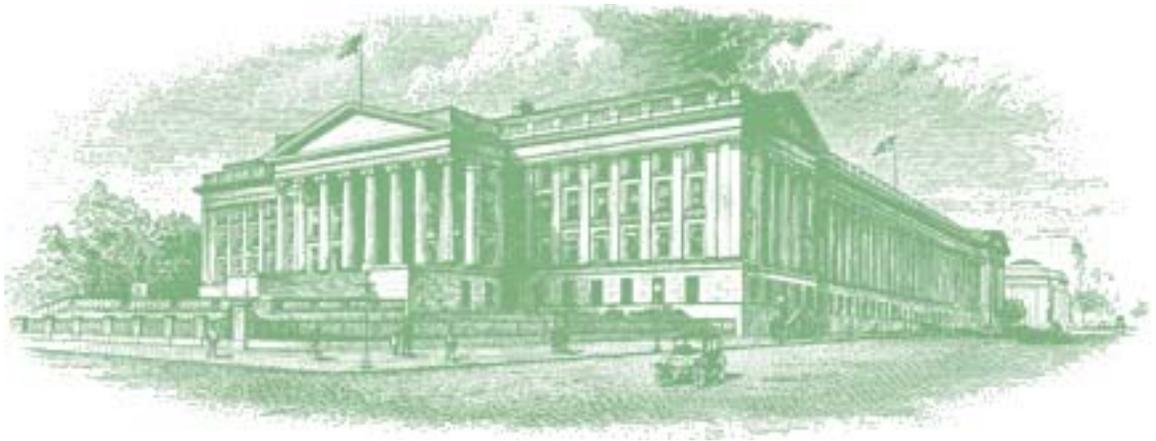




Audit Report



OIG-12-048

Consultation on Solyndra Loan Guarantee Was Rushed

April 3, 2012

Office of
Inspector General

Department of the Treasury

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Abbreviations

Act	Energy Policy Act of 2005
DOE	Department of Energy
FFB	Federal Financing Bank
GAO	Government Accountability Office
LGP	Loan Guarantee Program
OGFP	Office of Government Financial Policy
OIG	Office of Inspector General
OPLR	Office of Policy and Legislative Review
OMB	Office of Management and Budget
Treasury	Department of the Treasury

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*The Department of the Treasury
Office of Inspector General*

April 3, 2012

Mary Miller
Assistant Secretary for Financial Markets
Department of the Treasury

This report presents the results of our audit of the Department of the Treasury's (Treasury) role in the \$535 million loan guarantee made to Solyndra LLC (Solyndra) in 2009. This loan was 100 percent guaranteed by the Department of Energy (DOE) under Title XVII of the Energy Policy Act of 2005¹ (the Act), as amended by the American Recovery and Reinvestment Act of 2009² (Recovery Act). The loan was funded by Treasury's Federal Financing Bank (FFB).

We initiated this audit because of the heightened media attention and congressional inquiries surrounding Solyndra's loan and its subsequent restructuring. The objectives of our audit were to (1) determine Treasury's responsibilities related to the DOE loan guarantee for Solyndra as established by applicable laws, regulations, policies, procedures, and agreements and (2) assess whether Treasury appropriately carried out those responsibilities. Appendix 1 contains a more detailed description of our audit objectives, scope, and methodology.

Results In Brief

Treasury's consultative role as it related to the Solyndra loan guarantee is derived from the Act, the Federal Financing Bank Act,³ and 10 CFR §609 (Final Rule implementing Title XVII of the Act).

¹ Pub. L. 109-58 (August 8, 2005)

² Pub. L. 111-5 (February 17, 2009)

³ Pub. L. 93-224 (December 29, 1973)

We found that Treasury did perform a consultation on the terms and conditions of the Solyndra loan guarantee. However, whether that consultation met the intent of the applicable law and regulation is not clear because Treasury's consultative role was not sufficiently defined, the consultation that did occur was rushed, and no documentation was retained as to how Treasury's serious concerns with the loan were addressed.

