

Did Tesla really pay back their loan? NOT ACTUALLY.. Taxpayers are STILL paying for it

Wed, 22 May 2013 17:00:00, swmf88, [category: news]

By Paul Czonga
Investors Bluesheet

Did Tesla really pay back their loan? Not actually!

Through a series of tricky Wall Street/Crooked Bank paper shuffling, obscure, warrant-sliding, shady smooth talking dances Tesla is now claiming that it has "paid back the money" and "made America proud".

This is a joke.

They used slipped milestones, readjusted values, cooked books, and insiders to "pay back" the loan that they got for free in the first place.

The caused billions of dollars of damage to the auto industry, overall domestic jobs, raped huge profits on skims and personal special fees and personal payments. That is money and cost that is still owed to America.

When the details from 2007 to today come out in the communications between all of the players. The truth will be very apparent.

Tesla should not be proud, it should be ashamed.

=====

Tesla Repays \$465-Million DoE Loan, Chrysler Bites Back At Claim

By John Voelcker | HighGearMedia.com, Published: May 23

Ah, politics.

Yesterday, Tesla paid off the balance of its U.S. government loan, using proceeds from its \$1 billion-plus offering of stock and warrants last week, as CEO Elon Musk had said Monday it would in a tweet.

The amount settled yesterday was \$451.8 million, following installments paid by Tesla last year and in the first quarter of this year.

Loans to Ford, Nissan, Tesla

The company had been granted \$465 million in low-interest loans by the U.S. Department of Energy in June 2009, through its advanced technology vehicle manufacturing program.

Other carmakers who got loans included Fisker (\$532 million, of which only \$192 million was disbursed), Ford (\$5.9 billion), and Nissan (\$1.6 billion).

Musk thanked the DoE "and the members of Congress and their staffs that worked hard to create the ATVM program," in a release yesterday, with special appreciation to "the American taxpayer from whom these funds originate."

"I hope we did you proud," he concluded.

Out from under

So Tesla Motors [NSDQ:TSLA] is now out from under the shadow of U.S. government investment.

By paying off the loan early, Tesla also precluded the government from sharing in the current appreciation of its stock. Warrants for the DoE to acquire Tesla stock would not have kicked in until later in the loan term, as at least one critic points out.

The DoE issued a grateful press release as well, saying Tesla's repayment highlights the "strength" of its loan portfolio and noting that losses to its total \$34 billion portfolio of loans across many programs represent only about 2 percent to date.

Like any other carmaker selling plug-in electric cars, it continues to benefit from Federal income-tax credits of \$2,500 to \$7,500 offered to its buyers.

And it also earns additional money selling Zero-Emission Vehicle (ZEV) credits to other makers who buy them to comply with California state regulations requiring them to sell a certain number of vehicles that have no tailpipe emissions.

Only carmaker to repay?

But Tesla took it a step further, saying in its release, "Following this payment, Tesla will be the only American car company to have fully repaid the government."

That generated a swift response from Chrysler, which issued this statement late last night:

The information is unmistakably incorrect. It's pretty well-known that almost exactly two years ago--May 24,2011--Chrysler Group LLC repaid (in full and with interest) U.S. and Canadian government loans more than six years ahead of schedule. Question: short memory or short-circuit?

Chrysler's closing sentence contains a pun that one might expect from the Detroit maker most hostile to plug-in electric vehicles (despite the excellence of the Fiat 500e it built as a compliance car).

But is Chrysler's claim accurate?

Yes and no.

There was that bailout...

The company did pay off \$7.6 billion in loans that were part of the U.S. government's overall bailout of the company, control of which was essentially passed to Italy's Fiat.

But as numerous commentators pointed out at the time, the U.S. government still lost money on the Chrysler bailout.

When Chrysler filed for bankruptcy in 2009, Obama administration forgave more than \$4 billion of debt from the \$13 billion it had put into the company.

So while Chrysler did technically pay off the government loans owed by the post-bankruptcy Chrysler, the U.S. government still lost billions of dollars on its investment in Chrysler.

Tesla's release includes a sentence noting that the DoE's ATVM program "is often confused with the financial bailouts provided to the then bankrupt GM and Chrysler, who were ineligible for the ATVM program, because a requirement of that program was good financial health."

Follow GreenCarReports on Facebook, Twitter and Google+.

