

## **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.** No. The CPP applications are confidential proposals submitted for review by each institution's appropriate Federal banking agency. Applications which are denied or withdrawn will not be disclosed. However, 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.

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