

# FDIC TEMPORARY LIQUIDITY GUARANTEE PROGRAM

## ELECTION FORM INSTRUCTIONS

### I. Introduction

On October 14, 2008, the FDIC announced the Temporary Liquidity Guarantee Program to strengthen confidence and encourage liquidity in the banking system. The program consists of two components: a temporary guarantee of newly-issued senior unsecured debt and a temporary unlimited guarantee of funds in noninterest-bearing transaction accounts at FDIC-insured institutions. Additional information about the program is available at [www.fdic.gov/tlgp](http://www.fdic.gov/tlgp).

### II. Eligible Entities

The following entities are eligible to participate in the program subject to any restrictions that might be imposed by the FDIC in consultation with the primary federal regulator (eligible entities):

- any FDIC-insured depository institution,
- any U.S. bank holding company or financial holding company,
- any U.S. savings and loan holding company that either engages only in activities that are permissible for financial holding companies to conduct under section (4)(k) of the Bank Holding Company Act of 1956 (BHCA) or has at least one insured depository institution subsidiary that is the subject of an application that was pending on October 13, 2008, pursuant to section 4(c)(8) of the BHCA, and
- any affiliate of these entities approved by the FDIC after a written request made by, and the positive recommendation of, the appropriate Federal banking agency.

To be an eligible entity and issue guaranteed debt pursuant to the Debt Guarantee Program, a bank or savings and loan holding company must have at least one chartered, insured, and operating bank or savings association within its holding company structure.

### III. Who Must File & When

All eligible entities must file the FDIC Temporary Liquidity Guarantee Program Election Form, using *FDICconnect*, no later than 11:59 p.m., Eastern Standard Time (EST), December 5, 2008. Eligible entities that are not FDIC-insured depository institutions will select and solely use an affiliated insured depository institution to submit their election form and to make any assessment payments required under the temporary liquidity guarantee program.

All eligible entities may elect to affirmatively opt in to applicable components of the program. Alternatively, FDIC-Insured Depository Institutions may elect to opt out of either the Transaction Account Guarantee Program or the Debt Guarantee Program, or both. All other eligible entities may elect to opt out of the Debt Guarantee Program only and will not be covered by the Transaction Account Guarantee Program.

Any eligible entity that does **not** opt out of the Debt Guarantee Program must report on its Election Form the amount of outstanding senior unsecured debt as of September 30, 2008, that is scheduled to mature on or before June 30, 2009, for purposes of determining the maximum guaranteed amount of debt under this program. Refer to specific instructions for *Outstanding Senior Unsecured Debt* below when completing this item.

Any eligible entity that does not opt out of the Debt Guarantee Program must attest on its Election Form that it agrees to be bound by and comply with the terms of the Master Agreement (accessible on the FDIC website at [www.fdic.gov/tlgp](http://www.fdic.gov/tlgp)). Each participating entity in the Debt Guarantee Program must execute and submit the Master Agreement to the FDIC within five (5) business days from the date it executes the Election Form.

**The choice to opt-out, once made, is irrevocable. Similarly, the choice to affirmatively opt in, once made, is irrevocable.** Failure of an eligible entity to opt out by December 5, 2008, constitutes an irrevocable decision to continue in the program after that date.

**All eligible entities within a U.S. bank holding company or a U.S. savings and loan holding company structure must make the same decision regarding continued participation in each component of the guarantee program; if any one member of the group opts out, all entities within the same structure are also deemed to have opted out.**

#### **IV. How to File**

Eligible entities must use *FDICconnect* to submit their required information to the FDIC and generate a completed FDIC Temporary Liquidity Guarantee Program Election Form for their records. The completed form must be signed by the Chief Financial Officer (or equivalent) and retained in the records of the eligible entity, subject to regulatory review.

The Temporary Liquidity Guarantee Program Election Form must be submitted to the FDIC through *FDICconnect* only; completed forms are not to be submitted to the FDIC in any other manner.

#### **V. Line Item Instructions for the Election Form**

##### **Part I. Eligible Entity Information**

Enter the entity identifier for the eligible entity: FDIC Certificate Number for insured depository institutions, RSSD ID for bank holding companies, or OTS Docket Number for savings and loan holding companies.

