

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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