Going forward, we recommend that the Assistant Secretary for Financial Markets (1) work with DOE to establish a definition of what Treasury's consultative role is and what it should include; (2) work with DOE to establish a common understanding of what would be considered a deviation that would constitute a substantial change in the financial terms and conditions of a loan guarantee and require Treasury's consultation; and (3) develop and implement written policies and procedures to govern Treasury's consultative process with respect to loan reviews to include guidance on composition, role, and responsibilities of consultative teams and the production and retention of key consultative documents evidencing the deliberations and key conclusions.

Treasury generally agreed with our recommendations and stated it will make a best effort to work DOE to define Treasury's consultative role prior to conditional commitment and identify circumstances under which DOE should consult Treasury in the context of any deviations to the financial terms of the loan guarantee. Management also generally agreed with our recommendation to develop and implement written policies and procedures to govern Treasury's consultative process. We have summarized and evaluated Treasury's response in the recommendation section of this report. Management's response is provided in Appendix 3.

Background

Solyndra, a manufacturer of solar panels, received a \$535 million loan guarantee under DOE's Loan Guarantee Program (LGP) in September 2009 that was financed through FFB. This was DOE's first loan guarantee under Title XVII of the Act, as amended by section 1705 of the Recovery Act. The Act authorized the Secretary of DOE to make loan guarantees to companies investing

in either innovative clean technologies or commercial-scale renewable energy. Section 1702(a) of the Act states

“in general..., the Secretary shall make guarantees under this or any other Act for projects on such terms and conditions as the Secretary determines, after consultation with the Secretary of the Treasury...”
(emphasis added)

The regulation implementing Title XVII of the Act, 10 CFR §609, requires DOE to consult with the Secretary of the Treasury on the terms and conditions of the potential loan guarantee concurrent (emphasis added) with its review process, and before granting any deviation that would constitute a substantial change in the financial terms of the loan guarantee. In addition, the regulation requires that all 100 percent guaranteed loans be funded by FFB.

FFB is a government corporation, created by Congress in 1973, under the general supervision of the Secretary of the Treasury. FFB was established to (1) coordinate federal and federally assisted borrowing programs with the overall economic and fiscal policies of the Government, (2) reduce costs of borrowing from the public, and (3) ensure borrowings are financed in a manner least disruptive of private financial markets and institutions. FFB is authorized to purchase any obligation issued, sold, or guaranteed by a federal agency to ensure such obligations are financed efficiently.

The Office of Management and Budget (OMB) provided agencies with additional guidance in Circular No. A-129 Revised – *Policies for Federal Credit Programs and Non-Tax Receivables* (OMB A-129). This guidance prescribes policies and procedures for Federal credit programs and sets standards for extending credit, managing lenders participating in Government guaranteed loan programs, servicing credit and non-tax receivables, and collecting delinquent debt. This guidance applies to all federal credit programs which include loan guarantee programs. According to OMB A-129, a federal agency cannot issue, sell, or guarantee an obligation that is ordinarily financed in the investment securities markets unless the obligation or loan is funded by FFB or another federal agency. In exceptional circumstances, the Secretary of the Treasury has the authority to waive this requirement if the obligations: (1) are not suitable for investment for the FFB because of the risks entailed; or

(2) are, or will be, financed in a manner that is least disruptive of private finance markets and institution; or (3) are, or will be, based on the Secretary's consultation with OMB and the guaranteeing agency, financed in a manner that will best meet the goals of the program.

