



Emergency Capital Investment Program

Presenters

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August 2022

Emergency Capital Investment Program



Topics

- ❖ Background
- ❖ Quarterly Supplemental Report Timeline
- ❖ Report Structure and Overview
- ❖ Rate Reduction Calculation
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

❖ **Background**

- ❖ Quarterly Supplemental Report Timeline
- ❖ Report Structure and Overview
- ❖ Rate Reduction Calculation
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

Background

- Emergency Capital Investment Program (ECIP) investments are in the form of preferred stock or subordinated debt.
- The relevant Securities Purchase Agreement requires participating institutions (Recipients or Participants) to submit a Quarterly Supplemental Report (QSR).
- The QSR is used to:
 - Calculate eligibility for rate reductions; and
 - Collect data required for Treasury to assess and evaluate the program.

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Background

- Draft QSR has been published for notice and comment in the Federal Register.
- Treasury is seeking comments on, among other things:
 - The accuracy of Treasury's estimate of the burden of the collection;
 - Ways to enhance the quality, utility, and clarity of the information to be collected; and
 - Specific questions included in the Federal Register notice, such as how frequently Treasury should update reference data.
- Comment period closes **Monday, August 29, 2022.**
- Federal Register notice and QSR forms and instructions are on the ECIP webpage: [ECIP Homepage Link](#).



Emergency Capital Investment Program

❖ Background

❖ **Quarterly Supplemental Report Timeline**

❖ Report Structure and Overview

❖ Rate Reduction Calculation

❖ Submission of Comments

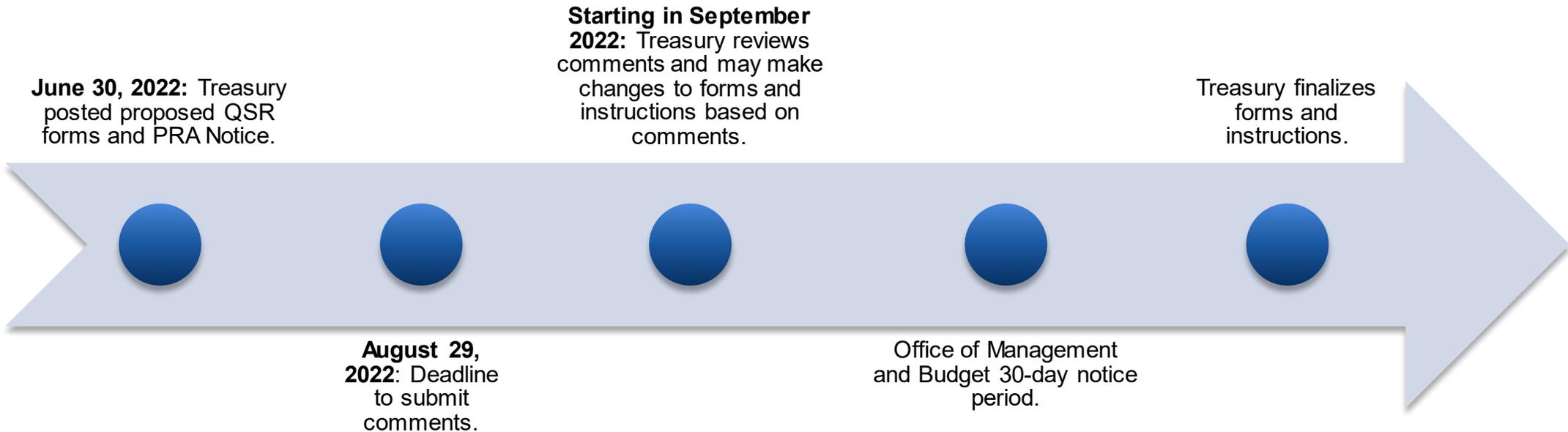
❖ Q&A



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Timeline

QSR Release Timeline





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Timeline

- First QSR will not need to be submitted until after the reporting forms are effective, which will be after the comment period closes and an additional Office of Management and Budget 30-day comment period.
- Treasury expects that quarterly supplemental reporting will not begin any earlier than January 2, 2023.
- Treasury expects that once the QSR is effective, Participants will be required to submit data about their lending **starting from the closing date**.
- Treasury advises Participants to be prepared to report on **all data points in the proposed QSR** from the closing date of the investment.



