,000,000,000	Supplementary Financing Program to Provide Cash to the Federal Reserve (SFP) "The program will consist of a series of Treasury bill auctions, separate from Treasury's current borrowing program, with the proceeds from these auctions to be maintained in an account at the Federal Reserve Bank of New York. Funds in this account serve to drain reserves from the banking system, and will therefore offset the reserve impact of recent Federal Reserve lending and liquidity initiatives [facilities]." ⁵⁹
FRB	\$125,000,000,000	Open Market Operations "OMOs are the principal tool of monetary policy, comprising purchases and sales of U.S. Government and Federal agency securities that are used to affect bank reserves and, in turn, the cost and availability of money and credit in the U.S. economy. The FOMC specifies a short-term objective for the OMOs. These policy targets change from time to time, but the current objective of the FOMC is to stabilize the federal funds rate around a target interest rate. The FOMC instructs the Federal Reserve Bank of New York ("FRBNY") to engage in OMOs as appropriate to keep the federal funds rate near the target." ⁶⁰
FRB	\$80,000,000,000	Single Tranche Repurchase Agreements

"On March 7, with spreads between 1-month Treasury repo and 1-month Agency MBS repo having reached as high as 140 basis points, the Desk began to initiate a series of 1-day forward 28-day single-tranche RPs.⁶ This 28-day RP book grew to \$80 billion over the course of the year (Chart 6). These operations were intended to narrow the 1-month repo spread between Treasury and Agency MBS collateral and provide the primary dealers a steady financing source for Agency MBS. In response, the spread eventually narrowed to about 20 basis points, close to historical norms."⁶¹

Total	\$558,250,000,000
--------------	--------------------------

Total Industry Subsidization: \$11,490,237,000,000

For questions or comments contact: Krisztina Ugrin at krisztina.ugrin@gmail.com or Nomi Prins at nomi@nomiprins.com

Due to the non-transparent and complicated nature of the bailout, modifications, corrections or additions are not added retroactively but during the month of their discovery.

ENDNOTES

- ¹ Board of Governors of the Federal Reserve System, "Report Pursuant to Section 129 of the Emergency Economic Stabilization Act of 2008: Bridge Loan to The Bear Stearns Companies Inc. Through JPMorgan Chase Bank, N.A.," www.federalreserve.gov/monetarypolicy/files/129bearstearnsbridgeloan.pdf (accessed July 30, 2009).
- ² St. Louis Fed, "Factors Affecting Reserve Balances," Economic Data, www.research.stlouisfed.org/fred2/categories/32215/downloaddata, (accessed July 30, 2009); Maiden Lane LLC, n.d., <http://www.maidenlanellc.com> (accessed September 10, 2009).
- ³ Sam Mamudi, "J.P. Morgan Advanced \$138 Billion to Lehman," MarketWatch, September 16, 2008, <http://www.marketwatch.com/story/jp-morgan-advanced-138-billion-to-bankrupt-lehman>.
