U.S. DEPARTMENT OF THE TREASURY

NOTICE TO FINANCIAL INSTITUTIONS

INTERESTED IN PROVIDING
ASSET MANAGEMENT SERVICES
FOR A PORTFOLIO OF
EQUITY SECURITIES, DEBT OBLIGATIONS, AND WARRANTS
ISSUED BY FINANCIAL INSTITUTIONS

I. INTRODUCTION

The U.S. Department of the Treasury ("Treasury") issues this notice to Financial Institutions interested in providing asset management services for a portfolio of securities, including senior preferred shares, senior debt, equity warrants, or other equity securities or debt obligations, issued to the Treasury by both public and private Financial Institutions participating in programs under the Emergency Economic Stabilization Act of 2008 (Act).

This notice describes services sought by the Treasury, sets forth the rules for submitting a response, and lists the factors that will be considered in selecting Financial Institutions to provide the services.

This notice is NOT for asset managers of troubled mortgage-related securities or mortgage loans, for which the Treasury has previously issued notices. The services described in this notice are for management of the Treasury's equity or debt positions in public and private Financial Institutions participating in programs under the Act.

Financial Institutions selected pursuant to this notice to provide asset management services to the Treasury will be designated as financial agents of the United States.

The Treasury may, in its sole discretion, decide not to select all asset managers pursuant to this notice at the same time. Rather, the Treasury may select and designate asset managers over time in a sequence that matches the Treasury's project plans and portfolio needs, as further described in this notice.

If your Financial Institution is interested in being designated as a financial agent, and meets the organizational eligibility and minimum requirements in Sections VI and VII, you may submit a response in accordance with this notice **no later than 5:00 p.m. ET on November 13, 2008.**

II. OVERVIEW

In furtherance of its mission to ensure the safety and soundness of the U.S. financial system, and to implement the Act, the Treasury has established a voluntary Capital Purchase Program (CPP) to encourage public and private Financial Institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy.

Under the CPP, the Treasury will purchase capital of up to $250 billion, including senior preferred shares, senior debt, or other equity securities or debt obligations depending on the ownership structure of a Financial Institution. In addition, the Treasury may obtain warrants for common stock, or debt in lieu of warrants, of the public and private Financial Institutions equivalent in value to 15 percent of the amount of capital purchased by the Treasury.

The CPP is available to qualifying U.S. controlled banks, savings associations, and certain bank and savings and loan holding companies engaged only in financial activities. The Treasury will determine the eligibility and allocations for interested public and private Financial Institutions after consultation with the appropriate Federal banking agency.

For more information on the initial phase of the CPP that involves publicly held Financial Institutions, please refer to the following web sites:

http://www.treas.gov/initiatives/eesa

http://www.treas.gov/press/releases/hp1222.htm

http://www.treas.gov/press/releases/reports/document5hp1207.pdf

Accordingly, the Treasury seeks multiple Financial Institutions to provide asset management services for the portfolio of senior preferred shares, senior debt, warrants, and other equity securities and debt obligations that the Treasury will receive from public and private Financial Institutions participating in the CPP. These Financial Institutions may be publicly traded on national exchanges, or over the counter, or they may be private Financial Institutions with varying ownership structures.

In addition to the CPP, the Treasury may establish other programs under the Act where the Treasury will obtain equity securities and debt obligations and warrants of public and private Financial Institutions. Asset managers selected pursuant to this notice will manage the assets obtained under these other programs as well as the CPP.

The Treasury's primary policy goal in managing the portfolio of Financial Institution securities and obligations is to protect the interests of taxpayers in light of the Treasury's stake in the public and private Financial Institutions.

III. PORTFOLIO OF ASSETS

Pursuant to this notice, the Treasury intends to designate multiple asset managers to handle Financial Institution equity securities and debt obligations and warrants issued to the Treasury in connection with the Act.

The Treasury expects that a given asset manager will be assigned a certain number of public and/or private Financial Institutions and will provide all the services identified in this notice for the securities and obligations issued by those public and private Financial Institutions. As more fully described in Section IV, the services will include valuing the assets issued by the public and private Financial Institutions, analyzing the on-going financial condition, capital structure, and risks of the public and private Financial Institutions, advising on the optimal disposition of the Treasury's assets, executing transactions in accordance with the Treasury's instructions and Investment Policy and Guidelines, and providing the Treasury with detailed analysis and recommendations on corporate actions, proxy voting, disclosures, consents, waivers, and other business events that could have an impact on Treasury's ownership stake and compliance responsibilities.