As of December 2011, DOE guaranteed, after consulting with Treasury, 28 projects totaling \$16.1 billion under the LGP. In accordance with 10 CFR §609.10, FFB is required to fund loans that are 100 percent guaranteed by DOE. FFB does not fund partial guarantees. Of the loans guaranteed, FFB issued 23 note purchase agreements that commit the FFB to the maximum principal amount of \$10.1 billion. Because loans under DOE's LGP are guaranteed, FFB has not, and will not incur any direct credit-related losses associated with the program. All credit losses under the LGP are the responsibility of DOE, and are ultimately borne by the American taxpayers. Since receiving its initial loan in September 2009, Solyndra's loan was restructured in February 2011, and more recently, Solyndra filed for Chapter 11 bankruptcy in September 2011. Prior to filing for bankruptcy, approximately \$528 million of the \$535 million in guaranteed loan funds were disbursed. In the case of Solyndra's default, DOE will make payments to FFB under the guarantee and may exercise remedies against Solyndra. As of December 2011, DOE made \$16.2 million of interest payments to FFB. In February 2011 the Committee on Energy and Commerce, Subcommittee on Oversight and Investigations staff initiated an investigation of Solyndra focusing on Solyndra's loan guarantee and DOE's decision to restructure and subordinate a portion of its obligation.

As of the end of our fieldwork, Treasury was not aware of any credit losses to DOE under LGP other than Solyndra. However, Beacon Power, which received a \$43 million loan guarantee, also funded by FFB, in August 2010, declared bankruptcy in October 2011.

Finding

Consultation on the Solyndra Loan Guarantee Was Rushed

Under the Act, the Secretary of DOE is authorized to make loan guarantees on terms and conditions that are determined by DOE, after consultation with Treasury. The Act does not define Treasury's consultative role with regard to DOE's loan guarantee program; however, the regulations implementing the Act required that DOE consult with Treasury concurrent (emphasis added) with its review process.⁴

In the case of Solyndra, Treasury was not consulted on the terms and conditions of the loan transaction prior to or concurrent with DOE's review process. Furthermore, the consultation that did occur was rushed.

For the LGP, DOE established the Credit Committee and the Credit Review Board (CRB) to review loan proposals. Officials on the Credit Committee review and approve applicants' creditworthiness and technical merits which are summarized in the credit paper, and the terms and conditions of the loan guarantee specified in the Term Sheet. Treasury was not consulted during the Credit Committee's review of Solyndra.

Upon the Credit Committee's approval, senior officials on the CRB which include DOE's Deputy Secretary, General Counsel, Chief Financial Officer, and other senior DOE advisors, make a final determination on which projects are to be forwarded to the Secretary of DOE for signature. In the case of Solyndra, two FFB staff attended a "dry run" presentation of the project on March 16, 2009, before DOE staff made the presentation to the CRB. Following the presentation, DOE requested documentation from the FFB attendees stating that Treasury was consulted. However, the FFB staff who participated communicated that others at Treasury

⁴ 10 CFR 609.7, Programmatic, technical and financial evaluation of Applications (a) In reviewing completed applications, and in prioritizing and selecting those to whom a Term Sheet should be offered, DOE will apply the criteria set forth in the Act, the applicable solicitation, and this part. Applications will be considered in a competitive process, that is, each application will be evaluated against other applications responsive to the solicitation. Greater weight will be given to applications that rely upon a smaller guarantee percentage, all else being equal. Concurrent with its review process, DOE will consult with the Secretary of the Treasury regarding the terms and conditions of the potential loan guarantee.

would have to be consulted for that purpose. It was not until after Treasury was notified by OMB that DOE was ready to sign-off on the Term Sheet, making a conditional commitment to Solyndra, that consultation on the part of Treasury occurred.

On March 17, 2009, OMB informed Treasury's Office of Government Financial Policy (OGFP) that DOE would be issuing a press release on Solyndra. It was OMB's understanding that the CRB approved the project and that the Secretary of DOE could sign the Term Sheet at any moment. OMB strongly urged Treasury to contact the DOE Office of the Secretary if Treasury wanted to weigh in on Solyndra's terms and conditions. DOE later confirmed to Treasury that the Term Sheet was approved by the CRB on March 17, 2009.

