



# CENTER FOR MEDIA AND DEMOCRACY

## PR Watch.org

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### **STEALTH BAILOUT UNDERWAY** **Bailout Cost Still Increasing, \$4.71 Trillion Now Disbursed**

Today, the Real Economy Project of the Center for Media and Democracy (CMD) released an update on CMD's total [Wall Street Bailout accounting](#) that unlike other bailout assessments includes Federal Reserve loans.

In total, CMD found that over the last month, the funds disbursed by the Federal Reserve, Treasury and FDIC in the bailout have increased by \$47 billion to \$4.71 trillion. CMD also found that the total outstanding amount has increased \$26.4 billion to \$2.01 trillion.

\$19 billion of the \$47 billion increase is from the Preferred Stock Purchases [Program](#) of the U.S. Treasury Department. The funds are being used to prop up Fannie Mae and Freddy Mac in order to keep the mortgage market from collapsing entirely after Wall Street destroyed it through the use of derivatives and exotic mortgage-based financial products. The program, which formerly had a cap of \$400 billion, was uncapped and given an unlimited credit line in a late, Christmas Eve announcement timed to avoid public scrutiny.

The Federal Reserve is also taking aggressive action to prop up the housing market. The Fed has now disbursed a total of \$3.9 trillion, or 83% of the bailout's total. \$1.4 trillion, largely in mortgage-backed securities issued by Fannie and Freddie, remains outstanding. Figures come from the Federal Reserve's own accounting.

"The Obama administration keeps telling us the bailout is winding down, but a 'stealth' bailout is underway as funds are being disbursed to prop up Fannie and Freddy with little Congressional discussion or debate," said Mary Bottari, Director of CMD's Real Economy Project. A recent article in the [New York Times](#) speculated that Fannie and Freddy are suffering huge losses because they were

**paying too much for mortgages in a back-door effort to aid mortgage lenders.**

**Learn more about the 35 programs included in our bailout tally by visiting our [Total Wall Street Bailout Cost Table](#), which contains links to pages on each bailout program with details including the current balance sheet for each program. CMD also publishes a [Financial Crisis Tracker](#), a widget for the table that can be downloaded to websites to get up-to-date numbers on the financial crisis and the bailout.**

**[The Center for Media and Democracy](#) is an independent, non-profit, non-partisan, public interest organization located in Madison, Wisconsin.**

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