Emergency Capital Investment Program

- ❖ Background
- ❖ Quarterly Supplemental Report Timeline
- ❖ **Report Structure and Overview**
- ❖ Rate Reduction Calculation
- ❖ Submission of Comments
- ❖ Q&A

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Submission Deadline

- QSRs are generally due concurrent with submission of:
 - Call Report, for Recipients that are insured depository institutions (IDIs);
 - IDI Subsidiary's Call Report, for Recipients that are holding companies filing on Form FR Y-9SP;
 - Form FR Y-9C, for Recipients that are holding companies filing on Form FR Y-9C
 - Call Report, for Recipients that are credit unions.

QSR Report Structure

Schedule A – Summary
Qualified Lending

Schedule B – Disaggregated
Qualified Lending

Schedule C –
Additional
Demographic Data

Schedule D –
Additional Place-
based Data



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General

- Treasury is proposing to require electronic submission of the QSR via the Salesforce-based portal already in use.
 - Data input will be via excel .csv upload.
 - Treasury will offer training and technical assistance.
- All reports need to be completed in accordance with instructions and certified as complete and accurate.
- Recipients are expected to collect all the data needed to complete all the schedules in the QSR accurately.
- Use of proxy data to classify loans as Qualified or Deep Impact Lending is NOT permitted.

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Schedule A

- Schedule A–Summary Qualified Lending is used to collect the Qualified Lending and Deep Impact Lending of the Participant for the reporting period.
- Used to establish the growth in a Participant’s Qualified Lending over its baseline Qualified Lending for the purposes of calculating the payment rate on the ECIP instruments.
- Similar to Schedule A of Initial Supplemental Report.
- Report Total Originations, Qualified Lending and Deep Impact Lending at the summary level **without double counting loans**.
- Report both the number of loans and the dollar value.
- Schedule A would be due quarterly.

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Schedule A

Schedule A – Credit Unions

Quarterly Supplemental Report (QSR) Schedule A - Summary Qualified Lending													
Data Upload*													
ID	Lending Activity Categories	Total Originations				Qualified Lending Originations**				Deep Impact Lending Originations			
		(Column A) # of Originations		(Column B) \$ of Originations		(Column C) # of Originations		(Column D) \$ of Originations		(Column E) # of Originations		(Column F) \$ of Originations	
1	Non-commercial loans / lines of credit	1A	23	1B	\$ 5,780,152.00	1C	10	1D	\$ 20,000,000.00	1E	10	1F	\$ 10,000,000.00
2	Commercial loans / lines of credit	2A	0	2B	\$ -	2C	0	2D	\$ -	2E	0	2F	\$ -
Sum of Data Uploaded													
3	Total	3A	23	3B	\$ 5,780,152.00	3C	10	3D	\$ 20,000,000.00	3E	10	3F	\$ 10,000,000.00



