

## FDIC Temporary Liquidity Guarantee Program Guaranteed Debt Instrument Reporting Requirements

### Overview

On November 21, 2008, the FDIC adopted the Final Rule implementing 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 program is available at [www.fdic.gov/tlqp](http://www.fdic.gov/tlqp). All eligible entities had until December 5, 2008, to opt out of either or both of the TLG Program components.

For those entities that have chosen to continue in the Debt Guarantee Program, each guaranteed debt issuance must be reported to the FDIC via the FDIC's e-business Web site *FDICconnect*. On a weekly basis, the FDIC will automatically generate TLG Program assessment invoices which will be made available via *FDICconnect* and the associated assessment premiums will be collected via ACH direct debit from the participating entity's designated deposit account (the same account used for collection of the regular quarterly deposit insurance premiums from insured depository institutions).

No entity will be charged for the first 30 days of the TLG Program. Any eligible entity that did not opt out on or before December 5, 2008, is required to pay assessments. For the Debt Guarantee Program, participating entities are required to pay for coverage on all senior unsecured debt issued as follows:

- Beginning on November 13, 2008, on all senior unsecured debt, as defined in § 370.2(e)(1)(i) (other than overnight debt instruments), issued by the entity on or after October 14, 2008, and on or before December 5, 2008, that is still outstanding on December 5, 2008; and
- Beginning on December 6, 2008, on all senior unsecured debt, as defined in § 370.2(e)(1)(ii), issued by the entity on or after December 6, 2008.

The assessments associated with the TLG Program, as outlined in the Final Rule, are as follows:

- **All newly issued senior unsecured debt will be charged an annualized assessment of generally 50, 75, or 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.**

Please note that all participating entities will also be required to separately provide the FDIC monthly reports of aggregated outstanding debt issuances in accordance with Article IV of the Master Agreement. Further information on these ongoing reporting requirements will be issued shortly.

### Reporting Debt Issued On or Before December 5, 2008

All senior unsecured debt issued on or before December 5, 2008, that is still outstanding as of December 5, 2008, must be reported to the FDIC via *FDICconnect* **on or before December 19,**

**2008.** Participating entities must use the Temporary Liquidity Guarantee Program transaction within *FDICconnect* (which is the same transaction used to submit the Election Form) to access the Debt Reporting screens. On Wednesday, December 17, 2008, the FDIC will automatically generate TLG Program assessment invoices itemizing the associated assessment premiums due on the reported guaranteed debt issuances. The assessment amount due as reflected on that invoice will be collected via ACH direct debit on Friday, December 19, 2008. Please note that civil money penalties for the failure to timely pay assessments will apply.

#### Reporting Newly Issued Debt After December 5, 2008

All senior unsecured debt issued on or after December 6, 2008, must be reported to the FDIC via *FDICconnect* **within five (5) calendar days of the date of issuance**. Again, participating entities must use the Temporary Liquidity Guarantee Program transaction within *FDICconnect* to access the Debt Reporting screens. For all debt issuances reported, the FDIC will on a weekly basis automatically generate TLG Program assessment invoices itemizing the associated assessment premiums due, with the first invoice to be made available on Wednesday, December 17, 2008. Thereafter, the invoices will be generated each Wednesday for the previous week's reported debt issuances. The assessment amounts due on those invoices will then be collected via ACH direct debit on Friday of that week, with the first collection to settle on Friday, December 19, 2008. Again, civil money penalties for the failure to timely pay assessments will apply.

#### Exercising the Nonrefundable Fee Option to Issue Certain Non-Guaranteed Debt

If a participating entity has elected to have the option of issuing long term non-guaranteed senior unsecured debt before issuing the maximum amount of guaranteed debt, the entity will be billed the nonrefundable 37.5 basis point fee in six equal monthly installments. The first installment will be invoiced on Wednesday, December 17, 2008, and will be collected via ACH direct debit on Friday, December 19, 2008.

#### Contact Us

For more information, please refer to the dedicated page for the TLG Program on the FDIC website at [www.fdic.gov/tlgp](http://www.fdic.gov/tlgp). For questions pertaining to the reporting or invoicing process, please email [assessments@fdic.gov](mailto:assessments@fdic.gov) or call (800) 759-6596. For questions pertaining to *FDICconnect* technical issues, please email [fdicconnect@fdic.gov](mailto:fdicconnect@fdic.gov) or call (877) 275-3342 and select Option 5 on the Banker's menu.