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Treasury Department Releases Details on Public-Private Partnership Investment Program

United States: Department of the Treasury

https://elischolar.library.yale.edu/ypfs-documents/8054
Treasury Department Releases Details on Public Private Partnership Investment Program

Two Components for Two Types of Assets

To address the challenge of legacy assets, Treasury – in conjunction with the Federal Deposit Insurance Corporation and the institutions, compromising their ability to raise capital and their willingness to increase lending.

Three Basic Principles

To address the challenge of legacy assets, Treasury – in conjunction with the Federal Deposit Insurance Corporation and the institutions, compromising their ability to raise capital and their willingness to increase lending.

The Challenge of Legacy Assets:

The pool would then be auctioned by the FDIC, with several private sector investors expressing interest. The public- and private-sector investors would then launch the fund, with Treasury funding the public capital. Treasury will invest up to 50 percent of the equity capital requirement on a one-for-one basis with private sector capital.

Maximizing the Impact of Each Taxpayer Dollar:

The public- and private-sector investors would then launch the fund, with Treasury funding the public capital. Treasury will invest up to 50 percent of the equity capital requirement on a one-for-one basis with private sector capital.

Joint Financing from Treasury, Private Capital and FDIC:

Legacy Loans:

To address the challenge of legacy assets, Treasury – in conjunction with the Federal Deposit Insurance Corporation and the institutions, compromising their ability to raise capital and their willingness to increase lending.

The cost to Treasury is limited to the proceeds from the subsequent sale of the assets, and the proceeds will be used to repay the public capital.

Careers

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Private Sector Credit and Capital Markets

Background on the Program

The Public-Private Investment Program has two parts, addressing both the legacy

The Government agrees to provide a one-for-one match for every dollar of

A fund manager submits a proposal and is pre-qualified to raise private

The fund manager has full discretion in investment decisions, although it will

Step 2:

Step 1:

Application for Private Assets Managers

The pool would then be auctioned by the FDIC, with several private sector

Banks Identify the Assets They Wish to Sell:

The pool would then be auctioned by the FDIC, with several private sector

Pools Are Auctioned Off to the Highest Bidder:

The pool would then be auctioned by the FDIC, with several private sector

The private investor would then manage the servicing of the asset pool and

The fund manager commences the sales process for the investment fund

The fund manager has full discretion in investment decisions, although it will

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For small businesses seeking direct relief from COVID-19, CLICK HERE to learn more about Paycheck Protection Loans.

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