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Schedule A

Schedule A – Holding Companies and IDIs

Quarterly Supplemental Report (QSR) Schedule A - Summary Qualified Lending													
Data Upload*													
ID	Lending Activity Categories	Total Originations				Qualified Lending Originations**				Deep Impact Lending Originations			
		(Column A) # of Originations	(Column B) \$ of Originations	(Column C) # of Originations	(Column D) \$ of Originations	(Column E) # of Originations	(Column F) \$ of Originations	(Column G) # of Originations	(Column H) \$ of Originations	(Column I) # of Originations	(Column J) \$ of Originations		
1	Loans secured by construction, land development, and other land loans	1A	23	1B	\$ 5,780,152.00	1C	10	1D	\$ 2,457,876.00	1E	10	1F	\$ 2,457,876.00
2	Loans secured by farmland	2A	0	2B	\$ -	2C	0	2D	\$ -	2E	0	2F	\$ -
3	Loans secured by 1-4 family residential properties	3A	384	3B	\$ 115,204,608.00	3C	284	3D	\$ 70,315,276.00	3E	284	3F	\$ 70,315,276.00
4	Loans secured by multifamily (5 or more) residential properties	4A	9	4B	\$ 14,500,000.00	4C	0	4D	\$ -	4E	0	4F	\$ -
5	Loans secured by nonfarm nonresidential properties	5A	19	5B	\$ 69,000,000.00	5C	3	5D	\$ 18,000,000.00	5E	3	5F	\$ -
6	Loans to finance agricultural production and other loans to farmers	6A	0	6B	\$ -	6C	0	6D	\$ -	6E	0	6F	\$ -
7	Commercial and industrial loans	7A	12	7B	\$ 25,500,000.00	7C	2	7D	\$ 10,000,000.00	7E	2	7F	\$ 10,000,000.00
8	Loans to individuals for household, family, and other personal expenditure	8A	148	8B	\$ 740,000.00	8C	35	8D	\$ 75,000.00	8E	35	8F	\$ -
9	Lease financing receivables	9A	0	9B	\$ -	9C	0	9D	\$ -	9E	0	9F	\$ -
10	Direct and indirect investments in real estate ventures	10A	0	10B	\$ -	10C	0	10D	\$ -	10E	0	10F	\$ -
11	Equity investments without readily determinable fair values	11A	0	11B	\$ -	11C	0	11D	\$ -	11E	0	11F	\$ -
Sum of Data Uploaded													
12	Total	12A	595	12B	\$ 230,724,760.00	12C	334	12D	\$ 100,848,152.00	12E	334	12F	\$ 82,773,152.00



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Schedule A

Schedule A – Qualified and Deep Impact Lending Summary

Year X Qualified Lending Summary			
13A	Baseline Qualified Lending		\$ 100,000,000
13B	Initial Investment Amount		\$ 40,000,000
13C	Qualified Lending Reported by Year X Quarter	Qualified Lending	Deep Impact Lending
	<i>Quarter 1</i>	\$ 20,000,000	\$ 2,000,000
	<i>Quarter 2</i>	\$ 50,000,000	\$ 5,000,000
	<i>Quarter 3</i>	\$ 10,000,000	\$ 1,000,000
	<i>Quarter 4</i>	\$ 70,000,000	\$ 7,000,000
	Subtotal	\$ 150,000,000	\$ 15,000,000
13D	Qualified Lending in Year X ([Sum of Qualified Lending] + [2 * Sum of Deep Impact Lending] in Year X)		\$ 180,000,000.00
13E	Difference between Qualified Lending in Year X and Baseline Qualified Lending (13D - 13A)		\$ 80,000,000.00
13F	Difference between Qualified Lending in Year X and Baseline Qualified Lending as a % of Initial Investment by Treasury (13E ÷ 13B)		200%

Recipient Certification	
14A	I, the undersigned CEO or CFO (or equivalents) of the Recipient, attest that this Quarterly Supplemental Report Schedule A has been prepared in conformance with the instructions issued by Treasury and is true and correct to the best of my knowledge and belief.
14B	Enter the title of the person certifying this report.

- Summary data calculated based on data in the system and data uploaded.
- Rate reduction calculations described further in next section of slides.



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Schedule B

- Schedule B—Disaggregated Qualified Lending is used to present further detail on the composition of the Participant’s Qualified and Deep Impact Lending.
- Similar to Schedule B of Initial Supplemental Report, but Schedule B for the QSR must be certified as true, complete, and accurate.
- Double-counting of loans across categories is expected.
 - Example: A loan to a Low-income Borrower in a Persistent Poverty County must be reported in both the Low-income Borrower and Persistent Poverty County columns.
- Schedule B would be due quarterly.