- ⁴ Board of Governors of the Federal Reserve System, "Board Authorizes Federal Reserve Bank of New York to Borrow Securities From Certain Regulated U.S. Insurance Subsidiaries of AIG," press release, October 8, 2008, <http://federalreserve.gov/newsevents/press/other/20081008a.htm>; Board of Governors of the Federal Reserve System, "Appendix: Federal Reserve Initiatives to Address Financial Strains," February 24, 2009, http://www.federalreserve.gov/monetarypolicy/mpr_20090225_appendixa.htm.
- ⁵ Board of Governors of the Federal Reserve System, "Federal Reserve Board and Treasury Department Announce Restructuring of Financial Support to AIG," press release, November 10, 2008, <http://federalreserve.gov/newsevents/press/other/20081110a.htm>; Board of Governors of the Federal Reserve System, "Treasury and Federal Reserve Announce Participation in AIG Restructuring Plan," press release, March 2, 2009, <http://www.federalreserve.gov/newsevents/press/other/20090302a.htm>.
- ⁶ Board of Governors of the Federal Reserve System, "Federal Reserve Board and Treasury Department Announce Restructuring of Financial Support to AIG," press release, November 10, 2008, <http://federalreserve.gov/newsevents/press/other/20081110a.htm>; Federal Reserve Bank of New York, Maiden Lane Transactions, n.d., <http://www.newyorkfed.org/markets/maidenlane2.html> (accessed September 10, 2009).
- ⁷ Ibid.
- ⁸ Board of Governors of the Federal Reserve System, "Treasury and Federal Reserve Announce Participation in AIG Restructuring Plan," press release, March 2, 2009, <http://www.federalreserve.gov/newsevents/press/other/20090302a.htm>.
- ⁹ Ibid.
- ¹⁰ GovTrack, H.R. 1424: Emergency Economic Stabilization Act of 2008, n.d., <http://www.govtrack.us/congress/bill.xpd?bill=h110-1424> (accessed September 10, 2009); U.S. Department of the Treasury, WHAT is EESA?, July 6, 2009, <http://www.financialstability.gov/roadtostability/programs.htm>.
- ¹¹ U.S. Department of the Treasury, "Secretary Geithner Introduces Financial Stability Plan," press release: TG-18, February 10, 2009, <http://www.treasury.gov/press/releases/tg18.htm>; Federal Deposit Insurance Corporation, Legacy Loans Program - Summary of Terms, n.d., <http://www.fdic.gov/llp/LLPtermsheet.pdf> (accessed September 10, 2009).
- ¹² Board of Governors of the Federal Reserve System, "Report Pursuant to Section 129 of the Emergency Economic Stabilization Act of 2008: Bridge Loan to The Bear Stearns Companies Inc. Through JPMorgan Chase Bank, N.A.," www.federalreserve.gov/monetarypolicy/files/129bearstearnsbridgeloan.pdf (accessed July 30, 2009).
- ¹³ Sam Mamudi, "J.P. Morgan Advanced \$138 Billion to Lehman," MarketWatch, September 16, 2008, <http://www.marketwatch.com/story/jp-morgan-advanced-138-billion-to-bankrupt-lehman>.
- ¹⁴ Board of Governors of the Federal Reserve System, "Federal Reserve Board and Treasury Department Announce Restructuring of Financial Support to AIG," press release, November 10, 2008, <http://federalreserve.gov/newsevents/press/other/20081110a.htm>.
- ¹⁵ Board of Governors of the Federal Reserve System, "Treasury and Federal Reserve Announce Participation in AIG Restructuring Plan," press release, March 2, 2009, <http://www.federalreserve.gov/newsevents/press/other/20090302a.htm>.

