12-9-2009

Treasury Receives $45 Billion Payment from Bank of America

United States: Department of the Treasury

https://elischolar.library.yale.edu/ypfs-documents/7627

This resource is brought to you for free and open access by the Yale Program on Financial Stability and EliScholar, a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact ypfs@yale.edu.
Today, the U.S. Department of the Treasury received full repayment on its Troubled Asset Relief Program (TARP) investments in Bank of America in the sum of $45 billion, bringing the total amount of repaid TARP funds to $118 billion. Treasury now estimates that total bank repayments could reach up to $175 billion by the end of 2010, cutting total taxpayer exposure to the banks by almost three-quarters from the peak.

Treasury currently estimates that every one of its programs aimed at stabilizing the banking system -- the Capital Purchase Program, the Targeted Investment Program, the Asset Guarantee Program, and the Consumer and Business Lending Initiative -- will earn a profit thanks to dividends, interest, early repayments, and the sale of warrants. Total bank investments of $245 billion in FY2009 that were initially projected to cost $76 billion are now projected to bring a profit of $19 billion. Taxpayers have already received about $15 billion in revenue through interest, dividends, and the sale of warrants, and that profit could be considerably higher as Treasury sells additional warrants in the weeks ahead.

###