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Schedule B

Schedule B – example fields

ID	Lending Activity Categories	Total Loan Originations		People															
				LMI Borrowers				Other Targeted Populations				Low-Income Borrowers							
				(Column A) # of Originations		(Column B) \$ of Originations		(Column C) # of Originations		(Column D) \$ of Originations		(Column E) # of Originations		(Column F) \$ of Originations		(Column G) # of Originations		(Column H) \$ of Originations	
1	Loans secured by construction, land development, and other land loans	1A	1B	\$ 110,000.00	1C	1D	\$ 55,000.00	1E	1F	\$ -	1G	1H	\$ -						
2	Loans secured by farmland	2A	2B	\$ 10,000.00	2C	2D	\$ 5,000.00	2E	2F	\$ -	2G	2H	\$ -						
3	Loans secured by 1-4 family residential properties	3A	3B	\$ 10,000.00	3C	3D	\$ 5,000.00	3E	3F	\$ -	3G	3H	\$ -						
4	Loans secured by multifamily (5 or more) residential properties	4A	4B	\$ 10,000.00	4C	4D	\$ 5,000.00	4E	4F	\$ -	4G	4H	\$ -						
5	Loans secured by nonfarm nonresidential properties	5A	5B	\$ 10,000.00	5C	5D	\$ 5,000.00	5E	5F	\$ -	5G	5H	\$ -						
6	Loans to finance agricultural production and other loans to farmers	6A	6B	\$ 10,000.00	6C	6D	\$ 5,000.00	6E	6F	\$ -	6G	6H	\$ -						
7	Commercial and industrial loans	7A	7B	\$ 10,000.00	7C	7D	\$ 5,000.00	7E	7F	\$ -	7G	7H	\$ -						
8	Loans to individuals for household, family, and other personal expenditures	8A	8B	\$ 10,000.00	8C	8D	\$ 5,000.00	8E	8F	\$ -	8G	8H	\$ -						
9	Lease financing receivables	9A	9B	\$ 10,000.00	9C	9D	\$ 5,000.00	9E	9F	\$ -	9G	9H	\$ -						
10	Direct and indirect investments in real estate ventures	10A	10B	\$ 10,000.00	10C	10D	\$ 5,000.00	10E	10F	\$ -	10G	10H	\$ -						
11	Equity investments without readily determinable fair values	11A	11B	\$ 10,000.00	11C	11D	\$ 5,000.00	11E	11F	\$ -	11G	11H	\$ -						
12	Total	12A	12B	\$ 10,000.00	12C	12D	\$ 5,000.00	12E	12F	\$ -	12G	12H	\$ -						



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Schedule C

- Schedule C—Additional Demographic Data on Qualified Lending collects additional demographic data on certain categories of Qualified Lending and Deep Impact Lending:
 - Schedule C1—People is used for loans to:
 - LMI Borrowers, disaggregated by income category;
 - Other Targeted Populations, disaggregated by race or ethnicity; and
 - Mortgage lending to Other Targeted Populations, disaggregated by race or ethnicity.
 - Schedule C2—Businesses is used for loans to Underserved Small Businesses, disaggregated by business size, owner income, or owner race and ethnicity.
- Schedule C is proposed to be due annually, concurrently with quarterly data for quarter ending December 31 of each year.



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Schedule C

Schedule C1–People – example fields

ID	Lending Activity Categories	LMI Borrowers				Other Targeted Populations			
		81 - 100% of AMI		101 - 120% of AMI		Black American		Native American	
		(Column E) # of Originations	(Column F) \$ of Originations	(Column G) # of Originations	(Column H) \$ of Originations	(Column I) # of Originations	(Column J) \$ of Originations	(Column K) # of Originations	(Column L) \$ of Originations
1	Non-commercial loans / lines of credit		\$ 55,000.00		\$ 55,000.00		\$ 55,000.00		\$ 55,000.00
2	Unsecured credit card loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
3	Payday alternative loans (PALs I and PALs II) (FCU only)		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
4	Non-federally guaranteed student loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
5	All other unsecured loans/lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
6	New vehicle loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
7	Used vehicle loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
8	Leases receivable		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
9	All other secured non-real estate loans / lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
10	Loans / lines of credit secured by first lien on single 1-4 family res property		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
11	Loans / lines of credit secured by junior lien on single 1-4 family res property		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
12	All other real estate loans / lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
13	Commercial loans / lines of credit		\$ 10,000.00		\$ 10,000.00		\$ 10,000.00		\$ 10,000.00
14	Commercial loans / lines of credit real estate secured		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
15	Commercial loans / lines of credit not real estate secured		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
16	Total		\$ 65,000.00		\$ 65,000.00		\$ 65,000.00		\$ 65,000.00

