



For Immediate Release
July 21, 2010

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BAUCUS EXAMINES SUCCESS OF TARP PROGRAM, EFFORTS TO REPAY TAXPAYERS

*Finance Chairman Questions Key Oversight Teams on Efforts to Wind-Down TARP Program,
Recover TARP Losses*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) examined the state of the Troubled Asset Relief Program (TARP) program during a Finance Committee hearing today and questioned oversight experts on TARP’s successes in stabilizing the economy and the progress of efforts to repay taxpayer dollars. TARP was created at the height of the financial crisis to stabilize the financial sector and avoid a more catastrophic economic downturn.

“We fought hard to ensure transparency in the TARP program and create oversight teams to hold Wall Street and Treasury accountable for the taxpayer dollars they spend. It is critical we use the information TARP oversight can provide to protect taxpayer interests and work to improve efforts to bolster our economic recovery,” Baucus said. **“We will continue monitoring the progress of the TARP program closely and work on behalf of the American taxpayers to ensure TARP funds are paid back.”**

Baucus called expert witnesses from the three oversight bodies responsible for tracking TARP’s use of taxpayer dollars to report on their findings at today’s hearing, including Special Inspector General for the TARP program Neil Barofsky. Baucus was instrumental in creating the office of the TARP Inspector General both to report to Congress and the American people and to hold the Treasury and TARP recipients accountable for how taxpayer money is spent.

Baucus convened the hearing today as the Inspector General released his Quarterly Report to Congress on the status of the TARP program. In the report the Inspector General presents evidence the TARP program is winding down. At the same time as the TARP program is phasing out, the Inspector General also found the overall commitment to stabilizing the economy as a whole has grown. Baucus questioned Barofsky on where the increased commitment has been concentrated and how it could be better focused to accelerate the economic recovery.

Baucus pressed the Inspector General on the progress of efforts to repay TARP funds, where losses are coming from and what can be done to minimize them. In particular, Baucus examined ways to help small banks recover and repay their TARP funds so they will be able to increase lending to small businesses and help support their communities.

Additionally, Baucus questioned Inspector General Barofsky on his findings that the auto task force pressured GM and Chrysler to close many auto dealerships without adequately considering job losses. Baucus stressed the need to help auto dealers restore these franchises, which provide critical income to small communities around the country.

Baucus also examined ways to improve the Home Affordable Modification Program (HAMP), a TARP program designed to help Americans avoid foreclosure in the tough housing market. And he congratulated Inspector General Barofsky on successful efforts to prevent fraud and abuse in the TARP program.

Complete text of the Quarterly Report to Congress issued by the TARP Inspector General today is available at: <http://www.sig tarp.gov/reports.shtml>.

Watch today's hearing and view witness testimony at:
<http://finance.senate.gov/hearings/hearing/?id=bc66e07e-5056-a032-5230-8f0a007f3611>.

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