



UNITED STATES DEPARTMENT OF THE TREASURY
OFFICE OF FINANCIAL STABILITY

Agency Financial Report

FISCAL
YEAR 2009



Troubled Asset Relief Program
Office of Financial Stability
for the year ended September 30, 2009



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Message from the Assistant Secretary for Financial Stability



I am pleased to provide the Office of Financial Stability's Agency Financial Report for fiscal year 2009. This report describes the activities and financial results for the Troubled Asset Relief Program (TARP) since its inception in October, 2008. The report includes the financial statements for the TARP and the Government Accountability Office's audit opinion on the financial statements, a separate audit opinion on OFS's internal controls over financial reporting, and results of tests of OFS's compliance with selected laws and regulations.

The Emergency Economic Stabilization Act of 2008 (EESA) established the Office of Financial Stability (Treasury-OFS) within the Office of Domestic Finance of the Treasury Department to implement the TARP. The OFS carries out the mission and objectives of the EESA: ensuring the overall stability and liquidity of the financial system; preventing avoidable foreclosures and helping preserve homeownership; protecting taxpayer interests, and promoting transparency.

Treasury-OFS has made substantial progress toward meeting these objectives and goals by using TARP funds to help rebuild confidence in U.S. financial institutions. For the period ended September 30, 2009, Treasury-OFS reports the following key results:

- Treasury-OFS disbursed \$364 billion of the authorized \$700 billion, most of it in the form of investments and \$73 billion of those TARP funds have already been repaid.
- As shown in greater detail in this report, Treasury-OFS reports an estimated net cost of \$41.6 billion for the TARP disbursements made during the fiscal year.
- The ultimate cost of TARP will not be known for some time. The combination of lower spending and higher expected returns has already significantly lowered the estimated cost from our earlier estimates. However, as additional funds are distributed, particularly for the housing initiative, the total cost is likely to rise.

Treasury-OFS also improved its operational efficiency by adopting a number of the recommendations made by our oversight bodies. We have benefited from their involvement in the development of TARP programs and policies as we pursue our common goal of carrying out the objectives of EESA.

The financial and performance data included in this report are reliable and complete. The Government Accountability Office rendered an unqualified ("clean") audit opinion on the OFS financial statements. The OFS has chosen to produce an alternative to the consolidated Performance and Accountability Report, the attached Agency Financial Report. The OFS will include its FY 2009 Annual Performance Report with its Congressional Budget Justification and will post it on the OFS website (www.financialstability.gov) in February.

Sincerely,

Herbert M. Allison Jr.
Assistant Secretary
Office of Financial Stability

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