- ¹⁶ Board of Governors of the Federal Reserve System, "Federal Reserve and Other Central Banks Announce Measures Designed to Address Elevated Pressures in Short-Term Funding Markets," press release, December 12, 2007, <http://federalreserve.gov/newsevents/press/monetary/20071212a.htm>, Federal Reserve Bank of New York, Term Securities Lending Facility: Frequently Asked Questions, http://www.newyorkfed.org/markets/tslf_faq.html (accessed September 10, 2009).
- ¹⁷ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Two Initiatives Designed to Bolster Market Liquidity and Promote Orderly Market Functioning," press release, March 16, 2008, <http://federalreserve.gov/newsevents/press/monetary/20080316a.htm>; Board of Governors of the Federal Reserve System, "Factors Supplying Reserve Balances: Detail for Loans," H.41 Table 6, <http://www.federalreserve.gov/releases/h41/hist/h41hist6.pdf> (accessed July 30, 2009); Federal Reserve Bank of New York, Primary Dealer Credit Facility: Frequently Asked Questions, http://www.newyorkfed.org/markets/pdcf_faq.html (accessed September 10, 2009).
- ¹⁸ Board of Governors of the Federal Reserve System, "Federal Reserve Board Announces Two Enhancements to its Programs to Provide Liquidity to Markets," press release, September 19, 2008, <http://www.federalreserve.gov/newsevents/press/monetary/20080919a.htm>; Board of Governors of the Federal Reserve System, "Factors Supplying Reserve Balances: Detail for Loans," H.41 Table 6, June 25, 2009, <http://www.federalreserve.gov/releases/h41/hist/h41hist6.pdf>; The Federal Reserve Bank, Asset Backed Commercial Paper (ABCP) Money Market Mutual Fund (MMMF) Liquidity Facility (AMLF or "the Facility"), Discount Window & Payment Risk Website, <http://www.frbdiscountwindow.org/mmmf.cfm> (accessed September 10, 2009).
- ¹⁹ Board of Governors of the Federal Reserve System, "Board Announces That It Will Begin to Pay Interest on Depository Institutions' Required and Excess Reserve Balances," press release, October 6, 2008, <http://www.federalreserve.gov/newsevents/press/monetary/20081006a.htm>; Board of Governors of the Federal Reserve System, Term Auction Facility, <http://www.federalreserve.gov/monetarypolicy/taf.htm> (accessed September 10, 2009).
- ²⁰ Board of Governors of the Federal Reserve System, "Report Pursuant to Section 129 of the Emergency Economic Stabilization Act of 2008: Commercial Paper Funding Facility," n.d., p. 4, <http://www.federalreserve.gov/monetarypolicy/files/129cpff.pdf>; Federal Reserve Bank of New York, Commercial Paper Funding facility, <http://www.newyorkfed.org/markets/cpff.html> (accessed September 10, 2009).
- ²¹ Board of Governors of the Federal Reserve System, "Report Pursuant to Section 129 of the Emergency Economic Stabilization Act of 2008: Commercial Paper Funding Facility," n.d., p. 2, <http://www.federalreserve.gov/monetarypolicy/files/129cpff.pdf>; Federal Reserve Bank of New York, Commercial Paper Funding Facility: Frequently Asked Questions, http://www.newyorkfed.org/markets/cpff_faq.html (accessed September 10, 2009).
- ²² Pursuant to Section 129 of the Emergency Economic Stabilization Act of 2008: Money Market Investor Funding Facility," <http://www.federalreserve.gov/monetarypolicy/files/129mmiff.pdf> (accessed July 30, 2009).
- ²³ U.S. Department of the Treasury, "U.S. Treasury and Federal Reserve Board Announce Launch of Term Asset-Backed Securities Loan Facility (TALF)," press release: tg-45, March 3, 2009, <http://treas.gov/press/releases/tg45.htm>; Federal Reserve Bank of New York, Term Asset-Backed Securities Loan Facility, <http://www.newyorkfed.org/markets/talf.html> (accessed September 10, 2009).
- ²⁴ Board of Governors of the Federal Reserve System, "FOMC Statement," press release, March 18, 2009, <http://federalreserve.gov/newsevents/press/monetary/20090318a.htm>; Federal Reserve Bank of New York, Permanent Open Market Operations Treasury: Frequently Asked Questions, http://www.newyorkfed.org/markets/pomo_faq.html (accessed September 10, 2009).
- ²⁵ The total amount of guaranteed debt outstanding is \$224 billion as of December 31, 2008. If all eligible entities issued debt up to the program's allowable limit, the maximum loss exposure would be \$940 billion. Federal Deposit Insurance Corporation, Chief Financial Officer's (CFO) Report to the Board, March 16, 2009, http://www.fdic.gov/about/strategic/corporate/cfo_report_4qtr_08/sum_trends_results.html; Federal Deposit Insurance Corporation, Temporary Liquidity Guarantee Program, September 9, 2009, <http://www.fdic.gov/regulations/resources/TLGP/index.html>.
- ²⁶ Federal Deposit Insurance Corporation, Supervisory Insights Summer 2009, Vol. 6, Issue 1, June 16, 2009, p. 4, http://www.fdic.gov/regulations/examinations/supervisory/insights/sisum09/si_sum09.pdf; Federal Deposit Insurance Corporation, Temporary Liquidity Guarantee Program, September 9, 2009, <http://www.fdic.gov/regulations/resources/TLGP/index.html>.
- ²⁷ U.S. Department of the Treasury, "U.S. Government Finalizes Terms of Citi Guarantee Announced in November," press release: hp-1358, January 16, 2009, <http://ustreas.gov/press/releases/hp1358.htm>.