Using the entity identifier that has been entered, *FDICconnect* will automatically insert the legal title and address of the eligible entity. Please confirm that you have entered the correct entity identifier by verifying that the appropriate entity name is displayed.

Enter the Name, Title, Telephone Number, and Email Address for the Chief Financial Officer (or equivalent). This information will be used to contact the entity in the event that there are questions regarding the entity's submission.

##### **Part II. Transaction Account Guarantee Program**

This information is only to be provided by FDIC-insured depository institutions. Other eligible entities will not complete this section and should proceed to Part III.

**Item A. Participation Election** - All FDIC-insured depository institutions are automatically enrolled in the Transaction Account Guarantee Program, and the option to continue participating in the program will be pre-selected. An institution that elects to discontinue participation in the program should select the option indicating that the institution does not wish to continue participation. **This selection, once submitted to the FDIC, is irrevocable.**

##### **Part III. Debt Guarantee Program**

This information is to be provided by all eligible entities.

**Item A. Participation Election** - All eligible entities are automatically enrolled in the Debt Guarantee Program, and the option to continue participating in the program will be pre-selected. An entity that elects to discontinue participation in the program (i.e., opt-out) should select the option indicating that the institution does not wish to continue participation. **This selection, once submitted to the FDIC, is irrevocable.**

**Item B. Outstanding Senior Unsecured Debt** - For purposes of determining the maximum guaranteed amount under this program, any eligible entity that does not opt out of the debt guarantee program must report the par value of its outstanding senior unsecured debt as of September 30, 2008, that is scheduled to mature on or before June 30, 2009.

**EXCEPTION:** Any **FDIC-Insured Depository Institution** which had no senior unsecured debt as of September 30, 2008, or only had Federal funds purchased and no other senior unsecured debt as of September 30, 2008, should report zero for Item B and will be assigned an alternative maximum guaranteed amount of two percent of total liabilities as reported on their September 30, 2008, Report of Condition and Income (Call Report) or Thrift Financial Report as applicable.

Amounts should be reported in dollars (*not thousands*).

The term "senior unsecured debt," for purposes of determining the maximum guaranteed amount under this program, means unsecured borrowing that: (a) is evidenced by a written agreement or trade confirmation; (b) has a specified and fixed principal amount; (c) is noncontingent and contains no embedded options, forwards, swaps, or other derivatives; and (d) is not, by its terms, subordinated to any other liability.

Senior unsecured debt may include, for example, the following debt: federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, including zero-coupon bonds, U.S. dollar denominated certificates of deposit owed to an insured depository institution, an insured credit union as defined in the Federal Credit Union Act, or a foreign bank, U.S. dollar denominated deposits in an international banking facility (IBF) of an insured depository institution owed to an insured depository institution or a foreign bank, and U.S. dollar denominated deposits on the books and records of foreign branches of U.S. insured depository institutions that are owed to an insured depository institution or a foreign bank. The term "foreign bank" does not include a foreign central bank or other similar foreign government entity that performs central bank functions or a quasi-governmental international financial institution such as the International Monetary Fund or the World Bank. References to debt owed to an insured depository institution, an insured credit union, or a "foreign bank" means owed to institution solely in its own capacity and not as agent.

Senior unsecured debt, except deposits, may be denominated in foreign currency.

Senior unsecured debt excludes, for example, obligations from guarantees or other contingent liabilities, derivatives, derivative-linked products, debts that are paired or bundled with other securities, convertible debt, capital notes, the unsecured portion of otherwise secured debt, negotiable certificates of deposit, deposits denominated in a foreign currency or other foreign deposits (except as allowed above), revolving credit agreements, structured notes, instruments that are used for trade credit, retail debt securities, and any funds regardless of form that are swept from individual, partnership, or corporate accounts held at depository institutions. Also excluded are loans from affiliates, including parents and subsidiaries, and institution affiliated parties.

**NOTE:** Although obligations with a stated maturity of thirty days or less are excluded from the Debt Guarantee Program, participating entities will still include such amounts for purposes of determining the maximum guaranteed amount under this program. The amount reported in Item B. should include all senior unsecured debt as defined above regardless of maturity date (except for **FDIC-Insured Depository Institutions** which had no senior unsecured debt as of September 30, 2008, or only had Federal funds purchased and no other senior unsecured debt as of September 30, 2008, which would report zero as explained above).

