



# Financial Markets Recovery Program Update

**October 30, 2008**

To our friends and clients:

Dechert has assembled a cross-disciplinary team to cover developments in the financial markets and related government recovery programs. Each Dechert Financial Markets Recovery Program Update will provide you with timely information on developments in the government's various financial markets recovery programs. Please visit Dechert's [Financial Markets Resource Center](#) for links to government releases and Dechert publications with in-depth analysis of the legal issues surrounding the financial markets recovery programs.

This Dechert Financial Markets Recovery Program Update highlights the following recent developments:

- On Wednesday, the House Committee on Financial Services announced an oversight hearing planned for November 18, 2008 on the TARP program and related initiatives taken by the Federal Reserve Bank and the FDIC

[House Committee on Financial Services Press Release](#)

- On Wednesday, the Treasury posted a Capital Purchase Program Transaction Report detailing preferred stock and warrant purchases in financial institutions

[Transaction Report](#)

- On Wednesday, the Treasury posted a statement made by Treasury Secretary Henry M. Paulson, Jr. on the Federal Reserve's decision to create reciprocal currency arrangements (swap lines) with Brazil, Mexico and Korea and the International Monetary Fund's short-term liquidity facility

[Paulson Statement](#)

- On Wednesday, the Federal Reserve announced the establishment of a reciprocal currency arrangement (swap lines) with Banco Central do Brasil, Banco de Mexico, Bank of Korea, and the Monetary Authority of Singapore

[Federal Reserve Press Release](#)

- On Wednesday, the Treasury and IRS issued guidance on indirect ownership of Fannie Mae and Freddie Mac preferred stock

[Treasury Statement  
Rev. Proc. 2008-64](#)

- On Wednesday, the FDIC issued a Financial Institution Letter (and Interagency Statement with the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and Office of Thrift Supervision) regarding the regulatory capital impact of losses on Fannie Mae and Freddie Mac preferred stock

[FDIC Financial Institution Letter  
Interagency Statement](#)

- On Tuesday, Acting Under Secretary for Domestic Finance Anthony Ryan made remarks at the Securities Industry and Financial Markets Association (SIFMA) Annual Meeting providing an update on the state of the capital markets and the global economy, and on the Treasury's efforts to implement the EESA

[Remarks at SIFMA Annual Meeting](#)

- On Tuesday, the Federal Reserve announced the establishment of a temporary reciprocal currency arrangement with the Reserve Bank of New Zealand

[Federal Reserve Press Release](#)

For questions about the information in this e-mail or market developments generally, please contact any of the Dechert attorneys listed below, or the Dechert attorney with whom you regularly work.

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For comprehensive information and analysis of developments on the Emergency Economic Stabilization Act and the Troubled Asset Relief Program, visit Dechert's [Financial Markets Resource Center](#).

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