About TARP

United States: Department of the Treasury

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U.S. DEPARTMENT OF THE TREASURY

About TARP

In September 2008 our nation was on the edge of falling into a second Great Depression. Confidence in the financial system was vanishing and panic was spreading.

Every major financial institution was vulnerable. The credit markets that provide financing for credit cards, student loans, mortgage loans, auto loans, small business loans and other types of financing stopped functioning.

For the first time in generations, Americans were questioning the safety of their money in banks. For the first time in more than 80 years, a generalized run on the nation's banking system was a real possibility. The nation was losing almost 800,000 jobs a month and household wealth had fallen by 17 percent – more than five times the decline in 1929.

It was out of these extraordinary circumstances that TARP was created to restore the nation's financial stability and restart economic growth.

What is TARP?

TARP is the Troubled Asset Relief Program, created to implement programs to stabilize the financial system during the financial crisis of 2008. It was authorized by Congress through the Emergency Economic Stabilization Act of 2008 (EESA) and is overseen by ...
TARP is currently projected to cost approximately $34.5 billion - significantly less than the $700 billion originally authorized by Congress.