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TROUBLED ASSET RELIEF PROGRAM

Status of Efforts to Address Transparency and Accountability Issues

Statement of Gene L. Dodaro
Acting Comptroller General of the United States

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GAO-09-539T

Mr. Chairman, Ranking Member Grassley, and Members of the Committee:

I am pleased to be here today to discuss our work on the Troubled Asset Relief Program (TARP), under which the Department of the Treasury (Treasury) has the authority to purchase and insure up to $700 billion in troubled assets held by financial institutions through its Office of Financial Stability (OFS). As you know, Treasury was granted this authority in response to the financial crisis that has threatened the stability of the U.S. banking system and the solvency of numerous financial institutions. The Emergency Economic Stabilization Act (the act) that authorized TARP on October 3, 2008, requires GAO to report at least every 60 days on the findings resulting from our oversight of the actions taken under the program.[1] We are also responsible for auditing TARP's annual financial statements and for producing special reports on any issues that emerge from our oversight. To carry out these oversight responsibilities, we have assembled interdisciplinary teams with a wide range of technical skills, including financial market and public policy analysts, accountants, lawyers, and economists who represent combined resources from across GAO. In addition, we are building on our in-house technical expertise with targeted new hires and experts. The act also created additional oversight entities—the Congressional Oversight Panel (COP) and the Special Inspector General for TARP (SIGTARP)—that also have reporting responsibilities. We are coordinating our work with COP and SIGTARP and are meeting with officials from both entities to share information and coordinate our oversight efforts. These meetings help to ensure that we are collaborating as appropriate and not duplicating efforts.

My statement today is based primarily on our March 31, 2009 report that we are issuing today—the third under the act's mandate, which covers the actions taken as part of TARP through March 27, 2009, and follows up on

[1]Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, 122 Stat. 3765 (2008). The act requires the U.S. Comptroller General to report at least every 60 days, as appropriate, on findings resulting from oversight of TARP's performance in meeting the act's purposes; the financial condition and internal controls of TARP, its representatives, and agents; the characteristics of asset purchases and the disposition of acquired assets, including any related commitments entered into; TARP's efficiency in using the funds appropriated for its operations; its compliance with applicable laws and regulations; and its efforts to prevent, identify, and minimize conflicts of interest among those involved in its operations.

the recommendations we made in our previous reports.[2] The statement also provides information on our ongoing review of the Auto Industry Financing Program, which we plan to report on separately. Specifically, like the March 2009 report, this statement focuses on (1) the nature and purpose of the activities that had been initiated under TARP through March 27, 2009, unless otherwise noted; (2) Treasury's Office of Financial Stability's (OFS) hiring efforts, use of contractors, and progress in developing a system of internal control; and (3) indicators of TARP's performance.

To do this work, we reviewed documents related to TARP, including contracts, agreements, guidance and rules. We also met with officials from OFS, contractors, and federal agencies. We plan to continue to monitor the issues highlighted in our prior reports, as well as future and ongoing capital purchases, other more recent transactions undertaken as part of TARP, and the status of other aspects of TARP. We conducted this performance audit between February 2009 and March 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

As of March 27, 2009, Treasury had disbursed $303.4 billion of the $700 billion in TARP funds. Most of the funds (about $199 billion) went to purchase preferred shares of 532 financial institutions under the Capital Purchase Program (CPP)—Treasury's primary vehicle under TARP for stabilizing financial markets. Treasury has continued to take significant steps to address all of the recommendations from our December 2008 and January 2009 reports. In particular, Treasury has recently expanded the scope of the monthly CPP surveys of the largest institutions to include all institutions participating in the program, which is intended to provide Treasury with information necessary to begin to track the effectiveness of

[2] GAO, *Troubled Asset Relief Program: March 2009 Status of Efforts to Address Transparency and Accountability Issues*, GAO-09-504 (Washington, D.C.: Mar. 31, 2009), *Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues*, GAO-09-296 (Washington, D.C.: Jan. 30, 2009) and *Troubled Asset Relief Program: Additional Actions Needed to Better Ensure Integrity, Accountability, and Transparency*, GAO-09-161 (Washington, D.C.: Dec. 2, 2008).

the program. Treasury also continued to make progress in several other areas, including requiring firms participating in certain new programs to show how assistance will expand lending. These requirements will better enable Treasury to determine what institutions plan to do with any capital infusions and to track the resulting lending activity of participating institutions on a regular basis. In addition, we specifically found that though Treasury is now receiving dividends from the investments it has made in CPP and certain other programs, it has not publicly reported these receipts, which totaled almost $2.9 billion through March 20, 2009. We recommended that Treasury could improve transparency pertaining to TARP program activities by reporting publicly the monies, such as dividends, paid to Treasury by TARP participants.

