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# Emergency Economic Stabilization Act of 2008: US Government Capital Injections

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In the wake of intense pressure in the global credit markets and continued turmoil in the stock markets, the US Treasury Department, in coordination with other G-7 governments, yesterday expanded its plan to restore confidence in the US banking system. Wielding the extraordinary discretion recently granted to it by Congress, the US government announced a plan to inject $250 billion of capital directly into the US banking system, to guarantee the short-term debt of most US banks and thrifts and to eliminate FDIC insurance limits for noninterest bearing accounts.

**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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