

PROCESS-RELATED FAQs FOR THE CAPITAL PURCHASE PROGRAM

MUTUAL BANK FAQs

Q: What is the deadline for a mutual bank or savings association (mutual bank) to apply to the Capital Purchase Program (CPP)?

A: The application deadline is 5:00 p.m., Eastern Time, May 14, 2009.

Q: How does a mutual bank know if it is a Qualifying Financial Institution (QFI) eligible to participate in the Treasury Department's CPP?

A: A mutual bank should review the eligibility requirements as described in the CPP term sheet and related documents (which are available at <http://www.financialstability.gov/roadtostability/CPAppdocs.html>). In addition, a QFI should contact its appropriate Federal banking agency.

Q: What is the difference between this term sheet for mutual banks and the three term sheets for mutual holding companies that Treasury issued on April 7, 2009?

A: Treasury has now issued four term sheets for mutual organizations. This mutual bank term sheet provides for issuance of debt by banks that do not have holding companies. Separately, Treasury has issued three other term sheets for mutual bank holding companies: (i) the first provides for issuance of preferred stock at publicly-traded subsidiary holding companies; (ii) the second provides for issuance of preferred stock at privately held subsidiary holding companies; and (iii) the third provides for issuance of debt by top-tier mutual holding companies that do not have subsidiary holding companies.

Q: What is the regulatory capital treatment for capital raised by mutual banks under this program?

A: Tier 2.

Q: How does a QFI apply to the Treasury Department's CPP?

A: A QFI must submit an application to the appropriate Federal banking agency. Each Federal banking agency has provided information on its public web site regarding where an application for participation in the CPP should be directed. This information is available at:

1. For the Federal Deposit Insurance Corporation: www.fdic.gov
2. For the Federal Reserve: www.federalreserve.gov
3. For the Office of the Comptroller of the Currency: www.occ.treas.gov
4. For the Office of Thrift Supervision: www.ots.treas.gov

Q: Is the application for a mutual bank different from the standard CPP application form?

A: No, all applications used by QFIs to apply for participation in the CPP are the same standardized form. This application form is available on the public web sites of each Federal banking agency referenced above and on Treasury's website at <http://www.financialstability.gov>. The Federal banking agencies, working in consultation with the Treasury Department, developed a common application form that may be used by all QFIs seeking to participate in the CPP. All inquiries regarding preparation of the application should be directed to the appropriate Federal banking agency for the applicant.

Q: Must an institution re-apply if it has already submitted an application?

A: No. It is not necessary to reapply if your applicable Federal banking agency has your application. Note, however, the amount of Treasury's investment must be between 1% and 3% of an institution's risk weighted assets based on information contained in the latest quarterly supervisory report filed by the applicant with its appropriate Federal banking agency, updated to reflect events materially affecting the financial condition of the applicant occurring since the filing of such report.

Q: When will the definitive agreements be available?

A: Treasury expects the definitive agreements to be available within a few weeks of the publication of the term sheet.

Q. Will applications filed by QFIs or the names of applying QFIs be released publicly?

A. No. The CPP applications are confidential proposals submitted for review by each institution's appropriate Federal banking agency. Applications which are denied or withdrawn will not be disclosed. However, Treasury will provide electronic reports detailing any completed transactions, as required by the Emergency Economic Stabilization Act of 2008, within 48 hours.

Q: Who should a QFI contact if they have questions regarding how to file an application or the status of a submitted application?

A: The QFI should contact its appropriate Federal banking agency using the contact information provided on the above referenced agency web site.

Q: Will a QFI receive verification that its application has been filed with its appropriate Federal banking agency?

A: Yes.