In February 2009, Treasury announced its broad strategy for using the remaining TARP funds and provided the details for its major components in the following weeks. Specifically, Treasury announced the Financial Stability Plan, which outlined a comprehensive set of measures to help address the financial crisis and restore confidence in our financial markets, and a Homeowner Affordability and Stability Plan to mitigate foreclosures and preserve homeownership. While articulating its plan was an important first step, Treasury continues to struggle with developing an effective overall communication strategy that is integrated into TARP operations. Without such a strategy, Treasury may face challenges, should it need additional funding for the program. Therefore, in our March 2009 report, we have recommended that Treasury develop a communication strategy that includes building an understanding of and support for the various components of the program. Specific actions could include hiring a communications officer, integrating communications into TARP operations, scheduling regular and ongoing contact with congressional committees and members, holding town hall meetings with the public across the country, establishing a counsel of advisors, and leveraging available technology.

Also, while Treasury has announced up to $70 billion dollars in assistance to AIG—more assistance than has been announced for any other single institution to date—it has yet to disperse the up to $30 billion of additional assistance or finalize the agreement. Therefore, Treasury has an opportunity to further improve the integrity and accountability associated with this announced additional assistance. In our report, we recommended that Treasury require that AIG seek to renegotiate existing contracts with management, employees, and counterparties, among others, as appropriate, as it finalizes its agreement for the up to $30 billion in additional assistance announced on March 2, 2009.

Treasury has also made progress in establishing OFS and continued to take steps to address our previous recommendations related to OFS's management infrastructure, including hiring, contract oversight, and internal control. First, it has continued to hire additional permanent staff to address OFS's long-term organizational needs. As of March 20, 2009, OFS had 113 total staff, with the number of permanent staff increasing substantially—from 38 to 77—since our last report. Second, Treasury has enhanced its capacity to manage vendors by using trained oversight personnel and looking for opportunities to use fixed-price arrangements. Further actions are needed to complete its review of existing vendor conflicts of interest mitigation plans and to improve its documentation of decisions related to potential conflicts. Consequently, we made two new recommendations to Treasury—(1) complete its review, and, as necessary, renegotiate, the four existing vendor conflict of interest mitigation plans to enhance specificity and conformity with the new interim conflicts of interest rule, and (2) issue guidance requiring that key communications and decisions concerning potential or actual vendor-related conflicts of interest be documented. Third, OFS continued to refine, develop and document its internal control framework over financial reporting and compliance, including its risk assessment activities. However, we found that OFS documentation of certain internal control procedures and guidance pertaining to determining warrant exercise prices had not been updated to be consistent with actual practice. As such, we recommended that Treasury update OFS documentation in these areas to be consistent with actual practices applied by OFS.

We continue to note the difficulty of measuring the effect of TARP's activities. Developments in the credit markets have generally been mixed since our January 2009 report. Some indicators revealed that the cost of credit has increased in interbank and corporate bond markets and decreased in mortgage markets, while perceptions of risk (as measured by premiums over Treasury securities) have declined in interbank and mortgage markets and risen in corporate debt markets. In addition, although Federal Reserve survey data suggest that lending standards remained tight, the largest CPP recipients extended almost $245 billion in new loans to consumers and businesses in both December 2008 and January 2009, according to the Treasury's new loan survey. However, attributing any of these changes directly to TARP continues to be problematic because of the range of actions that have been and are being taken to address the current crisis. While these indicators may be suggestive of TARP's ongoing impact, no single indicator or set of indicators can provide a definitive determination of the program's impact.