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Schedule C

Schedule C2–Businesses – example fields

ID	Lending Activity Categories	Underserved Small Businesses							
		Gross annual revenues that do not exceed \$100,000		Majority owned by Low-Income Borrowers		Majority owned by Black Americans		Majority owned by Native Americans	
		(Column A) # of Originations	(Column B) \$ of Originations	(Column C) # of Originations	(Column D) \$ of Originations	(Column E) # of Originations	(Column F) \$ of Originations	(Column G) # of Originations	(Column H) \$ of Originations
1	Non-commercial loans / lines of credit		\$ 55,000.00		\$ 55,000.00		\$ 55,000.00		\$ 55,000.00
2	Unsecured credit card loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
3	Payday alternative loans (PALs I and PALs II) (FCU only)		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
4	Non-federally guaranteed student loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
5	All other unsecured loans/lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
6	New vehicle loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
7	Used vehicle loans		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
8	Leases receivable		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
9	All other secured non-real estate loans / lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
10	Loans / lines of credit secured by first lien on single 1-4 family res property		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
11	Loans / lines of credit secured by junior lien on single 1-4 family res property		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
12	All other real estate loans / lines of credit		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
13	Commercial loans / lines of credit		\$ 10,000.00		\$ 10,000.00		\$ 10,000.00		\$ 10,000.00
14	Commercial loans / lines of credit real estate secured		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
15	Commercial loans / lines of credit not real estate secured		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
16	Total		\$ 65,000.00		\$ 65,000.00		\$ 65,000.00		\$ 65,000.00



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Schedule D

- Schedule D—Additional Place-based Data on Qualified Lending collects additional geographic data on certain categories of Qualified Lending and Deep Impact Lending.
- Report the counties, census tracts, or other geographic area the lending or investment was made to and the total number and dollar value of originations to each geographic area.
- Eight sub-schedules, in list form – one for each place-based Target Community and one for borrowers or projects that create direct benefits for LMI communities or to Other Targeted Populations.
- Schedule D is proposed to be due annually, concurrently with quarterly data for quarter ending December 31 of each year.

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Schedule D

Schedule D – example

Quarterly Supplemental Report (QSR) Schedule D1 - Add'l Place-Based Data on Qualified Lending (Rural Communities)					
ID	State (Column A)	County/County Equivalent (Column B)	5 Digit FIPS Code (Column C)	# of Originations (Column D)	\$ of Originations (Column E)
1					\$ -
2					\$ -
3					\$ -
4					\$ -
5					\$ -
6					\$ -
7					\$ -
8					\$ -
9					\$ -
10					\$ -
11					\$ -
12					\$ -
13					\$ -



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Schedule D

- For borrowers or projects that create direct benefits for LMI communities or to Other Targeted Populations, report each county the lending or investment was made to and the total number and dollar value of originations to each county on Schedule D8.

Quarterly Supplemental Report (QSR)						
Schedule D8 - Add'l Place-Based Data on Qualified Lending (Projects Benefiting LMI Communities or OTP)						
ID	Project / Investment Type (Column A)	State (Column B)	County Name (Column C)	5 Digit FIPS Code (Column D)	# of Originations (Column E)	\$ of Originations (Column F)
1						\$ -
2						\$ -
3						\$ -
4						\$ -
5						\$ -
6						\$ -
7						\$ -
8						\$ -

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M&A

- If the Participant completes a merger, acquisition, or other business combination with another institution after the date of closing of the ECIP investment, include the lending of the acquired institution in the Participant's QSR beginning with the first full quarter after the merger, acquisition or other business combination is completed.
- Participant's Baseline will also be adjusted by adding in the Baseline Qualified Lending for the acquired institution, which will be calculated based on the Initial Supplemental Report submitted by the acquired institution:
 - If the acquired institution is also an ECIP participant, the Initial Supplemental Report that was submitted by the acquired ECIP participant will be used.
 - If the acquired institution is not an ECIP participant, the Participant must submit an Initial Supplemental Report for the acquired institution covering the annual period ending on the last day of the last completed quarter before the merger, acquisition or other business combination was completed.



