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## **Treasury to Re-open Capital Purchase Program for Banks Under \$500 Million; Increase Available Capital from 3% to 5% of Risk-weighted Assets**

On May 13, 2009, Secretary Tim Geithner announced that, using the proceeds of the repayments received from some of the largest banks, the United States Department of the Treasury (“Treasury”) plans to re-open the application window for banks with total assets under \$500 million under the Capital Purchase Program (“CPP”), and raise from 3% of risk-weighted assets to 5% the amount for which qualifying institutions can apply. This applies to public and private corporations, Subchapter S corporations, and mutual institutions. Current CPP participants will be allowed to reapply, and will have an expedited approval process. In addition, Treasury will extend the deadline for small banks to form a holding company for the purposes of CPP. Both the window to form a holding company and the window to apply or re-apply for CPP will be open for six months. Stay tuned for more information.

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