Emergency Economic Stabilization Act of 2008

October 4, 2008 | Client Update

As anyone who has been near a television screen, a newspaper or the Internet this past week knows, the Emergency Economic Stabilization Act of 2008 (the “Act”) was enacted under enormous pressure as the entire world watched credit markets lock up and the global financial system come under great stress. The financial crisis caused a political drama in the United States which featured a revolt in the House of Representatives that led to the initial rejection of the Act on Monday and, shortly thereafter, the largest ever one-day point drop in the Dow Jones Industrial Average. While Americans watched their 401(k) balances drop precipitously and Europeans rescued and nationalized one bank after another in quick succession, the Senate took up and voted on the proposed legislation in modified form and, on Friday, the House reconsidered and ultimately passed the Act. President Bush signed the bill into law that same afternoon, October 3, 2008.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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