An OGFP official expressed concerns to OMB in an e-mail regarding DOE's review process as it related to the requirement that Treasury be consulted with on the terms and conditions of any guarantee before the guarantee was extended. In that email, it was also communicated that when the regulations were drafted, OGFP made it clear that Treasury wanted to be involved in the development of the terms and conditions and not be brought in at the end when the terms of the deal had already been negotiated.

On March 18, 2009, Treasury received a draft press release from DOE announcing Solyndra's conditional commitment planned for issuance later that afternoon. The draft press release stated that "Secretary Chu offered the loan guarantee by signing a 'conditional commitment' today, following approval yesterday by the Department of Energy's Credit Review Board." In response, a Treasury official contacted DOE to request additional time to review and delay the DOE Secretary's signing of the Term Sheet and the press release. DOE originally agreed to extend Treasury's review time to noon on March 20, 2009. However, Treasury then agreed with a DOE request to expedite the review to March 19, 2009, so that the press release could be issued on the morning of March 20, 2009.

Treasury provided comments to DOE, during a conference call on March 19, 2009, regarding Solyndra's terms and conditions noting several concerns that included (1) the amount of equity in the project (i.e., 73/27 debt to equity ratio instead of 65/35), (2) the

preference for a partial guarantee versus 100 percent guarantee, and (3) DOE's claims on Solyndra's intellectual property in the event of default. We also obtained an internal Treasury e-mail where such aspects of the deal were discussed. The e-mail specifically noted that

"...this should have been 65% debt and 35% equity instead of 73% debt and 27% equity... If this had been an 80% guaranteed loan, then the implicit guaranteed loan would have been 64% rather than 73%. DOE says that their hands are tied on this issue... They are under pressure to complete a deal."

Treasury officials told us that all comments raised were addressed by DOE. After the conference call, Treasury sent an e-mail to DOE agreeing to the issuance of the press release and signing of the Term Sheet. However, following the conference call with DOE, another internal Treasury e-mail noted that

"we pressed on certain issues such as why we aren't providing only a partial guarantee and covering a smaller percentage of the eligible project costs, but the train really has left the station on this deal."

When asked, Treasury officials told us that enough time was granted to perform a sufficient review of Solyndra's terms and conditions. However, Treasury's e-mail correspondence at the time of Solyndra's consultation leave questions as to whether Treasury's concerns were fully addressed. Appendix 2 provides a timeline of the consultative process on the Solyndra loan.

We believe that Treasury was rushed in its consultative review of the Solyndra loan guarantee as a result of the following:

- There was no common understanding/definition of what constituted Treasury's consultative role within Treasury or between Treasury and DOE;
- There were no policies and procedures governing Treasury's consultative process with respect to loan reviews to include guidance on the composition, role, and responsibilities of consultative review teams and the production and retention

of key consultative review documents evidencing the deliberation, resolution of concerns, and key decisions.

No Common Understanding/Definition of What Constituted Treasury's Consultative Role

Neither the Act nor 10 CFR §609 defines or explains "consultation" or "consult" on the part of Treasury. According to a Treasury official who was on the team that drafted the regulation, it was assumed, at the time, that Treasury would be involved in the development of the terms and conditions and not be brought in at the end when the terms of the deal had already been negotiated.

In 2006, DOE issued the first solicitation under the LGP and approved the first loan guarantee in 2009—Solyndra. At the point of the conditional commitment of this first loan guarantee, Treasury and DOE were unclear on how to execute the consultation requirement. When questioned as to Treasury's role under the Act, Treasury officials provided an array of generalities but no clear delineation of Treasury's consultative role with DOE. In our opinion the lack of clarity on what Treasury's consultative role meant between Treasury and DOE resulted in Treasury having a pressured and compressed review period for Solyndra. After numerous interviews with Treasury officials and evaluation of available documentation, it still remains unclear as to how Treasury delineates a consultation with regard to DOE's LGP. As the loan guarantee program proceeded, DOE, Treasury, OMB, and the National Economic Council agreed on a working understanding as to the timing of interagency reviews for energy projects which was documented in an April 2011 memorandum. This memorandum outlines a 21 day review process recognizing the need for flexibility. So while the memorandum establishes timeframes for interagency reviews, it neither clarifies Treasury's consultation nor its coordination with DOE.