- ²⁸ Bank of America had to absorb \$19.8 billion of the losses. Board of Governors of the Federal Reserve System, "Treasury, Federal Reserve, and the FDIC Provide Assistance to Bank of America," press release, January 16, 2009, <http://www.federalreserve.gov/newsevents/press/bcreg/20090116a.htm>; Bank of America, recently requested not to go forward with the program. As of June 30, 2009, the matter had not yet been resolved. U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 33, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf.
- ²⁹ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Extensions of and Modifications to a Number of its Liquidity Programs," press release, June 25, 2009, <http://www.federalreserve.gov/newsevents/press/monetary/20090625a.htm>.
- ³⁰ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Term Auction Facility (TAF) and Term Securities Lending Facility (TSLF) Schedules Through January 2010," press release, September 24, 2009, <http://www.federalreserve.gov/monetarypolicy/20090924a.htm>.
- ³¹ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Term Auction Facility (TAF) and Term Securities Lending Facility (TSLF) Schedules Through January 2010," press release, September 24, 2009, <http://www.federalreserve.gov/monetarypolicy/20090924a.htm>.
- ³² Federal Reserve Bank of New York, "Money Market Investor Funding Facility: Frequently Asked Questions," June 25, 2009, http://www.newyorkfed.org/markets/mmiff_faq.html.
- ³³ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Term Auction Facility (TAF) and Term Securities Lending Facility (TSLF) Schedules Through January 2010," press release, September 24, 2009, <http://www.federalreserve.gov/monetarypolicy/20090924a.htm>.
- ³⁴ Ibid.
- ³⁵ Citigroup, "U.S. Government and Regulators Agree to TARP Repayment," press release, December 14, 2009, <http://www.citigroup.com/citi/press/2009/091214a.htm>.
- ³⁶ Bank of America, "Bank of America to Repay Entire \$45 Billion in TARP to U.S. Taxpayers," press release, December 2, 2009, <http://newsroom.bankofamerica.com/index.php?s=43&item=8583>.
- ³⁷ St. Louis Fed, "H.4.1 Factors Affecting Reserve Balances, Reserve Bank Credit - Repurchase Agreements," <http://www.research.stlouisfed.org/fred2/data/WREPO.txt> (accessed September 10, 2009).
- ³⁸ Maximum \$5 billion per primary dealer; Fed's primary dealer list shows 18 dealers as of July 27, 2009 (www.newyorkfed.org/markets/pridealers_current.html). Limit was increased from \$3 billion to \$5 billion per dealer in 2008 (www.newyorkfed.org/markets/sec_announcements.html). To estimate a total exposure of \$36 billion, the increased facility of \$2 billion per firm was multiplied by the 18 firms in the industry. Copied and updated from: U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 141, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf; Federal Reserve Bank of New York, Program Terms and Conditions, http://www.newyorkfed.org/markets/sec_terms.html (accessed September 10, 2009).
- ³⁹ Board of Governors of the Federal Reserve System, "Factors Supplying Reserve Balances: Detail for Loans," H.41 Table 6, <http://www.federalreserve.gov/releases/h41/hist/h41hist6.pdf> (accessed September 10, 2009); Federal Reserve Bank of New York, Discount Window, <http://www.newyorkfed.org/banking/discountwindow.html> (accessed September 10, 2009).
- ⁴⁰ TOP is currently suspended, but may resume if market conditions warrant. Federal Reserve Bank of New York, "New York Fed Announces Terms for September TSLF Options Program (TOP)," press release, August 8, 2008, <http://www.newyorkfed.org/newsevents/news/markets/2008/an080808.html>; Federal Reserve Bank of New York, Term Securities Lending Facility Options Program (TOP) Terms and Conditions, http://www.newyorkfed.org/markets/top_terms.html (accessed September 10, 2009).
- ⁴¹ Board of Governors of the Federal Reserve System, "Federal Reserve Announces Extensions of and Modifications to a Number of its Liquidity Programs," press release, June 25, 2009, <http://www.federalreserve.gov/newsevents/press/monetary/20090625a.htm>.
- ⁴² Estimate as of December 31, 2008. Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2009 to 2019, January 2009, p. 41, <http://www.cbo.gov/ftpdocs/99xx/doc9957/01-07-Outlook.pdf>; U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 152, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf.

