

The Public-Private Investment Program

March 25, 2009 | Client Update

The long awaited public-private investment program announced by Secretary Geithner on March 23, 2009 contains two key components: a securities purchase program, designed to remedy the illiquidity in the secondary markets for certain mortgage-backed securities, and a loan purchase program, designed to create a market for troubled loans on the balance sheets of US banks and thrifts. The assets will be purchased by funds capitalized by equity contributed by Treasury and private investors and leveraged by potentially attractive direct government or FDIC-guaranteed debt financing.

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.

Beverly Fanger Chase

+1 212 450 4383
beverly.chase@davispolk.com

Luigi L. De Ghenghi

+1 212 450 4296
luigi.deghenghi@davispolk.com

Samuel Dimon

+1 212 450 4037
sam.dimon@davispolk.com

Nora M. Jordan

+1 212 450 4684
nora.jordan@davispolk.com

Michael Kaplan

+1 212 450 4111
michael.kaplan@davispolk.com

Annette L. Nazareth

+1 202 962 7075
annette.nazareth@davispolk.com

Barbara Nims

+1 212 450 4591

Margaret E. Tahyar

+1 212 450 4379
margaret.tahyar@davispolk.com

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