

DATA/INFORMATION COLLECTION FOR BAILOUT ACCOUNTABILITY

The federal government has now purchased or guaranteed hundreds of billions of dollars worth of assets from financial market institutions (and others) in recent months. Bailout activities are ongoing with inadequate data transparency for non-government agencies and individuals.

Below is a list of some of the information that would be essential to obtain from implementing agencies in order to ensure that taxpayer funds are being used wisely. While much of the information below is public information (through, e.g., company financial statements and filings), additional reporting by agencies should be required to facilitate public analysis and to ensure accurate public disclosures by private institutions.

Gathering additional information not listed here (e.g. loan activity, executive compensation, etc.) from other sources—perhaps publically available sources—would be needed to fully examine the impact of the programs on firm behavior and the broader economy.

1. Asset purchases

- a. Which institutions have received federal bailout funds from the Treasury and/or other agencies; and what is the overall magnitude of those capital injections?
- b. What information and/or criteria were used to evaluate potential recipients and what were the results of each recipient's evaluation?
- c. What are the terms of the transaction?
 - i. Asset class and characteristics (e.g. voting rights, coupon payments, etc.)
 - ii. Purchase price
 1. If market prices were not available or used, what was the method used for valuing the assets and determining purchase price?
 - iii. Term: what conditions/agreements were placed on holding periods or sale date, method, and/or price.
 - iv. Other restrictions on the transferability or sale of the purchased assets or related considerations.
 - v. Other considerations (e.g. warrants) obtained in the transaction
 - vi. Other considerations (e.g. guarantees) included in the transaction

2. Guarantees

- a. What kind of debt/asset guarantees were awarded?
 - i. Value, term, other conditions.
 - ii. Any fees associated with the guarantee.

3. Loans

- a. What are the amounts and terms?
 - i. Repayment schedule, etc.
 - ii. Payment priority, bankruptcy considerations, etc.
 - iii. Other provisions.

4. Related financial transactions (e.g. hedging)

- a. What, if anything, has the Treasury or other agencies done to hedge against losses?
 - i. E.g. CDS purchases, options, or other insurance purchases.

5. Restrictions

- a. Any restrictions on firm practice, including on dividends, bond holders, executive compensation, or organizational restructuring as a result of a) participation in the program, or b) specific asset purchase or other agreements.
- b. Any requirements to present a revised business plan, asset restructuring, or engage in merger/acquisition discussions or agreements.
- c. Any requirements to change personnel, including employees, board members, or union contracts.
- d. Any requirements to undertake internal reforms to increase internal oversight, improve accounting, enhance transparency, or to modify operations in any other way.

6. Contracting

- a. [To Be Developed]

7. Process

- a. How does the Treasury (or other agencies) track the value of purchased assets?

- b. How will the Treasury determine the method (how and when) of re-selling assets.
- c. What procedures are used when awarding contracts for implementation of capital asset purchases?

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Bailout Watch is a partnership of several national organizations¹ to bring greater transparency, oversight and accountability to federal bailout programs

¹ Bailout Watch includes: Center for Economic and Policy Research, Economic Policy Institute, OMB Watch, OpenTheGovernment.org, Project on Government Oversight, and Taxpayers for Common Sense