

# Morgan Stanley Smith Barney Capital Markets U.S. Government Financial Programs Summary

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## U.S. Government Financial Programs: Acronym Cheat Sheet and Key Links

Acronym	Program	Key Links
<b>Federal Reserve Programs</b>		<a href="#">Fed Homepage</a>
AMLF	Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility	<a href="#">AMLF Links</a>
CPFF	Commercial Paper Funding Facility	<a href="#">CPFF Links</a>
MMIFF	Money Market Investor Funding Facility	<a href="#">MMIFF Links</a>
PDCF	Primary Dealer Credit Facility	<a href="#">PDCF Links</a>
TAF	Term Auction Facility	<a href="#">TAF Links</a>
<b>TALF</b>	Term Asset-Backed Securities Loan Facility	<a href="#">TALF Links</a>
TDWP	Term Discount Window Program	<a href="#">TDWP Links</a>
TSLF	Term Securities Lending Facility	<a href="#">TSLF Links</a>
<b>FDIC (Federal Deposit Insurance Corporation) Programs</b>		<a href="#">FDIC Homepage</a>
<b>TLGP</b>	Temporary Liquidity Guarantee Program	<a href="#">FDIC TLGP Homepage</a>
DGP	Debt Guarantee Program	<a href="#">DGP Extension</a>
TAG	Transaction Account Guarantee Program	<a href="#">TAG Links</a>
<b>Congress &amp; White House (Includes Treasury) Programs</b>		<a href="#">FinancialStability.gov</a>
ARRA	American Recovery and Reinvestment Act of 2009	<a href="#">Complete AARA</a>
EESA	Emergency Economic Stabilization Act of 2008	<a href="#">Complete EESA</a>
<b>TARP</b>	Troubled Asset Relief Program	<a href="#">Special Inspector General TARP Site</a>
AIFP	Automotive Industry Financing Program	<a href="#">AIFP Links</a>
ASSP	Auto Supplier Support Program	<a href="#">ASSP Fed Site</a>
AGP	Asset Guarantee Program	<a href="#">AGP White Sheet</a>
CPP	Capital Purchase Program	<a href="#">CPP Links</a>
TIP	Targeted Investment Program	<a href="#">TIP Release</a>
FSP	Financial Stability Plan	<a href="#">FSP Fact Sheet</a>
<b>SCAP</b>	Supervisory Capital Assessment Program	<a href="#">SCAP Results</a>
CAP	Capital Assistance Program	<a href="#">CAP Links</a>
<b>PPIP</b>	Public-Private Investment Program	<a href="#">PPIP Overview</a>
PPIF	Public-Private Investment Funds	<a href="#">PPIP White Paper</a>
LLP	Legacy Loans Program	<a href="#">LLP FAQs</a>
LSP	Legacy Securities Program	<a href="#">LSP FAQs</a>
HASP	Homeowner Affordability & Stability Plan	<a href="#">HASP Links</a>
CBLI	Consumer & Business Lending Initiative	<a href="#">CBLI Paper</a>

Source: Federal Reserve, FDIC and U.S. Federal Government

## U.S. Government Financial Programs: Breakdown by Federal Entity

### Federal Reserve Programs:

- AMLF: Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility
- CPFF: Commercial Paper Funding Facility
- MMIFF: Money Market Investor Funding Facility
- PDCF: Primary Dealer Credit Facility
- TAF: Term Auction Facility
- **TALF**: Term Asset-Backed Securities Loan Facility: Federal Reserve credit facility intended to make credit available to consumers and businesses on more favorable terms by facilitating the issuance of asset-backed securities (ABS) and improving the market conditions for ABS in general
- TDWP: Term Discount Window Program
- TSLF: Term Securities Lending Facility

### FDIC (Federal Deposit Insurance Corporation) Programs:

- **TLGP**: Temporary Liquidity Guarantee Program: Temporarily guarantees the senior debt of all eligible FDIC-insured institutions and their holding companies, as well as deposits in non-interest bearing deposit transaction accounts.
  - DGP: Debt Guarantee Program
  - TAG: Transaction Account Guarantee Program

### Congress & White House (Includes Treasury) Programs:

- ARRA: American Recovery and Reinvestment Act of 2009
- EESA: Emergency Economic Stabilization Act of 2008
  - **TARP**: Troubled Asset Relief Program: Established under the EESA with the specific goal of stabilizing the United States financial system and preventing a systemic collapse.
    - AIFP: Automotive Industry Financing Program
    - ASSP: Auto Supplier Support Program
    - AGP: Asset Guarantee Program
    - CPP: Capital Purchase Program
    - TIP: Targeted Investment Program
- FSP: Financial Stability Plan
  - **SCAP**: Supervisory Capital Assessment Program: All banking institutions with assets in excess of \$100 billion (19 as of Q408) were required to participate in the coordinated supervisory review process and comprehensive forward-looking stress tests.
    - CAP: Capital Assistance Program
  - **PPIP**: Public-Private Investment Program: Taxpayer funds used in partnership with private investment that will buy up at least \$500 billion of toxic assets from financial institutions.
    - PPIF: Public-Private Investment Funds
      - LLP: Legacy Loans Program
      - LSP: Legacy Securities Program
- HASP: Homeowner Affordability & Stability Plan
- CBLI: Consumer & Business Lending Initiative

Sources: Morgan Stanley Research, Federal Reserve, U.S. Treasury, FDIC, CNN, The Milken Institute, [www.FinancialStability.gov](http://www.FinancialStability.gov)

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## Major U.S. Government Financial Programs: Desk Reference Guide

Please note that the chart below is only intended to give an overview of some of the major/more significant federal programs directed at the financial industry, it is not exhaustive and there are a significant number of official programs and initiatives that have recently been passed through legislation, with others yet still pending.