Finally, I would like to express my thanks to Chairman Baucus and Senator Grassley for introducing S. 340, the Troubled Asset Relief Program Enhancement Act of 2008, and Senator Snowe for co-sponsoring this bill. It would enhance GAO's ability to bring accountability and transparency to the TARP program by providing us with direct access to the companies that receive TARP funds. Another TARP access issue for GAO involves the growing role of the Federal Reserve. On March 3, 2009, Treasury and the Federal Reserve launched TALF—the Term Asset-Backed Securities Loan Facility—which is a lending program to increase the availability of credit for consumers and businesses. More recently, the Federal Reserve and Treasury announced plans to expand the role of TALF as part of a new Public-Private Investment Program. Finally, Treasury and the Federal Reserve have coordinated in the restructuring of federal assistance to AIG. For all of these joint endeavors, GAO has authority to oversee the activities of Treasury, but not the Federal Reserve, because the Banking Agency Audit Act specifically precludes us from auditing the Federal Reserve's monetary policy and discount window operations. We would fully support legislation to provide GAO with audit authority over those activities, together with appropriate access, recognizing the sensitivity of this area and the need for careful drafting.

Treasury's Strategy for Deploying TARP Funds Continues to Evolve, Though CPP Remains Key Effort to Stabilize Financial Market

As of March 27, 2009, Treasury had disbursed $303.4 billion of the $700 billion in TARP funds (see table). Most of the funds (about $199 billion) went to purchase preferred shares of 532 financial institutions under the Capital Purchase Program (CPP)—Treasury's primary vehicle under TARP for stabilizing financial markets. Treasury has continued to improve the integrity, accountability and transparency of TARP. For example, it recently expanded monthly surveys of the largest institutions' lending activity to cover all CPP participants, as GAO recommended. These surveys should provide additional important information about how the capital investments are impacting participants' lending activities and capital levels.

Table 1: Status of TARP Funds as of March 27, 2009 (dollars in billions)

Program	Maximum Announced Program Funding Level[a]	Projected Use of Funds	Disbursed
Capital Purchase Program	$250.0	$218.0	$198.8
Systemically Significant Failing Institutions	70.0	70.0	40.0
Targeted Investment Program	40.0	40.0	40.0
Automotive Industry Financing Program	24.9	24.9	24.5
Citigroup Asset Guarantee	5.0	5.0	0.0
Bank of America Asset Guarantee	7.5	7.5	0.0
Homeowner Affordability & Stability Plan	50.0	50.0	0.0
Term Asset-Backed Securities Loan Facility (TALF)	100.0	55.0	0.1
Unlocking Credit for Small Business	15.0	15.0	0.0
Auto Supplier Support Program	5.0	5.0	0.0
Public Private Investment Program	100.0	100.0	0.0
Capital Assistance Program	TBD[b]	TBD	
Total	**$667.4**	**$590.4**	**$303.4**

Source: Treasury OFS, unaudited.

[a]Some of Treasury's announced transactions are not yet legal obligations and actual amounts will depend on participation.

[b]Treasury has announced the Capital Assistance Program, but has not yet announced the funding level for that program.

During this period, Treasury has also taken some steps to improve its monitoring of compliance with the terms of its existing agreements, but has yet to hire asset managers to manage its growing portfolio of assets. Treasury officials told us that they still plan to hire asset managers, whose primary role will be to provide market advice about the portfolio, but who also will help monitor dividends and stock purchase limitations. They noted that asset managers will have a limited role in the area of executive compensation. In the interim, Treasury has developed a process to ensure that institutions are complying with dividend, stock repurchase, and executive compensation restrictions. Treasury relies on participants' representations and warranties articulated in the agreements, and if Treasury finds reason to believe that these representations cannot be relied upon, it can pursue available remedies for any false representations. At this point, Treasury has not taken steps to verify this information or require the institutions to provide any additional documentation. As recommended in our December 2008 report, we continue to believe that Treasury should develop a formal system to help ensure compliance with the agreements and leverage the oversight activities of the bank regulators by having them include compliance with the agreements as part of their ongoing examinations. This type of compliance activity is generally consistent with ensuring the safety and soundness of institutions; the regulators previously told us they are taking steps to build such oversight into their examination procedures. Without a consistent oversight approach, Treasury runs the risk of getting inconsistent or incomplete information from the regulators.