In February 2011, Solyndra's loan guarantee was restructured with a subordination clause to Solyndra investors. Treasury was not consulted on the restructure and it was uncertain if Treasury should have been consulted in accordance with 10 CFR §609.18 dealing with deviations from the financial terms of a loan guarantee. According to 10 CFR §609.18, "DOE will consult with OMB and the Secretary of the Treasury before DOE grants any

deviations that would constitute a substantial change in the financial terms of the Loan Guarantee Agreement and related documents.” However, we were told by Treasury officials that it was unclear if Solyndra’s restructure was considered a deviation. This is another matter that requires a common understanding. Specifically, the common understanding should provide for what would be considered a deviation that would constitute a substantial change in the financial terms and conditions of a loan guarantee and require Treasury’s consultation.

No Policies and Procedures Govern Treasury’s Consultation

Treasury did not have policies and procedures in place for performing its consultation under the Act. In accordance with the Act, DOE is required to consult Treasury on the terms and conditions of all LGP applicants and the consult should reflect Treasury’s perspective on the amount to be guaranteed, reasonable prospect of repayment, interest rate, remedies for default, fees charged to the applicant, and the full faith and credit pledge of the United States. According to Treasury staff, OMB A-129 is used as guidance to perform the consultation. However, the guidance lacks sufficient instructions on how Treasury is to execute its consultative role, form a consultative team, evaluate various aspects of terms and conditions, and document results and key conclusions evidencing its consultative review.

Treasury’s Office of Policy and Legislative Review (OPLR) was assigned to coordinate Treasury’s consultation on DOE’s LGP for Solyndra. Subsequent to the assignment, the Director of OPLR contacted 11 individuals, asking them to review Solyndra documents. In the end, only 5 individuals reviewed the documents and provided comments. Strangely, not everyone we spoke with was aware of being officially part of the consultative team. Based on our interviews with OPLR officials and review of related correspondence, there were inconsistencies in how members of the review team interpreted their roles. As a result, the consultation on Solyndra may not have been comprehensive or consistent since clear guidance was not provided.

As discussed above, based on an expedited review request from DOE so that a press release could be issued, OPLR completed its review in about 1 day. However, Treasury officials told us that this

time period was sufficient in the case of its review of the Solyndra loan guarantee.

The Office of Government Financial Policy, which oversees OPLR and FFB, has overall responsibility for the Treasury's consultative reviews and currently chooses among the following offices to participate in the consultative review process: OPLR, FFB, the Office of Debt Management, the Office of International Affairs, and Capital Markets. However, to date it remains unclear as to how Treasury determines who (what disciplines) are to be assigned to consultative teams (composition of the teams). Furthermore, we found that even if someone is identified to be part of the team, they only participate if available. Without policies and procedures laying out who should lead the consultative review, as well as the composition of consultative review teams, based on knowledge and experience rather than availability, and guidance that provides explanations and expectations of team members' roles and responsibilities, Treasury risks inconsistent, incomplete, and otherwise potentially flawed reviews.

Treasury Consultation on Solyndra Was Not Contemporaneously Documented

The Government Accountability Office (GAO) established standards for internal control in the federal government. In its guidance, GAO provides that internal control and all transactions and other significant events need to be clearly documented, and the documentation be readily available for examination. The requirement for documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.⁵ Treasury established its own documentation requirements in Treasury Directive Publication 80-05, which states that all program officials shall create and maintain adequate and proper documentation of the program for which they are responsible. This means a record of the conduct of government business that is complete and accurate to the extent required to document the organization, functions, policies, decisions, procedures, and essential transactions of their office and

