

More Details About Capital Purchase Program Released

Yesterday, the Treasury Department released additional details and application guidelines for the Capital Purchase Program (“CPP”) announced last week as part of the Emergency Economic Stabilization Act. The FAQ’s confirm that “any U.S. bank or U.S. savings institution not controlled by a Bank Holding Company (“BHC”) or Savings and Loan Company (“SLHC”); and 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 any BHC, SLHC, bank or savings association controlled by a foreign bank or company are eligible for consideration as a “Qualifying Financial Institution” under the CPP. The guidelines anticipate a preliminary review and approval process for each application before applicants are required to submit investment agreements and related documentation including any information about mergers, acquisitions or other capital raising initiatives currently underway, and any requests for confidential treatment of the information contained in the application.

As the **November 14, 2008** deadline nears, interested parties are advised to review their securities to ensure they can meet the obligations imposed under the CPP and to raise any potential roadblocks to the Treasury Department as early in the process as possible. Companies should also look at their executive compensation structures to verify that they will be able to implement the restrictions imposed in that area within the timeframes imposed by the CPP. Finally, companies should be aware that access to these funds will be accompanied by government oversight and interest that may well be unprecedented. Both the Treasury Department and Congress will face public demands for accountability on the use of CPP funds and inquiry into the rationale behind their awards. Therefore, compliance efforts should be redoubled and any questions raised internally should be investigated and if necessary reported promptly.

Additional information including the application guidelines and the FAQ’s are available via the firm’s website:

[Husch Blackwell Sanders – EESA site](#)

In addition to considerations related to the CPP application, clients are reminded of the **October 28, 2008** deadline for submitting comments on the Treasury Department’s insurance plan for troubled assets and the SEC’s **November 13, 2008** deadline for submitting comments on mark-to-market accounting standards. Please see the firm’s website for details concerning these submissions. Finally, the Treasury Department has also requested comment to their interim proposed rules on executive compensation by **November 19, 2008**. Additional information about those rules and the comment period are available [here](#).

If you have any questions concerning the issues outlined above or would like additional information, please contact your Husch Blackwell Sanders attorney or one of the attorneys listed below:

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[Additional information](#)

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