OFS had received approximately $2.9 billion in dividends through March 20, 2009, from its investments in CPP and certain other programs. Approximately 20 percent of possible dividends during the period were not declared and, therefore, not paid. This information about the returns on Treasury's investments has not been shared with Congress and the public. We recommended that, to improve transparency, Treasury should report publicly the monies, such as dividends, paid to it by TARP participants. By not sharing this information, Treasury is missing an opportunity to provide information about the returns it is receiving on its investments.

Treasury has also continued to take steps to articulate a more clearly defined vision for TARP; and, in February 2009, it provided its strategy for using its remaining funds. This strategy identified the existing problems and how the various programs would attempt to address them. Specifically, Treasury announced the Financial Stability Plan, which outlines a set of measures to address the financial crisis and restore confidence in the U.S. financial and housing markets. The plan established six components: Capital Assistance Program; Public-Private Investment Fund; Consumer and Business Lending Initiative; Small Business and Community Lending Initiative; the Affordable Housing Support and Foreclosures Prevention Plan; and Transparency and Accountability Agenda. While the initial plan provided a broad vision and strategy, in the subsequent weeks, Treasury provided additional details for the various components of the program. In particular, it has announced its plans to participate in the purchase of troubled assets through public-private partnerships and launched a homeownership protection program, both activities consistent with the original plans for TARP. Given that only 60 days have passed since our last report, we acknowledge the significance of these accomplishments. Yet, Treasury continues to get questions about TARP and what OFS is doing, which raises questions about the effectiveness of its existing communication strategy. While Treasury's strategy has largely been one of posting information to its Web site, press releases, speeches, testimonies, and ad hoc outreach to Congress, it continues to face ongoing communication challenges. Given the complexity of the issues involved and the heightened public scrutiny, an effective communication strategy continues to be critical, but Treasury has yet to develop a means of regularly and routinely communicating its activities to relevant congressional committees, members, the public, and other critical stakeholders. An effective communication strategy should, among other things, build understanding and support for the program through regular and routine outreach, including confidential member briefings; integrate communications and operations by making communication integral to the program; and increase the impact of communication tools, such as electronic and print media and video. Given that the President's proposed budget contemplates additional funding, an effective communication strategy is critical for ensuring the support necessary to obtain the funding. Therefore we recommended in our March 2009 report that Treasury develop a communication strategy that includes building understanding and support for the various components of the program and suggested specific actions, such as hiring a communications officer, integrating communications into TARP operations, and scheduling regular and ongoing contact with congressional committees and members, among other actions.

Treasury has taken appropriate actions to bolster the conditions or requirements for assistance that is deemed exceptional, but certain assistance may require that it go farther to help repair damage caused to the program. Controversies about the actions of some TARP participants continue to create issues for the program, in general, and AIG, in particular. While Treasury has announced $70 billion dollars in assistance to AIG—more assistance than has been provided to any other single institution to date—it has yet to disperse the up to $30 billion of additional assistance or finalize the terms under which the assistance will be provided. Therefore, Treasury has the ability to further improve the integrity and accountability associated with this additional assistance, announced in March 2009. Based on our previous work on government assistance to the private sector, as well as the Treasury Secretary's position, as articulated in the Financial Stability Plan, that "government support must come with strong conditions," Treasury has an opportunity to take additional steps to strengthen its agreement with AIG by requiring AIG to seek concessions from management, employees, and counterparties before the agreement is finalized. For example, Treasury could require that AIG seek to renegotiate contracts with its employees, as appropriate, such as those related to the retention bonuses provided to AIG Financial Products and existing counterparties that would face substantial losses were AIG to have its credit downgraded or fail. While we understand that Treasury is making an investment in AIG, Treasury's failure to act in this instance could cause additional harm to the program's reputation and impair its ability to seek additional funding for the program if it were to need it in the future. We recommended in our March 2009 report that Treasury require that AIG seek to renegotiate existing contracts with management, employees, and counterparties, among others, as appropriate, as it finalizes its agreement for the up to $30 billion in additional assistance, announced on March 2, 2009.

