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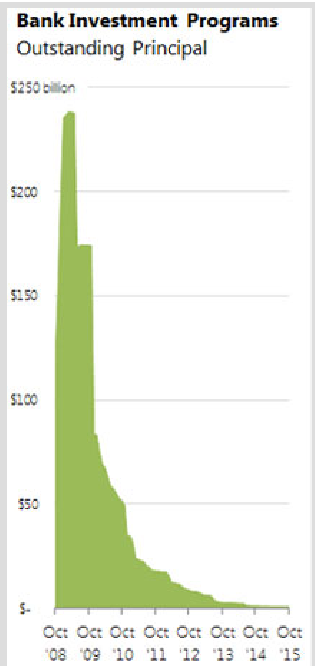
Bank Investment Programs: Program Purpose and Overview

United States: Department of the Treasury

U.S. DEPARTMENT OF THE TREASURY

Bank Investment Programs



Program Purpose and Overview

Treasury invested approximately $245 billion across five distinct bank programs. Each of these programs was established to accomplish different goals as part of the overall effort to stabilize America's banking system.

Treasury has already recovered an amount that is greater than what was invested in banks under TARP. Taxpayers began to see a positive return on their bank investments in March 2011. Every additional dollar that is recovered from TARP's bank investments represents an additional return for the taxpayers.

Key Facts

TARP bank investment programs succeeded in helping to stabilize the banking system.

TARP funds were invested in both large and small banking institutions.

TARP's bank programs earned significant positive returns for taxpayers.
As of October 31, 2016, Treasury has recovered $275.2 billion through repayments and other income -- $30.1 billion more than the $245.1 billion originally invested.

No more taxpayer money is being invested in banks under TARP. The final investment under the Capital Purchase Program (CPP) – the largest bank program under TARP – was made in December 2009. Treasury is now focused on recovering TARP funds in a manner that maximizes returns for the taxpayers and promotes America's financial stability.

Banking Programs at a Glance

- Asset Guarantee Program (AGP)

  Under the Asset Guarantee Program (AGP), the government supported institutions whose failure would have caused serious harm to the financial system and the broader economy.

- Supervisory Capital Assessment Program (SCAP) & Capital Assistance Program (CAP)

  Treasury worked with federal banking regulators to develop a comprehensive "stress test," known as the Supervisory Capital Assessment Program (SCAP), to determine the health of the 19 largest bank holding companies. This proved to be a critical step to restore confidence in the financial system and get credit flowing again.

- Capital Purchase Program (CPP)

  The Capital Purchase Program (CPP) was launched to stabilize the financial system by providing capital to viable financial institutions of all sizes throughout the nation.

- Community Development Capital Initiative (CDCI)

  Treasury created the Community Development Capital Initiative (CDCI) on February 3, 2010, to help viable certified Community Development Financial Institutions and the communities they serve cope with effects of the financial crisis.

- Targeted Investment Program (TIP)

  Treasury established the Targeted Investment Program (TIP) in December 2008. The program gave the Treasury the necessary flexibility to provide additional or new funding to financial institutions that were critical to the functioning of the financial system.