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CDFI Loan Funds

- Lending Activity includes purchases of or participations in loans during the reporting period made by non-depository CDFI loan funds that were originated within one year of purchase by the Participant .
- Only eligible to qualify as Qualified Lending or Deep Impact Lending if the underlying loan is made to a Target Community listed in the table.
- Include as Deep Impact Lending purchases of or participations in loans during the reporting period made by **non-profit** non-depository CDFI loan funds that were originated within one year of purchase by the institution **AND** that were made to a Target Community listed under Deep Impact Lending in the table (e.g., Persistent Poverty Counties).
- Purchases of or participations in loans during the reporting period made by for-profit non-depository CDFI loan funds may only be included as Qualified Lending and not Deep Impact Lending even if they were made to a Target Community listed under Deep Impact Lending in the table.



Emergency Capital Investment Program

- ❖ Background
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- ❖ **Rate Reduction Calculation**
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

Payment Due Dates

Payment Dates

- Payments are due on fixed dates – March 15, June 15, September 15, December 15

First Two Years

- No interest or dividends accrue for the first two years (24 months after the Closing Date) and no payments are due.

Years Three to Ten

- Starting in year three after the Closing Date, Participants will make dividend or interest payments to Treasury on a quarterly basis.
- First payment will be due on the first Payment Date after the second anniversary of the Closing Date. Examples:
 - Closing Date of 5/24/2022. First payment due on 6/15/2024, which will be a stub payment for period from 5/24/2024 to 6/14/2024.
 - Closing Date of 6/21/2022. First payment due on 9/15/2024, which will be a stub payment for period from 6/21/2024 to 9/14/2024.

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Payment Rate Calculation

Years Three to Ten

- Rate adjusted **annually** based on increase in Qualified Lending and Deep Impact Lending in the **preceding year** compared to the Baseline Qualified Lending reported in the Initial Supplemental Report (ISR) as a percentage of the ECIP investment in the Participant.
- The QSR measures loan originations, not loan balances. The payment rate is therefore calculated based on the increase in loan originations and not increases in the balance sheet.
- QSR used to calculate the first payment rate is the QSR for the most recently completed calendar quarter for which the due date has occurred as of the second anniversary of the Closing Date. For Participants that closed between May 1, 2022 and June 30, 2022, this will be the QSR dated **3/31/2024**.
 - For these Participants, the lending used to calculate the payment rate for year three will be from **4/1/2023 to 3/31/2024**.



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Rate Reduction Example

Years Three to Ten

- Participant receives a \$40 million investment from Treasury on May 24, 2022.
- Baseline Qualified Lending = \$100 million.
- In its QSRs for year 2 (QSRs dated 6/30/2023, 9/30/2023, 12/31/2023, and 3/31/2024), reported a total of \$150 million in Qualified Lending (not including Deep Impact Lending) and an additional \$15 million in Deep Impact Lending.
- Annual Qualified Lending in Year 2 = Qualified Lending + 2 * Deep Impact Lending = \$150 million + (2 * \$15 million) = \$180 million
- % change in Qualified Lending = ((Annual Qualified Lending in Year 2 – Baseline Qualified Lending)/ Investment Amount)*100 = ((\$180 million – \$100 million)/\$40 million)*100 = 200%
- As per the ECIP legal agreements, a 200% increase in Qualified Lending would correspond with a payment rate of **1.25%**
- Rate of 1.25% would be for the period from 5/24/2024 to 6/14/2025.
- Next rate reset would be on 6/15/2025.



Emergency Capital Investment Program

Fixed Rate Reduction

Years 11+

- Rate is fixed based on average annual increase in Qualified Lending and Deep Impact Lending over the **preceding nine years** compared to the Baseline Qualified Lending as a percentage of the ECIP investment in the Participant.
- Example: \$40 million investment from Treasury
- Baseline Qualified Lending = \$100 million, which was not adjusted in the first ten years due to a merger or other business combination.
- Participant reports the following (Qualified Lending does not include Deep Impact Lending):

Reported Years	Baseline	Qualified Lending	Deep Impact Lending
Year 2	\$ 100,000,000	\$ 150,000,000	\$ 15,000,000
Year 3	\$ 100,000,000	\$ 200,000,000	\$ 20,000,000
Year 4	\$ 100,000,000	\$ 240,000,000	\$ 28,000,000
Year 5	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000
Year 6	\$ 100,000,000	\$ 360,000,000	\$ 28,000,000
Year 7	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000
Year 8	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000
Year 9	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000
Year 10	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000
Subtotal	\$ 900,000,000	\$ 2,550,000,000	\$ 231,000,000



