

## **Process-Related FAQs for Capital Purchase Program**

**Q: How does a Qualifying Financial Institution (QFI) know if it is eligible to participate in the Treasury Department's Capital Purchase Program (CPP)?**

**A:** A QFI should review the eligibility requirements as described in the TPP term sheet and related documents (which are available at <http://www.treas.gov/initiatives/eesa/>). In addition, a QFI should contact its appropriate Federal banking agency.

**Q: Which financial institutions are eligible as a QFI under the CPP?**

**A:** Generally speaking, any bank, savings association, bank holding company and savings and loan holding company organized under the laws of the United States qualifies as a QFI. Financial institutions controlled by a foreign entity will not be eligible. Specifically, a QFI is defined as:

(i) Any U.S. bank or U.S. savings institution not controlled by a Bank Holding Company ("BHC") or Savings and Loan Company ("SLHC"); and  
(ii) any U.S. BHC, or any U.S. SLHC which engages solely or predominately in activities that are permitted for financial holding companies under relevant law, and any U.S. bank or U.S. savings association controlled by such a qualifying U.S. BHC or U.S. SLHC; except that QFI shall not mean any BHC, SLHC, bank or savings association controlled by a foreign bank or company.

**Q: If a financial institution cannot qualify for this program, will it still be eligible to participate in other aspects of the TARP program?**

**A:** Yes.

**Q: How does a QFI apply to the Treasury Department's CPP?**

**A:** A QFI must submit an application to the appropriate Federal banking agency. If the applicant is a bank holding company, the application should be submitted to both the applicant's holding company supervisor and the supervisor of the largest insured depository institution controlled by the applicant. Each Federal banking agency has provided information on its public web site regarding where an application for participation in the Capital Purchase Program (CPP) should be directed. This information is available at:

1. For the Federal Deposit Insurance Corporation: [www.fdic.gov](http://www.fdic.gov)
2. For the Federal Reserve: [www.federalreserve.gov](http://www.federalreserve.gov)
3. For the Office of the Comptroller of the Currency: [www.occ.treas.gov](http://www.occ.treas.gov)

4. For the Office of Thrift Supervision: [www.ots.treas.gov](http://www.ots.treas.gov)

**Q: What is the deadline for submitting an application?**

**A:** The application by a QFI must be received by the institution's appropriate Federal banking agency at the location(s) designated by the agency **no later than 5:00 p.m. (EST) on November 14, 2008.**

**Q: Is there an application form?**

**A:** Yes. The Federal banking agencies, working in consultation with the Treasury Department, have developed a common application form that may be used by all QFIs seeking to participate in the CPP. The application form is available on the public web sites of each Federal banking agency and on Treasury's website referenced above. All inquiries regarding preparation of the application should be directed to the appropriate FBA for the applicant.

**Q: What information will a QFI have to provide on the application?**

**A:** The application form requires the QFI to submit basic information about the institution, the amount of the perpetual preferred stock investment that the financial institution is requesting from Treasury, as well as information regarding the amount of authorized but unissued preferred stock and common stock that the institution currently has available for purchase.

**Q: What happens if a QFI is not able to issue the Preferred Shares by the application deadline due to the need for a shareholder vote, Board authorization, or other constraint?**

**A:** QFIs do not need to complete all of the required authorizations by the submission of the application. If a QFI receives preliminary approval, it will have 30 days in which to submit final documentation and fulfill any outstanding requirements. However, the QFI must robustly explain any limitations to executing the final documentation or meeting the required conditions on its application form.

**Q. Will applications filed by QFIs or the names of applying QFIs be released publicly?**

**A.** Any applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference

to the confidential section); (2) separately bound; and (3) labeled "Confidential." The applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application.

The applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the applicant of any decision to make available to the public information labeled as "Confidential."

Treasury will provide electronic reports detailing any completed transactions, as required by the Emergency Economic Stabilization Act of 2008, within 48 hours.

**Q: Who should a QFI contact if they have questions regarding how to file an application or the status of a submitted application?**

**A:** The QFI should contact its appropriate Federal banking agency using the contact information provided on the above referenced agency web site.

**Q: Will a QFI receive verification that its application has been filed with its appropriate Federal banking agency?**

**A:** Yes.

**Q: How long will it take for an application to be processed?**

**A:** Treasury, working in consultation with the Federal banking agencies, will process and preliminarily accept applications submitted under the CPP as expeditiously as possible. However, because of the diversity of institutions that are expected to apply, response times may vary.

**Q: How will a QFI that has filed a timely application be notified when a preliminary decision on the application has been made by Treasury?**

**A:** Preliminary decisions on applications will be communicated by Treasury to the representative of the institution identified on the application form.

**Q: When does a QFI submit the final documentation to complete the Preferred Share purchase?**

**A:** Final documentation must be submitted no later than 30 days after a QFI has been notified that it has received preliminary acceptance into the program. Instructions for submitting final documentation will be available on Treasury's website at <http://www.treas.gov/initiatives/eesa/>.

**Q: Will capital raised under this program count as Tier 1 capital?**

**A:** Yes.

**Q. Does the definition of QFI include all FDIC-insured depository institutions?**

A. Yes, all FDIC-insured depository institutions are covered by the definition of QFI. If an FDIC-insured depository institution is part of an eligible U.S. BHC or eligible U.S. SLHC which means a holding company that engages solely or predominately in activities permitted for financial holding companies under relevant law, access to the Program will be provided through the top-tier holding company.

Other FDIC-insured depository institutions could have direct access to the Program if they are part of a holding company structure that does not meet the preceding requirement or if they are not part of a holding company structure. Access will be determined as described below.

**Q. What level of access to the program will be provided for top-tier holding companies that are QFIs?**

A. For these institutions the level of access to the Program will be between 1 and 3 percent of total risk-weighted assets of the top-tier holding company level.

**Q. What level of access to the Program will be provided for FDIC-insured depository institutions that are not part of a holding company, or are controlled by a holding company that is not an eligible QFI?**

A. For these institutions the level of access to the Program will be between 1 and 3 percent of risk-weighted assets at the FDIC-insured depository institution level. This group of institutions would include, among others, stand alone banks and savings associations, industrial loan companies, and banks and savings associations that are part of SLHCs that engage in activities that are not solely or predominately permitted for financial holding companies under relevant law (e.g., grandfathered Unitary Thrift Holding Companies).

**Please check back regularly for postings of additional Q&As.**