



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-109-2008
October 20, 2008

APPLICATIONS TO THE TROUBLED ASSET RELIEF PROGRAM'S CAPITAL PURCHASE PROGRAM

Summary: State nonmember institutions are encouraged to participate in the Troubled Asset Relief Program's (TARP) Capital Purchase Program (CPP) to strengthen their capital positions and ability to prudently make credit available in their lending markets. All financial institutions are eligible to apply for a capital injection from the U.S. Department of Treasury. Applications should be filed with the FDIC according to the instructions in this letter and on the FDIC's Web site at www.fdic.gov.

Distribution:

All FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer
Chief Financial Officer

Attachment:

"Instructions for Applying to the Troubled Asset Relief Program's Capital Purchase Program for State Nonmember Institutions"

Contact:

Institution's contact person (Case Manager or Field Supervisor) at applicable FDIC Regional Office

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2008/index.html.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226.

Highlights:

The FDIC strongly encourages state nonmember institutions to consider applying for infusions of capital under the CPP. The following summarizes the application process:

- Interested state nonmember institutions should contact their appropriate FDIC Regional Office to express interest in the program and file an application with that office using the instructions at www.fdic.gov. The deadline for applying is 5:00 p.m. EST, November 14, 2008.
- The FDIC will review all state nonmember institution applications and make a recommendation to the U.S. Department of Treasury (which will approve or deny program participation).
- Participation in this low-cost capital program can bolster financial strength, or potentially support acquisitions, both of which ultimately allow for prudent lending that may currently be constrained by capital levels.
- For those institutions controlled by a holding company, Treasury will make capital injections at the holding company level. Applications should be submitted to the Federal Reserve and the FDIC if the company's largest institution is a state nonmember charter.
- Institutions with less than \$1 billion in assets that serve low- to moderate-income populations and underserved communities **and** that have been impacted by Fannie Mae or Freddie Mac stock depreciation may apply (under certain conditions) for consideration under the CPP.
- Minority Depository Institutions requiring technical assistance should contact their appropriate FDIC Regional Office.