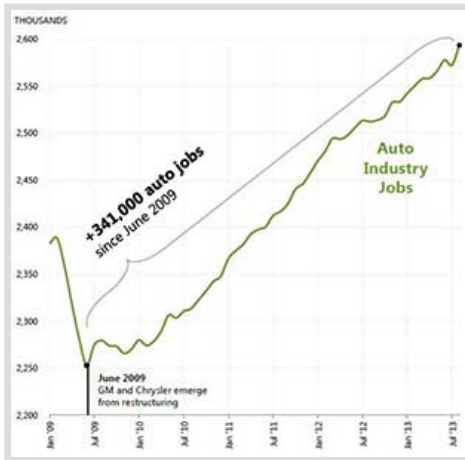


U.S. DEPARTMENT OF THE TREASURY

Auto Industry



Program Overview

When President Obama took office, America's automobile industry was on the brink of collapse. The financial crisis had nearly frozen access to credit for vehicle loans and sales had plunged by 40 percent. Faced with that sober reality, the Obama Administration moved quickly to protect the broader economy by stabilizing the industry. These actions saved more than one million American jobs, according to independent estimates.

On December 19, 2014, Treasury announced that it had sold its remaining 54.9 million shares of Ally Financial Inc. (Ally) common stock, exiting the last Troubled Asset Relief Program (TARP) equity investment under the Auto Industry Financing Program.

The automobile industry is now profitable and creating jobs at the fastest pace in 15 years. In fact, since June 2009, when GM and Chrysler emerged from bankruptcy, more than 500,000 jobs have been created.

Treasury exited its investment in Chrysler in 2011, recovering 90 percent of the taxpayer funds invested six years ahead of schedule. In December 2013, Treasury exited its investment in GM, recouping a total of \$39.7 billion from its original GM investment when it sold all of its remaining shares of GM common stock. In April 2014, Treasury announced that it agreed to sell 95,000,000 shares (post-split) of Ally common stock at a price to the public of \$25.00 per share (post-split), for \$2.375 billion in proceeds to taxpayers. Subsequently, the IPO underwriters exercised, in part, its over allotment, and Treasury sold an additional 7,245,670 shares at \$25.00 per share. In total, Treasury sold 102,245,670 shares as part of the IPO.

While the auto industry rescue resulted in a cost of \$9.3 billion to the government, the cost of a disorderly liquidation to the families and businesses across the country that rely on the auto industry would have been far higher. The government's actions not only saved GM and Chrysler but they saved many businesses up and down the supply chain. They even helped Ford, as its CEO has acknowledged.

The decision to rescue the American auto industry helped the economy recover from the financial crisis and enabled the auto industry to come roaring back.

[Read more](#)

Key Facts

The Automotive Industry Financing Program (AIFP) was created to prevent the collapse of the U.S. auto industry, which would have posed a significant risk to financial market stability, threatened the overall economy, and resulted in the loss of one million U.S. jobs.

In May 2011, Chrysler repaid its outstanding TARP loans six years ahead of schedule. Chrysler returned more than \$11.2 billion of \$12.5 billion committed to Chrysler through principal repayments, interest, and cancelled commitments. Treasury has fully exited its investment in Chrysler Group under TARP.

On December 9, 2013 Treasury fully exited its investment in General Motors (GM). Treasury completed its fourth and final pre-arranged trading plan for the sale of its remaining 31.1 million shares. Treasury recovered a total of \$39.7 billion from its original investment of \$51.0 billion in GM.

On December 18, 2014, Treasury sold its remaining stake in Ally Financial. In total, taxpayers recovered \$19.6 billion on the investment, roughly \$2.4 billion more than the original \$17.2 billion investment in Ally.

Treasury invested approximately \$80 billion in the auto industry through its Automotive Industry Financing Program. Following the sale of the remaining Ally stock on December 18, 2014, the program is now closed.

Resources

- [Program Documents](#)
 - ▶ [Guidelines for Automotive Industry Financing Program](#)
 - ▶ [GM](#)
 - ▶ [GM Restructuring](#)
 - ▶ [GM Restructuring Background](#)
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 - ▶ [Chrysler Restructuring Background](#)
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