

FIAT DEAL MAY PIVOT ON BAILOUT FUNDS

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AUBURN HILLS, Mich., April 13 (UPI) -- Italian automaker Fiat could end up with money from a U.S. bailout program that would help it form a partnership with Chrysler LLC.

Fiat is seen as a key component of a Chrysler rescue. The government's auto task force is pressing for a deal that would give Fiat 20 percent of Chrysler to save it from bankruptcy.

Fiat, meanwhile, owns 90 percent of CNH Global, the world's second largest farm and construction equipment manufacturer, the Detroit Free Press reported Monday.

CNH Global includes a financial firm, CNH Capital, a U.S. company that makes loans for CNH Global purchases.

CNH Capital owes Fiat \$5.2 billion and may seek a loan through the U.S. Federal Reserve's Term Asset-Backed Securities Loan Facility, which would then allow it to repay Fiat, the newspaper said.

In March Fiat Chief Executive Officer Sergio Marchionne said the company had "no intention of going to America to take their taxpayer's money to help Fiat in Italy."

However, **"if CNH is able to get one of these loans, the money doesn't go directly to Fiat. But at some level ... it opens up the availability of cash for Fiat,"** **Craig Litherland, a bankruptcy attorney in Washington told the newspaper.**