**Item C. Election to Issue Certain Non-Guaranteed Senior Unsecured Debt** - If a participating entity wants to have the option of issuing certain non-guaranteed senior unsecured debt before issuing the maximum amount of guaranteed debt, it must elect to do so through FDICconnect on or before 11:59 p.m., EST, December 5, 2008.

Election of this option would require a participating entity to pay a nonrefundable fee in exchange for which it will be able to issue, at any time and without regard to the maximum amount of guaranteed debt, non-guaranteed senior unsecured debt with a maturity date after June 30, 2012. The fee would be applied to the par value of senior unsecured debt, excluding debt extended to affiliates, outstanding as of September 30, 2008, that is scheduled to mature by June 30, 2009, i.e. the amount reported in Item B above. The fee would equal a 75 basis point annual rate charged for six months (or 37.5 basis points). The six month period is based upon estimates of the weighted average remaining maturity of existing

senior unsecured debt that matures on or before June 30, 2009. It recognizes that much of the outstanding debt as of September 30, 2008, which is not guaranteed, will be rolled over into guaranteed debt only when the outstanding debt matures. The nonrefundable fee will be collected in six equal monthly installments. An entity electing the nonrefundable fee option will also be billed as it issues guaranteed debt under the Debt Guarantee Program, and the amounts paid as a nonrefundable fee will be applied to offset these bills until the nonrefundable fee is exhausted. Thereafter, the institution will have to pay additional assessments on guaranteed debt as it issues the debt.

**This selection, once submitted to the FDIC, is irrevocable.**

## **VI. Signatures**

**Chief Financial Officer Declaration** – The chief financial officer of the eligible entity (or the individual performing an equivalent function) shall sign the completed Election Form attesting to its correctness.

## **VII. Recordkeeping Requirements**

A signed copy of the Election Form, and any related workpapers and supporting documentation, including supporting financial records related to Part III, Item B, shall be maintained in the records of the reporting entity and available for regulatory review upon request. The Temporary Liquidity Guarantee Program Election Form must be submitted to the FDIC through *FDICconnect* only; completed forms are not to be submitted to the FDIC in any other manner.

## FDIC TEMPORARY LIQUIDITY GUARANTEE PROGRAM ELECTION FORM

On October 14, 2008, the FDIC announced the Temporary Liquidity Guarantee Program (TLG Program) to strengthen confidence and encourage liquidity in the banking system. The TLG Program consists of two components: a temporary guarantee of newly-issued senior unsecured debt (the Debt Guarantee Program) and a temporary unlimited guarantee of funds in noninterest-bearing transaction accounts at FDIC-insured institutions (the Transaction Account Guarantee Program). Additional information about the TLG Program is available at [www.fdic.gov/tlgp](http://www.fdic.gov/tlgp).

The TLG Program became effective on October 14, 2008. All eligible entities are covered under the TLG Program for the first 30 days of the TLG Program. No later than December 5, 2008, each eligible entity must inform the FDIC if it desires to opt out of the Debt Guarantee Program or the Transaction Account Guarantee Program, or both. A decision to opt out is irrevocable. **Failure to opt out of either component by December 5, 2008, constitutes an irrevocable decision to continue participation in that component.** For each component, a U.S. Bank Holding Company and all of its affiliates that are eligible entities must make the same election regarding participation. Similarly, for each component, a U.S. Savings and Loan Holding Company and all of its affiliates that are eligible entities must make the same election regarding participation. For example, if one member of a holding company group opts out with respect to the Debt Guarantee Program, then all eligible entities within the same group are also deemed to have opted out. Entities that opt out are subject to certain disclosure requirements, as specified in the instructions and in Part 370 of the FDIC's regulations.

No entity will be charged for the first 30 days of the TLG Program. Any eligible entity that opts out of the Program on or before December 5, 2008, will not pay any assessment under the Program. Any eligible entity that does not opt out on or before December 5, 2008, will be required to pay assessments, retroactive to November 13, 2008. The assessments associated with the TLG Program, as outlined in the Final Rule, are as follows:

- All newly issued senior unsecured debt as defined in the regulation will be charged an annualized assessment of up to 100 basis points (depending on debt term) multiplied by the amount of debt issued, and calculated through the maturity date of that debt or June 30, 2012, whichever is earlier.
- Holding companies and other non-insured depository institutions in a holding company structure may be assessed an additional 10 basis points under certain circumstances, as described in the Final Rule.
- Amounts exceeding the existing deposit insurance limit of \$250,000 in any noninterest-bearing transaction accounts as defined in the regulation will be assessed an annualized 10 basis points collected quarterly for coverage through December 31, 2009.

