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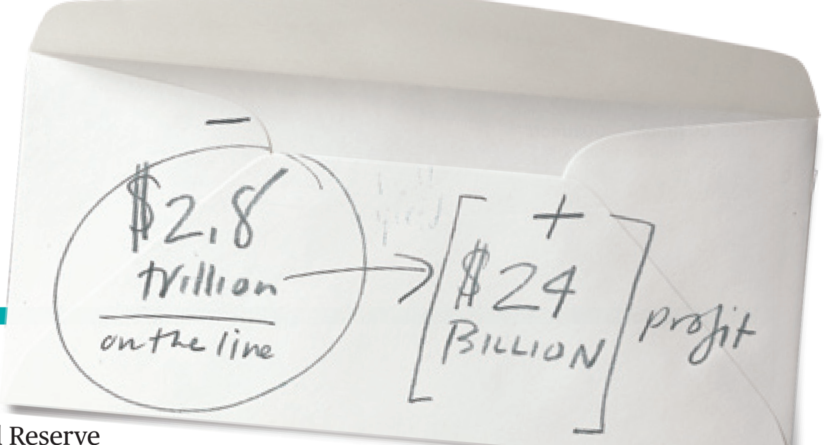

Back of the Envelope

Accounting for the Bailout

At the height of the financial crisis, the Federal Reserve and the Treasury had more than $2.8 trillion on the line as they scrambled to prevent a financial meltdown. The government's total exposure was an even higher $23.7 trillion—if the U.S. were forced to make good on all promises, including guaranteeing Fannie Mae and Freddie Mac, says the special inspector general for the Troubled Asset Relief Program. The rescue efforts are now on track to turn a profit of about $24 billion, according to Treasury's Mar. 30 projections. —*Rebecca Christie*

Troubled Asset Relief Program

COMMITTED: $700 BN

BOTTOM LINE: $28.1 BN LOSS

The $700 billion Troubled Asset Relief Program was the primary bailout vehicle for both the Bush and Obama Administrations. Treasury expects bank capital injections to turn a profit once the government exits all bank investments. It projects losses to come from housing and auto industry assistance.

BANKS

Treasury injected $245 BN into about 700 banks. Already it has collected $251 BN from repayments, dividends, and warrant sales. Combined with two smaller bank programs, Treasury is on track to reap a $19.7 BN PROFIT including $12 BN from Citigroup and $1.4 BN from Goldman Sachs Group.

AIG

Insurance giant American International Group got Fed and Treasury bailouts of $182 BN

Of that, about $68 BN came from TARP, and that portion is expected to generate an $8 BN LOSS

Treasury also got $20 BN worth of AIG stock—based on the shares' Nov. 30, 2010, market value—from the Fed as part of a December restructuring that boosted Treasury's ownership stake to 92% from 79.9 percent. Treasury says the U.S. may come out about $12 billion ahead once it sells those shares.

AUTOS

Treasury put about $82 BN into General Motors, Chrysler, and both their financing arms and suppliers. It projects a $14.8 BN LOSS

HOUSING

Treasury has set aside $45.6 BN to help distressed homeowners stay in their homes and doesn't expect to get any of that back.

CREDIT MARKETS

Direct purchases of troubled assets from banks' frozen balance sheets—TARP's original intent—turned out to be minor. Still, Treasury expects a $500 MN gain on the Public-Private Investment Program and similar efforts.

Federal Reserve Programs

COMMITTED: $1.7 TN

BOTTOM LINE: $110 BN PROFIT

The Fed's wide array of programs to prop up the financial system will generate $110 billion for taxpayers, Treasury says. The programs include Fannie Mae and Freddie Mac debt purchases, a commercial paper funding facility, purchases of asset-backed bonds, dollar swaps with other central banks, and the AIG bailout.

Mortgage-Backed Security Purchases

COMMITTED: $225 BN

BOTTOM LINE: $13.5 BN PROFIT

Treasury purchased mortgage-backed securities in 2008 and 2009. It expects to sell them over the next year at a profit.

Money-Market Mutual Funds

COMMITTED: $50 BN

BOTTOM LINE: $1.2 BN PROFIT

After investors began fleeing money-market mutual funds, regulators scrambled to backstop the $3.3 trillion industry. Treasury committed $50 billion to a government insurance program that collected $1.2 billion in premiums. It never had to cover any losses.

Fannie Mae and Freddie Mac

COMMITTED: $154 BN

BOTTOM LINE: $73 BN LOSS

Fannie and Freddie are operating with an unlimited federal government lifeline. So far they have received about $154 billion and paid about $20 billion in dividends, for a net drawdown of $134 billion.

Federal Deposit Insurance Corp.

The FDIC guaranteed $350 billion in corporate debt and $834.5 billion in business checking accounts through programs that Treasury projects will break even. The FDIC is now running a surplus, with $10 billion in premiums offsetting $2.4 billion in claims to date.

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DATA: U.S. TREASURY