Following the announcement of Treasury's Homeownership Affordability and Stability Plan, in March 2009, Treasury released information on its Making Home Affordable Program. One of its components—the Home Affordable Modification Program (HAMP)—will use $50 billion in TARP funds to modify mortgages. According to OFS officials, Fannie Mae and Freddie Mac will provide an additional $25 billion for a total of $75 billion to assist up to 4 million homeowners in order to avoid potential foreclosure.[3] The Making Home Affordable program also includes a non-TARP funded initiative to help up to 4 million to 5 million homeowners refinance loans owned or guaranteed by Freddie Mac and Fannie Mae at current market rates. According to Treasury, this initiative could help homeowners save thousands of dollars in annual mortgage payments. Treasury worked with other agencies to estimate the cost and number of borrowers that would be eligible for loan modifications under HAMP and to design program parameters. On March 19, 2009, in order to reach out to borrowers, Treasury launched a Making Home Affordable Web site, which, among other things, provides program, eligibility, and housing counselor information. While the basic structure of HAMP has been announced, as of March 23, 2009, Treasury had not specified several components of the program, including a system of internal controls over TARP funds used to make loan modifications. According to Treasury, it plans to put in place such a system of internal control by the time the first payments are due to servicers. In addition, as of March 20, 2009, Treasury had not provided specific information on incentive payments, which servicers and mortgage

[3]According to Treasury officials, TARP funds will be used to modify mortgages that financial institutions own and hold in their portfolios (whole loans) and private-label securitized loans (loans not insured or guaranteed by Fannie Mae, Freddie Mac, HUD's Federal Housing Administration, the Department of Veterans Affairs, and rural housing loans).

holders/investors would be eligible for under HAMP. We will continue to monitor the design and implementation of this program, with a particular focus on the empirical basis for HAMP and the structure and effectiveness of its system of internal control.

Treasury also established the Auto Industry Financing Program (AIFP) in December 2008 to prevent a disruption of the domestic automotive industry that would pose systemic risk to the nation's economy. Under this program, Treasury has lent $13.4 billion to General Motors (GM) and $4 billion to Chrysler to allow the automakers to continue operating while working out details of their plans to become solvent, such as achieving concessions from stakeholders. The loans were designed to allow the automakers to operate through the first quarter of 2009 with recognition that, after that point, GM and Chrysler would need additional funds or have to take other steps, such as an orderly bankruptcy.[4] As required by the terms of their loan agreements, GM and Chrysler submitted restructuring plans to Treasury in February that describe the actions the automakers will take to become financially solvent. Because of the continued sluggish economy and lower than expected revenues, GM and Chrysler are requesting an additional $16.6 billion and $5 billion in federal financial assistance, respectively. On March 30, Treasury announced that it had determined the plans GM and Chrysler submitted were not viable and would give GM 60 days and Chrysler 30 days to take additional steps to restructure their companies. Treasury said that it would provide the companies with interim financing during this period. As part of our oversight responsibilities for TARP, we are monitoring Treasury's implementation of AIFP, including the development of the required restructuring plans.

[4]Under AIFP, Treasury also lent $884 million to GM to enable it to participate in GMAC's—a financing company owned, in part, by GM—new rights offering related to its reorganization as a bank holding company—and bought $5 billion in preferred stock investment, plus warrants from GMAC. Treasury also agreed to lend $1.5 billion to a special purpose entity created by Chrysler Financial Services Americas LLC (Chrysler Financial) to finance the extension of new consumer automotive loans, of which $1.1 billion been disbursed to Chrysler Financial. Additionally, in March 2009, Treasury established the Auto Supplier Support Program under TARP, which will provide up to $5 billion in financing to guarantee the payments owed to suppliers for the products they ship to automakers.

Treasury Continues to Make Progress in Establishing OFS

Treasury has also made progress in establishing its management infrastructure, which includes five of our nine recommendations from our January 2009 report related to hiring, contracting, and establishing its internal controls. However, in our March 2009 report, we made new recommendations to improve contract oversight and documentation of certain internal control procedures, as well as guidance pertaining to determining warrant exercise prices.

