



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-14-2009
March 18, 2009

EXTENSION OF TEMPORARY LIQUIDITY GUARANTEE PROGRAM Interim Rule

Summary: On March 17, 2009, the FDIC adopted an interim rule that extends the debt guarantee component of the Temporary Liquidity Guarantee Program and imposes surcharges on existing rates for certain debt issuances.

Distribution:

All FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
President
Chief Financial Officer

Related Topics:

Temporary Liquidity Guarantee Program

Attachment:

Interim Rule

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Note:

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Highlights:

- All participating entities that are insured depository institutions (IDIs) and all other participating entities that have issued guaranteed debt before April 1, 2009, may issue guaranteed debt during the extended issuance period that ends on October 31, 2009, without having to apply to do so.
- Other participating entities must apply to the FDIC by June 30, 2009, to issue guaranteed debt during the extended issuance period.
- For entities that are eligible to issue FDIC guaranteed debt after June 30, 2009, the guarantee on debt issued on or after April 1, 2009, will expire no later than December 31, 2012. However, the guarantee on debt issued before April 1, 2009, will expire no later than June 30, 2012.
- A surcharge will be added to existing fees for certain guaranteed debt that has a maturity of one year or greater. Surcharges will be placed directly in the Deposit Insurance Fund, which should enable the FDIC to reduce the special assessment announced by the Board on February 27th.
- For such one-year-or-greater debt that is issued on or after April 1, 2009, and on or before June 30, 2009, and that matures on or before June 30, 2012, the annualized assessment rate will be increased by 10 basis points for debt issued by an IDI and 20 basis points for debt issued by other participating entities.
- For such one-year-or-greater debt that either is issued on or after April 1, 2009, and matures beyond June 30, 2012, or is issued after June 30, 2009, the annualized assessment rate will be increased by 25 basis points for debt issued by an IDI and 50 basis points for debt issued by other participating entities.
- A participating entity that has paid the nonrefundable fee to issue non-guaranteed debt with a maturity after June 30, 2012, may apply to issue shorter-term non-guaranteed debt after June 30, 2009.
- Any other participating entity that wishes to issue **any** non-guaranteed debt (regardless of maturity) after June 30, 2009, must also apply to do so.