

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Releases Capital Purchase Program Term Sheet for Mutual Banks

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Washington- The U.S. Department of the Treasury today released a term sheet for qualifying financial institutions (QFIs) applying to the Capital Purchase Program (CPP) that are mutual banks or savings associations. Mutual banks are depository institutions that are owned by their depositors. This term sheet provides for issuance of debt by mutual banks that do not have holding companies.

The application deadline for mutual banks is May 14, 2009, and all applications must be submitted to the appropriate federal banking agency. QFIs should use the standardized CPP application form, which is available on the public web sites of each federal banking agency and on <http://www.financialstability.gov>.

On April 7, 2009, Treasury released three other CPP term sheets for mutual holding companies, and today's issuance brings the total number of CPP mutual term sheets to four. The first term sheet provided for issuance of preferred stock at publicly-traded subsidiary holding companies. The second term sheet provided for issuance of preferred stock at privately held subsidiary holding companies. The third term sheet provided for issuance of debt by top-tier mutual holding companies that do not have subsidiary holding companies. The fourth term sheet issued today provides for issuance of debt by mutual banks that do not have holding companies.

Through the CPP, Treasury has invested in 547 institutions, including small, community, regional, and national banks, as well as Community Development Financial Institutions in 48 states, Puerto Rico, and the District of Columbia. The largest investment was \$25 billion, and the smallest investment was \$301,000. Treasury established the CPP to stabilize the financial system by providing capital to viable banks, enabling them to continue lending to consumers and businesses during this unprecedented crisis. Results of Treasury's monthly Lending Snapshots illustrate that the largest recipients of CPP investments have continued to lend since Treasury launched the CPP in October 2008, despite significant headwinds. Lending levels would likely have been much lower were it not for the additional capital provided by Treasury through the CPP.

Treasury has designed the CPP to encourage participation by a broad range of financial institutions, which are diverse in terms of size, business focus, customer base, geographic coverage and product and service offerings. This approach allows Treasury to reach as many communities across the country as possible, enabling faster economic recovery. In addition to the four mutual institution term sheets, Treasury has issued program terms for publicly-held institutions, privately-held institutions, and S corporations, touching almost every banking market in the country. The federal banking agencies are evaluating all submitted CPP applications and continue to send qualifying applications to Treasury for approval.

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REPORTS

- [Term Sheet](#)
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