⁵ GAO/AIMD-00-21.3.1, "Standards for Internal Control in the Federal Government" (November 1999)

to protect the legal and financial interest of the government and of persons directly affected by the activities of their office.⁶

Ultimately, Treasury did perform a consultation on the Solyndra loan but was unable to provide sufficient documentation to support its review. As discussed above, the Solyndra loan consultative review by Treasury was completed in about 1 day. However, Treasury officials told us that they had sufficient time to review the Solyndra documents, and all pertinent questions and concerns were adequately addressed. To support its review, Treasury officials provided e-mails and a brief memorandum summarizing a conference call with DOE dated March 2010. However, that memorandum was finalized 1 year after the conference call took place. Furthermore, the summary memorandum and e-mails provided show a number of concerns raised by Treasury with regard to the Solyndra loan. For example, some of the concerns that Treasury expressed to DOE include the amount of equity contribution, a challenge to expected market penetration, interest rate language, total percentage coverage of the guarantee and eligible project costs, and the assumption that the decision on the terms and conditions was already determined prior to the consultation. So, while Treasury officials told us that they had sufficient time to review the Solyndra documents, and all pertinent questions and concerns were adequately addressed, they maintained no documentation of DOE's responses to the questions and concerns raised.

In conclusion, we found that Treasury consulted on the terms and conditions of the Solyndra loan guarantee. However, whether that consultation met the intent of the applicable law and regulation is not clear because Treasury's consultative role was not sufficiently defined, the consultation that did occur was rushed, and no documentation was retained as to how Treasury's serious concerns with the loan were addressed.

⁶ Treasury Directive Publication 80-05, "Records and Information Management Manual" (June 2002)

Recommendations

We recommend that the Assistant Secretary for Financial Markets do the following:

1. Work with DOE to establish a definition of what Treasury's consultative role is and what it should include;

Management Response

Treasury management generally agreed with our recommendation and stated that a best effort will be made to work with DOE to define Treasury's consultative role prior to conditional commitment.

OIG Comment

Management's response meets the intent of our recommendation.

2. Work with DOE to establish a common understanding of what would be considered a deviation that would constitute a substantial change in the financial terms and conditions of a loan guarantee and require Treasury's consultation.

Management Response

Treasury management generally agreed with our recommendation and stated that a best effort will be made to work with DOE to identify the circumstances under which DOE should consult Treasury in the context of any deviations to the financial terms of the loan guarantee.

OIG Comment

Management's response meets the intent of our recommendation.

3. Develop and implement written policies and procedures to govern Treasury's consultative process with respect to loan reviews to include guidance on composition, role, and responsibilities of consultative teams and the production and

retention of key consultative documents evidencing the deliberations and key conclusions.

Management Response

Treasury management generally agreed with our recommendation for the development of written policies and procedures to govern Treasury's consultative process regarding the terms and conditions of future DOE LGP loan guarantees. However, management did not agree with the specific statement in our report that Treasury's consultation should broadly reflect its "...perspective on the amount to be guaranteed, reasonable prospect of repayment, interest rate, remedies for default, fees charged to the applicant, and the full faith and credit pledge of the United States." Management believes that some of these matters relate to an applicant's creditworthiness which is an issue that Congress placed solely within DOE's purview under the Act and that Treasury's input is limited to the interest rate and other terms and conditions of the potential loan guarantee.

OIG Comment

Management's response meets the intent of our recommendation. We do note that, as provided in section 1702 of the Act, the Secretary of the Treasury provides consultation on a number of terms and conditions, such as the specific appropriation or contribution, amount, repayment, interest rate, term, defaults, fees, records and audits, and full faith and credit.

Management's response is provided in Appendix 3.

* * * * *

We appreciate the courtesies and cooperation provided to our staff during this audit. If you wish to discuss this report, you may contact me at (202) 927-5400 or Donna Joseph, Director, at (202) 927-5784. See Appendix 4 for major contributors to this report.