- In the hiring area, Treasury has continued to make progress in establishing its management infrastructure, including hiring more staff. In accordance with our prior recommendation that it expeditiously hire personnel in OFS, Treasury continued to use direct-hire and various other appointments to bring a number of career staff on board quickly. Since our January 2009 report, Treasury increased the total number of OFS staff overall and shifted from mostly detailees to more permanent staff, indicating that the workforce has become more stable over time. Specifically, as of March 20, 2009, OFS has 113 total staff, with the number of permanent staff increasing substantially—from 38 to 77—since our last report and the number of detailees decreasing from 52 to 36. Of the permanent staff currently working in OFS, 50 have come from other parts of Treasury and the federal government and 27 from the private sector. In addition, detailees from several Treasury and non-Treasury offices, bureaus, and agencies currently support OFS. While Treasury expects that permanent staff will be largely tasked with long-term responsibilities, as the TARP strategy evolves, detailees will continue to play a critical role in supporting the flexibility of OFS operations. In our last report, we recognized that the changing nature of OFS had made it difficult for officials to determine its long-term organizational needs, but that such considerations continue to be vital for retaining institutional knowledge within the organization as programs evolve. Treasury has taken further steps to align OFS's human capital program with its current and emerging mission and programmatic goals. For example, as outlined in its draft workforce plan, Treasury has taken steps to identify the critical skills and competencies needed to operate OFS and plans to develop strategies to address gaps in these areas. These actions will be critical to OFS's ability to monitor its progress in building and developing the OFS workforce.

- Treasury has continued to build a network of contractors and financial agents to support TARP administration and operations. Since our January report, Treasury has awarded seven new contracts and two new financial agency agreements as of March 13, 2009, bringing to 25 the total number of TARP financial agency agreements, contracts, and blanket purchase agreements. Four new contracts are for a variety of legal services; others are for management consulting and document production and program support services; and the two new financial agency agreements are to support the new home loan modification program. [5] At the same time, Treasury has continued to build its capacity to manage these vendors by putting into place the people and processes necessary to enhance its oversight of contractor and financial agent performance. Given the still-evolving nature of TARP requirements, we recognize that opportunities for using fixed-price arrangements may be limited. Nonetheless, Treasury has a process that should help it determine where those opportunities exist. In developing this process, Treasury has addressed our prior recommendation in this area and we will continue to monitor its continued progress. In addition, Treasury could enhance its efforts to safeguard the TARP program from conflicts-of -interest involving its contractors and financial agents by completing its review of mitigation plans to enhance specificity and conformity with the new conflicts-of-interest rule and by requiring that decisions on potential conflicts be documented, which we recommended in our March 2009 report.

- OFS has begun to build a financial reporting structure, including addressing the key accounting and financial reporting issues necessary to enable it to prepare financial statements and receive an audit opinion on those statements at this fiscal year end. Consistent with our previous recommendations, OFS is continuing to develop a comprehensive system of internal control and has established plans for finalizing formal policies and procedures to govern TARP activities and assess its risks. In the interim, OFS has developed and documented process flows and narratives describing internal control procedures for TARP transactions. While OFS applied adequate control procedures over selected CPP and SSFI transactions we tested, it has not taken steps to provide consistency between the documented control descriptions and the actual control procedures that were applied to the transactions. Inconsistencies in the application of a control procedure complicate review of the transactions and increase the risk that the transactions are not recorded completely, properly, or consistently. Similarly, OFS needs to address inconsistencies in guidance pertaining to determining warrant exercise prices. Inconsistencies in guidance available to the public for these price determinations may create confusion about the actual terms and conditions executed by Treasury for its investments.

[5] Treasury also modified several other existing task orders to obligate more funds and extend the performance periods.

Indicators Suggest Mixed Developments in the Credit Markets, but Isolating the Impact of TARP Continues to Present Challenges

Finally, we again note that while isolating the effect of TARP's activities continues to be difficult, conditions appear to have generally improved in various credit markets since the announcement of the first TARP program. However, some indicators demonstrate that, since our January 2009 report, the cost of credit continues to increase in interbank and corporate bond markets and decrease in mortgage markets, while perceptions of risk (as measured by premiums over Treasury securities) have declined in interbank and mortgage markets and risen in corporate debt markets. In addition, although Federal Reserve survey data suggest that lending standards remained tight, the largest CPP recipients extended over $240 billion in new loans to consumers and business in both December 2008 and January 2009, according to the Treasury's new loan survey. Attributing any of these changes directly to TARP continues to be problematic because of the range of actions that have been and are being taken to address the current crisis. While these indicators may be suggestive of TARP's ongoing impact, no single indicator or set of indicators will provide a definitive determination of the program's impact.

Mr. Chairman, Ranking Member Grassley, and Members of the Committee, I appreciate the opportunity to discuss this critically important issue and would be happy to answer any questions you may have. Thank you.

GAO Contact

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