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Contacts

Kevin J. Buckley

Partner, Global Capital Markets, Asset
Securitization
Richmond, VA
(804) 788-8616
kbuckley@hunton.com

Francine E. Friedman

Counsel, Government Relations
Washington, DC
(202) 955-1536
friedman@hunton.com

Edward J. Fuhr

Partner, Litigation
Richmond, VA
(804) 788-8201
efuhr@hunton.com

Cecelia Philipps Horner

Partner, Tax
Richmond, VA
(804) 788-3794
chorner@hunton.com

Michael C. Kerrigan

Partner, Capital Finance & Real Estate
Charlotte, NC
(704) 378-4746
mkerrigan@hunton.com

Dave T. McIndoe

Partner, Global Capital Markets, Asset
Securitization
Washington, DC
(202) 955-1947
dmcindoe@hunton.com

Michael Nedzbala

Partner, Global Capital Markets, Asset
Securitization
Charlotte, NC
(704) 378-4703
mnedzbala@hunton.com

J. Waverly Pulley III

Partner, Capital Finance & Real Estate
Richmond, VA
(804) 788-8783
wpulley@hunton.com

Thomas A. Rice

Partner, Capital Finance & Real Estate
New York, NY
(212) 309-1187
trice@hunton.com

J.R. Smith

Partner, Bankruptcy, Restructuring & Creditors'
Rights
Richmond, VA
(804) 788-8761
jrsmith@hunton.com

John W. Woods

Partner, Litigation
Washington, DC
(202) 955-1513
jwoods@hunton.com

Atlanta • Austin • Bangkok • Beijing • Brussels
Charlotte • Dallas • Houston • London • Los Angeles
McLean • Miami • New York • Norfolk • Raleigh
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Rapid Implementation: Treasury Invites Financial Agents to Submit Proposals

The Emergency Economic Stabilization Act of 2008 (the "Stabilization Act") was signed into law on Friday, October 3, 2008, in substantially the same form as discussed in our prior [alert](#), with the most notable addition being an increase until December 31, 2009 of the cap on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. Our focus now turns to how the Treasury Department will implement its powers under the Stabilization Act.

Rapid Treasury Implementation

On Monday, October 6, 2008, Treasury Secretary Henry Paulson took an initial step toward implementing his powers under the Stabilization Act by appointing Neel Kashkari Interim Assistant Secretary of the Treasury for Financial Stability to direct the Troubled Asset Relief Program ("TARP"). Mr. Kashkari will oversee a portfolio of up to \$700 billion worth of mortgage-related and other financial assets under TARP. Several questions will need to be addressed promptly, including the Treasury's method for selection of assets for purchase and the means and timing of valuation and disposition of those assets.

On Monday evening, the Treasury published solicitations for financial agents who will perform the key functions of TARP: (1) Custodian, Accounting, Auction Management, and Other Infrastructure Services; (2) Securities Asset Management Services; and (3) Whole Loan Asset Management Services. Responses to these solicitations, which

require lengthy disclosure and detailed proposals, are due this Wednesday, October 8, 2008, at 5:00 pm EDT. The Treasury plans to announce initial selections as early as next week.

For your convenience, we have provided links to the Treasury's solicitations:

[Custodian, Accounting, Auction Management, and Other Infrastructure Services](#)

[Securities Asset Management Services](#)

[Whole Loan Asset Management Services](#)

How We Can Help

Hunton & Williams is helping clients address issues and opportunities presented by the Stabilization Act. We are advising clients on the implementation of both TARP and the Stabilization Act and stand ready to partner with our clients as we address the significant changes to financial services regulation. For more than 25 years, our firm has been a market leader in mortgage trading, servicing and securitization matters. Hunton & Williams designed the only REMIC programs backed by the full faith and credit of the United States government (for VA and Ginnie Mae) and represented financial institutions and the Resolution Trust Corporation on various matters during the course of the RTC program.

If you have any questions relating to the Stabilization Act or related issues, please contact us.

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