/s/

Marla A. Freedman

Assistant Inspector General for Audit

In October 2011, we initiated an audit of Treasury's role as it pertained to the \$535 million loan guarantee made to Solyndra under DOE's LGP in September 2009. Solyndra subsequently declared bankruptcy in September 2011. The objectives of our audit were to (1) determine Treasury's responsibilities related to the DOE loan guarantee for Solyndra as established by applicable laws, regulations, policies, procedures and agreements and (2) assess whether Treasury appropriately carried out those responsibilities.

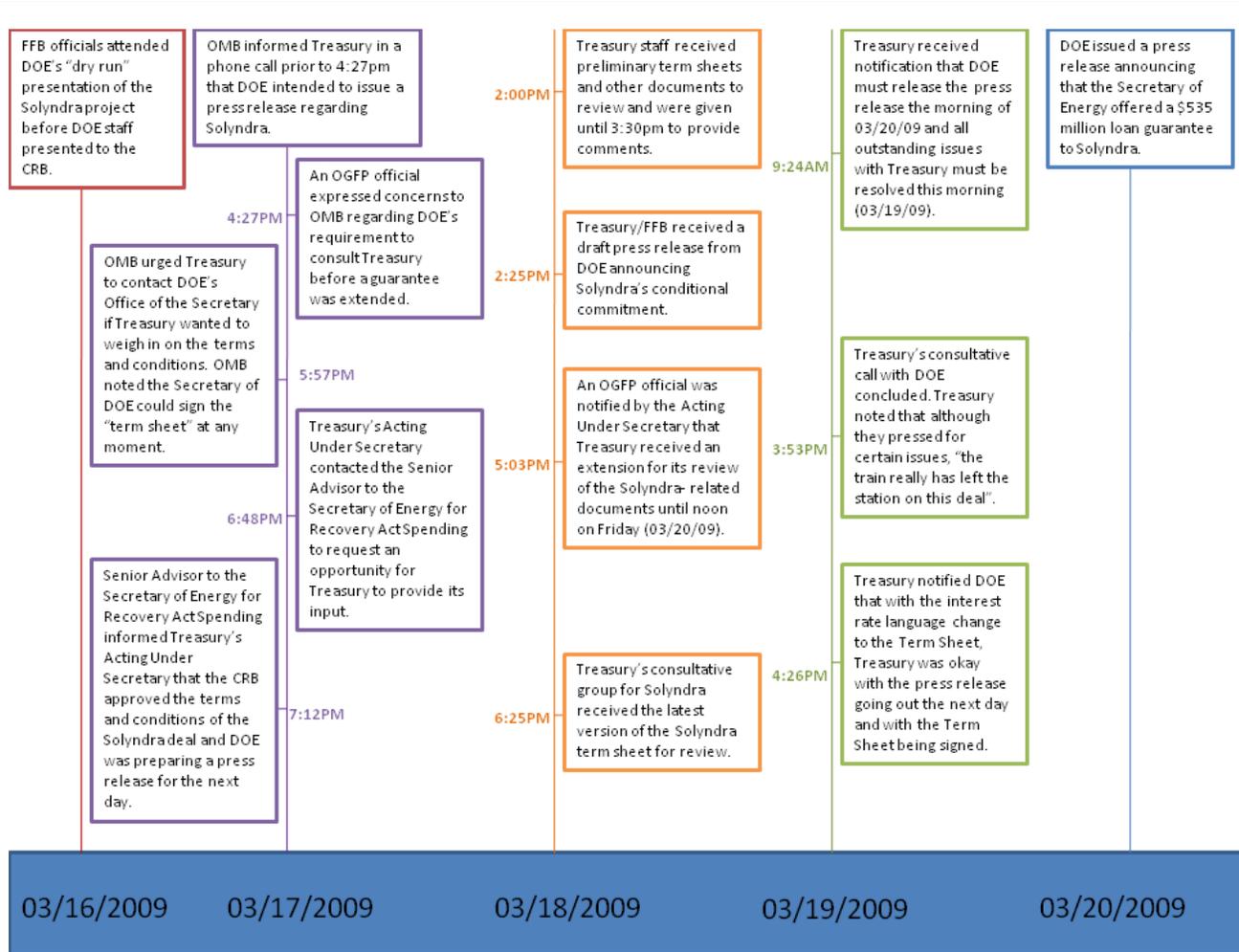
To address these objectives, we:

- researched applicable law, regulations, and Treasury requirements;
- interviewed key Treasury officials and staff;
- reviewed available documentation supporting Treasury's consultative activities, consisting of Solyndra's Term Sheet, credit paper, loan documents and other related correspondence including email correspondence; and
- performed internal control testing at FFB on the administration of the Solyndra loan to include processing of advance loan requests.

We conducted our fieldwork at Departmental Offices and the Federal Financing Bank in Washington, D.C., between October 2011 and February 2012.

We conducted this performance audit 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.

Appendix 2 Treasury's Consultation Timeline



Appendix 3
Management's Response



UNDER SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

March 30, 2012

Marla A. Freedman
Assistant Inspector General for Audit
Department of the Treasury Office of Inspector General
740 15th Street NW, Suite 600
Washington, D.C. 20220

Dear Ms. Freedman:

Thank you for the opportunity to review and respond to your draft Audit Report, entitled *Consultation on Solyndra Loan Guarantee Was Rushed*, dated March 23, 2012. The Office of Financial Markets appreciates the Office of Inspector General's (OIG) review of the Department of the Treasury's (Treasury) limited role in the Department of Energy's (DOE) decision to approve a loan guarantee to Solyndra under its Title XVII Loan Guarantee Program (LGP). This letter provides our official response to the Audit Report. We previously provided comments and technical corrections to OIG staff.

The draft Audit Report includes three recommendations. We generally agree with the first two. Treasury supports the development of an interagency understanding regarding the scope of DOE's consultation with Treasury. We note, however, that although these two recommendations call for Treasury to "work with DOE" to establish this understanding, an interagency understanding, by its terms, means a mutual understanding of the two agencies, and DOE's understanding is not within Treasury's control. Nonetheless, we will make our best efforts to work with DOE, both to define Treasury's consultative role prior to conditional commitment and to identify the circumstances under which DOE should consult Treasury in the context of any deviations to the financial terms of the loan guarantee agreements and related documents.

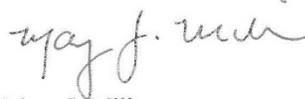
We also generally agree with your third recommendation, which calls for the development of written policies and procedures to govern Treasury's consultative process regarding the terms and conditions of future DOE LGP loan guarantees. We do not agree, however, with the specific statement in the draft Audit Report that DOE's consultation with Treasury should so broadly reflect "Treasury's perspective on the amount to be guaranteed, reasonable prospect of repayment, interest rate, remedies for default, fees charged to the applicant, and the full faith and credit pledge of the United States." Some of these matters (for example, the assessment of the prospect for repayment) relate to an applicant's creditworthiness, which is an issue that Congress placed solely within DOE's purview under Title XVII of the Energy Policy Act of 2005.

Appendix 3
Management's Response

Treasury's input is limited to the interest rate and other terms and conditions of the potential loan guarantee. Nonetheless, we will focus carefully on how we can further develop and articulate our policies and procedures regarding Treasury's consultative process in the context of DOE's Loan Guarantee Program.

Thank you again for the opportunity to review the draft Audit Report. We value the role of strong oversight and appreciate OIG's important work over the course of the audit. We look forward to working with you in the future.

Sincerely,



Mary J. Miller
Under Secretary for Domestic Finance

Appendix 4
Major Contributors To This Report

Donna Joseph, Audit Director
Erica Wardley, Audit Manager
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OIG Budget Examiner

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