

**STATEMENT OF JILL M. CONSIDINE  
BEFORE THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
U.S. HOUSE OF REPRESENTATIVES  
HEARING ON THE COLLAPSE AND FEDERAL RESCUE OF AIG**

**May 13, 2009**

Chairman Towns, Ranking Member Issa and Members of the Committee. My name is Jill Considine, and I want to thank you for this opportunity to testify and share information pertaining to my responsibilities as a Trustee of the AIG Credit Facility Trust.

I'd like to begin by describing my experience in both government and in the financial services industry. I have served as a banker, a banking regulator and as the chief executive officer of financial utilities. Each of those experiences has proved invaluable as I participate with the other Trustees to execute our responsibilities to maximize the government's investment in AIG and, most importantly, protect the interest of American taxpayers.

I previously served as the CEO of the First Women's Bank, was the New York State Banking Superintendent under Governor Cuomo, and served as President of the New York Clearing House Association. In addition, I served as the Chairman and CEO of The Depository Trust and Clearing Corporation and was a member of the board of the Federal Reserve Bank of New York where I served as the Chairman of the Risk and Audit Committee.

I agreed to serve as Trustee understanding the importance and urgency of the mission we were being asked to undertake and with a sense of duty to the taxpayers whose interests as shareholders in AIG we were asked to represent.

**The Trustees' Primary Responsibilities and Limitations**

With respect to the particular role we have been assigned, we know that we are in uncharted waters. With no history or precedent to which we can look for guidance, our anchor is the Trust Agreement itself, which describes our roles, responsibilities, and limitations.

Let me describe our specific authority in more detail. [These are set out in the Trust Agreement, and we have expressed our role as Trustees in the mission statement which we are attaching as part of our written testimony.]

Our primary responsibilities under the Trust Agreement are:

- To vote the AIG stock held by the Trust at all meetings of the stockholders of AIG, most importantly in connection with the election of directors of AIG;
- To develop and execute a plan to sell or otherwise dispose of the Trust Stock in a value maximizing manner; and
- To work with senior management and the board of directors of AIG to ensure corporate governance procedures satisfactory to us.

Equally important, the Trust Agreement says that we should not:

- Directly or indirectly become directors of AIG; or
- Be responsible for directing or managing the day-to-day operations of AIG or any of its subsidiaries.

Explicitly, by the terms of the Trust, we must leave the day-to-day direction and management of AIG to the senior officers of the company and its board of directors.

In defining our role as Trustees, we recognize that other agencies of the government have significant roles in AIG's future — especially the Federal Reserve and the Treasury Department. Each is involved in issues that range from AIG's financial performance and evolving restructuring plans to its compensation policies and corporate governance, risk management and control practices. We have had an open, ongoing dialogue with representatives of the New York Fed on issues of concern to us in our role as majority shareholder. Of course, we have always applied our own independent judgment to the information that we gathered from all sources. And we have engaged our own advisers when we saw a need to do so.

**Review and Advice Regarding Governance and Compensation.**

We are well aware of the congressional and public concern over bonuses paid. We share the concerns about the payment of large bonuses at a time when AIG was failing and being rescued by the taxpayers. We are committed to ensuring that issues of compensation at AIG going forward are addressed in a thoughtful, prudent and fair manner. It is essential that the board of directors focus on compensation because a fair and effective compensation system is necessary to ensure the successful restructuring of AIG and the recovery of the taxpayers' investment. In our view, compensation should be designed to reward long-term, sustainable value creation and align employees' interests with those of shareholders over the long-term. It should not be structured to encourage and reward undue risk-taking or short-term results.

To these ends, we have asked Mr. Liddy, together with senior management at AIG and its board and appropriate committees, to undertake a broad review of the compensation programs currently in place throughout AIG and to develop a comprehensive compensation program applicable to AIG as a whole. [We have expressed these views to Mr. Liddy in a letter which we are attaching as part of our written testimony.]

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I am honored to serve with my colleagues Mr. Feldberg and Mr. Foshee in this important role. Mr. Foshee will now describe other aspects of our work, particularly with respect to the board of directors.