

GAO Highlights

Highlights of [GAO-15-813](#), a report to congressional committees

Why GAO Did This Study

The Emergency Economic Stabilization Act of 2008 (EESA) authorized the creation of TARP to address the most severe crisis that the financial system had faced in decades. Treasury has been the primary agency responsible for TARP programs. EESA provided GAO with broad oversight authorities for actions taken under TARP and included a provision that GAO report at least every 60 days on TARP activities and performance.

This 60-day report describes the status of GAO's TARP performance audit recommendations to Treasury as of August 2015. In particular, this report discusses Treasury's implementation of GAO's recommendations, focusing on two programs: CPP and MHA. GAO's methodologies included assessing relevant documentation from Treasury, interviewing Treasury officials, and reviewing prior TARP reports issued by GAO.

What GAO Recommends

GAO continues to maintain that Treasury should take action to fully implement the four partially implemented recommendations and three open recommendations.

September 2015

TROUBLED ASSET RELIEF PROGRAM

Status of GAO Recommendations

What GAO Found

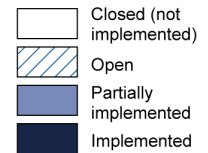
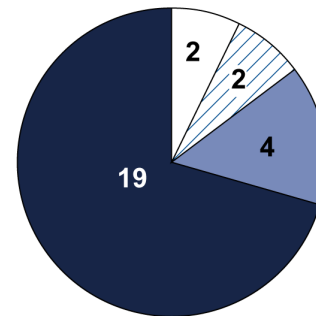
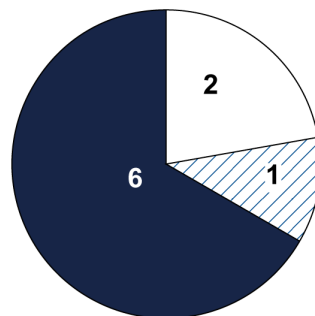
As of August 2015, GAO's performance audits of the Troubled Asset Relief Program (TARP) activities have resulted in 72 recommendations to the Department of the Treasury (Treasury). Treasury has implemented 59 of the 72 recommendations (about 82 percent), some of which were aimed at improving transparency and internal controls of TARP. The status of the remaining recommendations is as follows:

- Treasury has partially implemented four of the recommendations—that is, it has taken some steps toward implementation but needs to take more actions. All four recommendations are directed at the Making Home Affordable (MHA) program, a collection of housing programs designed to help homeowners avoid foreclosure. The recommendations call for Treasury to, for example, issue guidance and monitor servicer compliance on working with borrowers with limited English proficiency. Treasury issued applicable guidance and obtained the policies of the larger MHA servicers, but has not assessed the implementation of those policies at the servicers.
- Three recommendations remain open—that is, Treasury has not taken steps to implement them. Among these open recommendations are one directed at the Capital Purchase Program (CPP), which provided capital to certain U.S. financial institutions, and two recommendations directed at the MHA housing programs. For example, in July 2015, GAO recommended that Treasury establish a standard process to better ensure that changes to TARP-funded MHA programs are based on comprehensive benefit-cost analyses. Treasury told GAO they would consider these recommendations at the time the recommendations were made.
- Six recommendations have been closed but were not implemented. Four are related to CPP and MHA and two to other TARP activities. Generally, Treasury did not take action before the programs evolved or began to wind down, and therefore GAO determined that the recommendations were outdated and no longer applicable.

Recommendations Related to CPP and MHA, as of August 28, 2015
Select programs

Capital Purchase Program (CPP)

Making Home Affordable (MHA)



View [GAO-15-813](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or garciadiazd@gao.gov or Mathew J. Scire at (202) 512-8678 or sciremj@gao.gov

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