Any eligible entity that does *not* opt out of the Debt Guarantee Program must report on this form the amount of outstanding senior unsecured debt as of September 30, 2008, that is scheduled to mature on or before June 30, 2009, for purposes of determining the maximum guaranteed amount under this component. Refer to the instructions for this form for additional information.

### PART I. ELIGIBLE ENTITY INFORMATION

FDIC Certificate Number: \_\_\_\_\_ (*insured depository institution*)  
or RSSD ID: \_\_\_\_\_ (*bank holding company*)  
or OTS Docket Number: \_\_\_\_\_ (*savings and loan holding company*)

Legal Title of Eligible Entity: \_\_\_\_\_ [*populated by FDICconnect*]  
Street Address: \_\_\_\_\_ [*populated by FDICconnect*]  
City, State ZIP: \_\_\_\_\_ [*populated by FDICconnect*]

#### Contact Information for Chief Financial Officer (or Equivalent)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

### PART II. TRANSACTION ACCOUNT GUARANTEE PROGRAM (*Insured Depository Institutions Only*)

- A. (1) [Pop up of Name of Entity in Part I] is participating
- (2) [Pop up of Name of Entity in Part I] does not wish to continue participation

**PART III. DEBT GUARANTEE PROGRAM (All Eligible Entities)**

A. (1) [Pop up of Name of Entity in Part I] is participating

(2) [Pop up of Name of Entity in Part I] does not wish to continue participation

*If you elect to continue participation in the Debt Guarantee Program, you must respond to items B. and C. below.*

B. Total amount of outstanding senior unsecured debt as defined in the regulation as of September 30, 2008, that is scheduled to mature on or before June 30, 2009 (see instructions)

If a participating entity wants to have the option of issuing certain non-guaranteed senior unsecured debt before issuing the maximum amount of guaranteed debt, it can elect to do so. **Election of this option requires a participating entity to pay an upfront nonrefundable fee in exchange for which it will be able to issue, at any time and without regard to the cap, non-guaranteed senior unsecured debt with a maturity date after June 30, 2012. The nonrefundable fee would be equal to 37.5 basis points of the par or face value of senior unsecured debt, excluding debt extended to affiliates or institution affiliated parties, outstanding as of September 30, 2008, that is scheduled to mature on or before June 30, 2009.** An entity electing the nonrefundable fee option will be billed as it issues guaranteed debt under the Debt Guarantee Program, and the amounts paid as a nonrefundable fee will offset these bills until the nonrefundable fee is exhausted. Thereafter, the institution must pay an additional assessment for guaranteed debt as it issues the debt (see instructions before electing this option).

C. (1) [Pop up of Name of Entity in Part I] elects to have the option of issuing certain non-guaranteed senior unsecured debt before issuing the maximum amount of guaranteed debt.

(2) [Pop up of Name of Entity in Part I] declines the option of issuing certain non-guaranteed senior unsecured debt before issuing the maximum amount of guaranteed debt.

I, the undersigned Chief Financial Officer (or equivalent) of the named entity, attest that reporting entity meets the definition of an eligible entity as defined in the regulation; I also attest that the FDIC Temporary Liquidity Guarantee Program Election Form has been prepared in conformance with the instructions issued by the FDIC, is true and correct to the best of my knowledge and belief, and has been duly authorized and executed on behalf of the eligible entity identified in Part I. I further attest that the named entity, if it elects to participate in the Debt Guarantee Program, agrees to be bound by and comply with the terms of the Master Agreement, which it will execute and submit to the FDIC within five (5) business days from the date of this Election Form.

\_\_\_\_\_  
Signature of Chief Financial Officer (or Equivalent)

\_\_\_\_\_  
Date of Signature

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**MAINTAIN A SIGNED COPY OF THIS DOCUMENT IN THE RECORDS OF THE ELIGIBLE ENTITY,  
SUBJECT TO REGULATORY REVIEW**