

October 2008 Financial Markets Crisis Team Update

Treasury Provides Application Guidelines for Tarp Capital Purchase Program

On October 20, 2008, the Treasury issued application guidelines for those qualifying financial institutions (QFIs) who seek to participate in its Capital Purchase Program (CPP) established under the Troubled Assets Relief Program. In addition to the nine large financial institutions that have already agreed to participate, capital will be made available to other U.S. financial institutions of all sizes. Secretary Henry Paulson provided reassurance that sufficient capital has been allocated so that the program "is not being implemented on a first-come first-served basis."

Application Process

To participate in the CPP, interested QFIs must consult with their appropriate federal banking agency (FBA) and submit their standard application form to that same federal regulator by November 14, 2008. Once the primary regulator - the Federal Reserve, the FDIC, the OCC or the OTS - has reviewed an application, it will forward the application, along with its recommendation, to the Office of Financial Stability. In completing its own review, the Treasury will give considerable weight to the primary regulator's recommendation.

For More Information

More detailed information, including submission instructions, can be found at the applicable FBA's website:

1. [Federal Deposit Insurance Corporation](#)
2. [Federal Reserve](#)
3. [Office of the Comptroller of the Currency](#)
4. Office of Thrift Supervision

Once available, the actual terms and conditions of the CPP will be posted on the [U.S. Department of the Treasury website](#).

The announcement does not address whether participation in CPP will be made available to privately held financial institutions. Also left unaddressed is what

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criteria the FBAs will utilize in determining whether to recommend that a QFI receive a capital injection.

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