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Fixed Rate Reduction

Years 11+

- Aggregate Annual Qualified Lending in years 2 through 10 = Aggregate Qualified Lending + 2 * Deep Impact Lending = \$2,550 million + (2 * \$231 million) = \$3,012 million
- Aggregate Baseline = \$900 million
- Aggregate Increase in Qualified Lending = Aggregate Annual Qualified Lending - Aggregate Baseline = \$3,012 million - \$900 million = \$2,112 million
- Average Annual Increase in Qualified Lending = Aggregate Increase in Qualified Lending / 9 = \$2,112 million / 9 = \$234.667 million
- % Change in Qualified Lending = (Average Annual Increase in Qualified Lending / Investment Amount) * 100 = (\$234.667 million / \$40 million) * 100 = 587%
- As per the ECIP legal agreements, a 587% increase in Qualified Lending would correspond with an annual payment rate of 0.5% for each quarter from the first payment date after the tenth anniversary of the Closing Date until the instruments are redeemed or mature.



Emergency Capital Investment Program

Alternate Calculation

Years 11+

Reported Years	Baseline	Qualified Lending	Deep Impact Lending	Annual Qualified Lending	Increase over Baseline
Year 2	\$ 100,000,000	\$ 150,000,000	\$ 15,000,000	\$ 180,000,000	\$ 80,000,000
Year 3	\$ 100,000,000	\$ 200,000,000	\$ 20,000,000	\$ 240,000,000	\$ 140,000,000
Year 4	\$ 100,000,000	\$ 240,000,000	\$ 28,000,000	\$ 296,000,000	\$ 196,000,000
Year 5	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000	\$ 376,000,000	\$ 276,000,000
Year 6	\$ 100,000,000	\$ 360,000,000	\$ 28,000,000	\$ 416,000,000	\$ 316,000,000
Year 7	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000	\$ 376,000,000	\$ 276,000,000
Year 8	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000	\$ 376,000,000	\$ 276,000,000
Year 9	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000	\$ 376,000,000	\$ 276,000,000
Year 10	\$ 100,000,000	\$ 320,000,000	\$ 28,000,000	\$ 376,000,000	\$ 276,000,000
Subtotal	\$ 900,000,000	\$ 2,550,000,000	\$ 231,000,000	\$ 3,012,000,000	\$ 2,112,000,000

- Aggregate Increase in Qualified Lending = Sum of annual increase in Qualified Lending over the Baseline for years 2 through 10 = \$2,112 million
- Average Annual Increase in Qualified Lending = Aggregate Increase in Qualified Lending / 9 = \$2,112 million / 9 = \$234.667 million
- % Change in Qualified Lending = (Average Annual Increase in Qualified Lending / Investment Amount) * 100 = (\$234.667 million / \$40 million) * 100 = 587%



Emergency Capital Investment Program

- ❖ Background
- ❖ Quarterly Supplemental Report Timeline
- ❖ Report Structure and Overview
- ❖ Rate Reduction Calculation
- ❖ **Submission of Comments**
- ❖ Q&A



Emergency Capital Investment Program

Public Comment Process

- Treasury is collecting comments through August 29, 2022.
- Comments on QSR forms and instructions, including:
 - Proposals for alternative data points or methods; and
 - Burden estimate.
- All comments welcome.
- Specific questions in the Federal Register notice:
 - Periodic updates to reference datasets & transition time if datasets are updated.
 - Other sources of the same data that is already reported to the federal government.
 - Additional data points that Treasury should collect.
 - Additional resources and clarifications to forms and instructions.
- Comments will become public.

Emergency Capital Investment Program



Public Comment Process

- To submit comments:
 - Go to the Federal E-rulemaking Portal: [http:// www.regulations.gov](http://www.regulations.gov).
 - Follow the instructions for submitting comments.
 - Refer to Docket Number TREAS–DO– 2022–0013 and the specific Office of Management and Budget (OMB) control number 1505–0275.
- Sending a copy of the comment to ecip@treasury.gov is appreciated but not required.
 - Comments submitted to the ECIP mailbox may also become public.



Emergency Capital Investment Program

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