	Troubled Asset Relief Program (TARP)	Temporary Liquidity Guarantee Program (TLGP)	Term Asset-Backed Securities Loan Facility (TALF)	Public-Private Investment Program (PPIP)	Supervisory Capital Assessment Program (SCAP)
Purpose	<p>Established under the Emergency Economic Stabilization Act of 2008 (EESA) providing \$700 billion with the specific goal of stabilizing the United States financial system and preventing a systemic collapse. Programs under the TARP include Capital Purchase Program (CPP), Automotive Industry Financing Program (AIFP), Targeted Investment Program (TIP), Asset Guarantee Program (AGP), Term Asset-Backed Securities Loan Facility (TALF), amongst others.</p>	<p>A systemic risk exception to the FDIC Act, enabling the Federal Deposit Insurance Corporation (FDIC) to temporarily guarantee newly issued unsecured debt of banks, thrifts, certain holding companies, as well as non-interest bearing deposit transaction accounts. Under TLGP the FDIC temporarily guarantees the senior debt of all eligible FDIC-insured institutions and their holding companies, as well as deposits in non-interest bearing deposit transaction accounts. The expiration date of the FDIC's guarantee on senior debt is the earlier of the maturity date of the debt or June 30, 2012 for securities issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1, 2009.</p>	<p>The TALF is a Federal Reserve credit facility authorized under section 13(3) of the Federal Reserve Act. The TALF is intended to make credit available to consumers and businesses on more favorable terms by facilitating the issuance of asset-backed securities (ABS) and improving the market conditions for ABS in general. TALF was originally intended to revitalize the new issue consumer ABS market but has since expanded to include commercial ABS, as well as new issue CMBS. TALF is no longer just a new issue program; as part of PPIP Legacy Securities Program (see next column), TALF financing will be available to legacy securities. Legacy RMBS and other ABS are on the docket but the details are yet to be announced. The size will initially be \$200 billion with the potential to expand to \$1 trillion.</p>	<p>Taxpayer funds used in partnership with private investment that will buy up at least \$500 billion of toxic assets from financial institutions. The Treasury in conjunction with the FDIC and the Federal Reserve will employ government subsidies, leverage and liquidity to restart markets for legacy securities and promote price discovery for both mark-to-market (securities) and accrual (loans) assets. The plan will make targeted investments in multiple Public-Private Investment Funds (PPIFs) that will purchase legacy real estate-related assets. The two programs are the The Legacy Loans Program (LLP) and the Legacy Securities Program (LSP).</p>	<p>All Bank Holdings Co's with assets in excess of \$100 billion (19 as of Q408) were required to participate in the coordinated supervisory review process and comprehensive forward-looking stress tests. The tests allowed Federal supervisors to measure how much of an additional capital buffer, if any, each institution would need to establish today (May 2009) to ensure that it would have sufficient capital if the economy weakens more than expected. Those Bank Holding Companies (BHCs) needing to augment their capital coming out the assessment had a month from May 7, 2009 to design a detailed plan, subject to supervisory approval, for the steps they will take to put the SCAP buffer in place, and then implement that plan by early November of 2009.</p>
Timeline	<p>EESA Signed Into Law: 10/3/08 CPP Details Introduced: 10/14/08 Geithner Plan for Remaining Funds: 2/10/09</p>	<p>Introduced: 10/14/08 Extended Debt Guarantee: 3/17/09</p>	<p>Introduced: 11/25/08 Updated/Financial Stability Plan: 2/10/09 First Round: 3/19/09 Second Round: 4/7/09 Currently stated to expire: 12/31/09</p>	<p>Financial Stability Plan Introduced: 2/10/09 PPIP Outlined: 3/23/09 Implementation: TBD</p>	<p>Financial Stability Plan Introduced: 2/10/09 Results Released: 5/7/09 Bank Implementation: November 2009 at the latest</p>

<b>Federal</b>	Treasury	Treasury, FDIC, and Federal Reserve	Treasury, Federal Reserve	Treasury, FDIC, and Federal Reserve	Treasury, FDIC, OCC, OTS, and Federal Reserve
<b>Eligible Entities</b>	The CPP is available to bank holding companies, financial holding companies, insured depository institutions and savings and loan holding companies that engage solely or predominately in activities that are permissible for financial holding companies under relevant law. To qualify, the entities must be established and operating in the United States and may not be controlled by a foreign bank or company.	Any financial institution deemed qualified by the Fed, FDIC and Treasury to issue debt under the program	Major Financial Institutions, Institutional Investors, Money Mangers, Fund Mangers, Hedge Funds etc. (all via application & approval process)	Major Financial Institutions, Institutional Investors, Money Mangers, Fund Mangers, Hedge Funds etc. (all via application & approval process); Emphasis on cooperative investing between public and private institutions	All banking institutions with assets in excess of \$100 billion (19 banks as of Q408)
<b>Eligible Assets</b>	N/A	Senior Unsecured Debt with up to 3 year maturity issued by any approved financial entity	Emphasis on asset-backed products (ABS) including (but not limited to): student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration (SBA); Also CMBS	Emphasis on Legacy Loans and Legacy Assets (ie securitized products); Room for scope of PPIP eligible assets to grow; Emphasis on matching 'buyers' with 'sellers' with regards to illiquid assets	N/A

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