- ⁴³ U.S. Department of the Treasury, "Treasury Announces Temporary Guarantee Program for Money Market Funds," press release: hp-1161, September 29, 2008, <http://www.treas.gov/press/releases/hp1161.htm>; U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 141, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf; U.S. Department of the Treasury, "Treasury Announces Extension of Temporary Guarantee Program for Money Market Funds," press release: TG-76, March 31, 2009, <http://www.ustreas.gov/press/releases/tg76.htm>; Board of Governors of the Federal Reserve System, Flow of Funds Accounts of the United States, Flows and Outstandings First Quarter 2009, June 11, 2009, p. 85, <http://www.federalreserve.gov/releases/z1/Current/z1.pdf>.
- ⁴⁴ U.S. Department of the Treasury, "Treasury Announces Expiration of Guarantee Program for Money Market Funds," press release: TG-293, September 18, 2009, <http://treas.gov/press/releases/tg293.htm>.
- ⁴⁵ U.S. Department of the Treasury, "Statement by Secretary Henry M. Paulson, Jr. on Treasury and Federal Housing Finance Agency Action to Protect Financial Markets and Taxpayers," press release: hp-1129, September 7, 2008, <http://www.treas.gov/press/releases/hp1129.htm>; U.S. Department of the Treasury, "Statement by Secretary Tim Geithner on Treasury's Commitment to Fannie Mae and Freddie Mac," press release: TG-32, February 18, 2009, <http://www.treas.gov/press/releases/tg32.htm>; U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 153, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf.
- ⁴⁶ Board of Governors of the Federal Reserve System, "Federal Reserve Announces It Will Initiate a Program to Purchase the Direct Obligations of Housing-Related Government-Sponsored Enterprises and Mortgage-Backed Securities Backed by Fannie Mae, Freddie Mac, and Ginnie Mae," press release, November 25, 2008, <http://www.federalreserve.gov/newsevents/press/monetary/20081125b.htm>; Board of Governors of the Federal Reserve System, "FOMC Statement," press release, March 18, 2009, <http://federalreserve.gov/newsevents/press/monetary/20090318a.htm>; U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 146, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf.
- ⁴⁷ Ibid.
- ⁴⁸ Represents the sum of Treasury's estimates for FY 2008, FY 2009, and FY 2010; U.S. Department of the Treasury, "Budget in Brief FY 2010," p. 75, <http://www.ustreas.gov/offices/management/budget/budgetinbrief/fy2010/BIB-HousingGSE.pdf> (accessed September 10, 2009).
- ⁴⁹ House Committee on Financial Services, Housing and Economic Recovery Act of 2008, <http://financialservices.house.gov/FHA.html> (accessed September 10, 2009); U.S. Department of the Treasury, "Budget in Brief FY 2010," p. 75, <http://www.ustreas.gov/offices/management/budget/budgetinbrief/fy2010/BIB-HousingGSE.pdf> (accessed September 10, 2009).
- ⁵⁰ Board of Governors of the Federal Reserve System, "Minutes of the Federal Open Market Committee," November 3-4, 2009, <http://www.federalreserve.gov/monetarypolicy/fomcminutes20091104.htm>.
- ⁵¹ U.S. Department of the Treasury, "Treasury Issues Update on Status of Support for Housing Programs," press release, January 5, 2010, http://www.financialstability.gov/latest/pr_1052010b.html.
- ⁵² Ibid.
- ⁵³ U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 140, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf; Board of Governors of the Federal Reserve System, Credit and Liquidity Programs and the Balance Sheet, August 6, 2009, http://www.federalreserve.gov/monetarypolicy/bst_liquidityswaps.htm.
- ⁵⁴ U.S. Department of the Treasury, "Fact Sheet: IMF Reforms and New Arrangements to Borrow," press release: TG-136, May 18, 2009, <http://www.treas.gov/press/releases/tg136.htm>.
- ⁵⁵ U.S. Department of the Treasury, "Treasury Announces Guaranty Program for Money Market Funds," press release: hp-1147, September 19, 2008, <http://www.treas.gov/press/releases/hp1147.htm>; Federal Reserve Bank of New York, Exchange Stabilization Fund, n.d., <http://www.newyorkfed.org/aboutthefed/fedpoint/fed14.html> (accessed September 10, 2009).
- ⁵⁶ Associated Press, "Fed Injects Reserves Into System," New York Times, August 11, 2007, <http://www.nytimes.com/2007/08/11/business/apee-fed.html>.
- ⁵⁷ Ibid.

- ⁵⁸ AFP, "Fed injects 31.25 billion dollars into markets," September 6, 2007, <http://afp.google.com/article/ALeqM5gFBoyiXXH2YTAI42jsKft-kC8Rqg>.
- ⁵⁹ U.S. Department of the Treasury, "Treasury Announces Marketable Borrowing Estimates," press release: hp-1236, November 3, 2008, <http://www.ustreas.gov/press/releases/hp1236.htm>; Federal Reserve Bank of New York, Statement Regarding Supplementary Financing Program, September 17, 2008, http://www.newyorkfed.org/markets/statement_091708.html.
- ⁶⁰ Joint Economic Committee, "Financial Meltdown and Policy Response," September 2008, p. 6-7, <http://www.house.gov/jec/ResearchReports/2008/rr110-25.pdf>; U.S. Office of SIGTARP, Quarterly Report to Congress July 2009, July 21, 2009, p. 131, http://sigtarp.gov/reports/congress/2009/July2009_Quarterly_Report_to_Congress.pdf.
- ⁶¹ Federal Reserve Bank of New York, "Domestic Open Market Operations During 2008," January 2009, p. 11, <http://www.newyorkfed.org/markets/omo/omo2008.pdf>.