The size of the overall portfolio will reach hundreds of billions of dollars, and will likely involve securities and obligations issued by thousands of public and private Financial Institutions. The portfolio mandate will last at least several years.

Consistent with the Treasury's primary policy goal of protecting the interests of taxpayers, as well as the goal of ensuring market stability, the portfolio is not expected to be actively traded. However, various events, such as changes in market valuations and market conditions, mergers and acquisitions, or impending exercise or conversion dates, may necessitate transfers or other transactions, subject to the Treasury's approval. Asset managers will be required to understand and evaluate these and any other events that may have an impact on the value of the Treasury's holdings, and to provide detailed recommendations to the Treasury. To the maximum extent practicable, the portfolio's risks will be managed to limit the potential for capital losses as public and private Financial Institution valuations change over time. The Treasury will determine the ultimate disposition of holdings or otherwise issue disposition guidance in its Investment Policy and Guidelines.

Asset managers will not acquire the assets in the portfolio. The Treasury will obtain the Financial Institution securities and obligations as a result of purchasing capital or executing other transactions with the public and private Financial Institutions under the Act. In addition, asset managers will not provide custody of any assets. The Treasury has already engaged an independent custodian to hold and safe keep all assets acquired under the Act, and asset managers will be required to work in good faith with the custodian in carrying out their duties.

The performance of individual asset managers will be measured by a variety of custom metrics and service levels linked to the Treasury's policy goals.

IV. SERVICES AND REQUIREMENTS

Through this notice, the Treasury seeks responses from Financial Institutions qualified to provide asset management services for a multi-manager portfolio of securities obligations issued to the Treasury by public and private Financial Institutions participating in the CPP and in other programs under the Act. These obligations will include senior preferred shares, senior debt, equity warrants, or other equity securities or debt obligations. Financial Institutions designated as financial agents to provide asset management services will be required to:

Portfolio Management

- Act as the Treasury's asset manager, consistent with the Treasury's Investment Policy and Guidelines.

Valuation

- Determine the on-going market or economic value of (i) senior preferred shares, (ii) equity warrants, (iii) C Corporation shares, (iv) senior debt issued by mutual and S Corporation Financial Institutions, and/or (v) other equity securities or debt obligations issued to the Treasury by public and private Financial Institutions.

Monitoring

- Analyze the on-going financial condition and capital structure of public and private Financial Institutions, in light of relevant market conditions, and conduct equity and debt financial analysis, on behalf of the Treasury as an investor representing the taxpayer.

- Devise, document, and execute monitoring and surveillance strategies to meet the Treasury's Investment Policy and Guidelines.

- Monitor risks and volatility of the portfolio.

- Monitor public and private Financial Institution compliance with requirements imposed by the Act, such as executive compensation limits and dividend restrictions.

Disposition

- Advise on the strategy and optimal timing to execute warrants or monetize preferred shares and other equity securities or debt obligations, consistent with both the duty to the taxpayer and the goal of market stability, in accordance with the Treasury's Investment Policy and Guidelines.

Input to the Treasury

- Provide advice and input on the Treasury’s response to corporate actions, proxy voting, disclosures, mergers and acquisitions, de-listings, corporate re-organizations and other business notifications received from the public and private Financial Institutions.

- Advise the Treasury on potential recapitalization strategies prior to re-purchase, exercise, or step-up and step-down dates of equity securities and debt obligations issued by public and private Financial Institutions, and represent the Treasury in discussions on such recapitalization strategies with such Financial Institutions.

Coordination

- Work in good faith and coordinate with the Treasury’s designated custodian that will hold the Financial Institution securities and obligations.

- Work in good faith and coordinate with any Treasury contractors processing or adjudicating documents for the CPP and other programs under the Act.

Trade Execution

- Execute and confirm transfers, trades, and other transactions as instructed by the Treasury and in accordance with the Treasury’s Investment Policy and Guidelines.

Operations

- Maintain records of (i) valuations, (ii) principal, interest, and dividend payments, (iii) cash flow projections, and (iv) any trades or transfers executed.

- Interface with the systems of an independent custodian, selected by the Treasury, that will have possession and safekeeping of all assets.

- Reconcile books and records with the custodian’s and with the Treasury’s accounting systems, as necessary.

- Maintain a compliance program designed to detect and prevent violations of Federal securities laws, and to identify, document, and enforce controls to mitigate conflicts of interest.

- Provide for all necessary operational and analytical hardware and software to support the services in this notice.

- Identify, document, and enforce internal controls on an on-going basis.

- Permit the Treasury’s internal and external auditors, or other governmental oversight entities, to audit books and records related to the services in this notice.

Portfolio Analytics and Reporting

- Produce periodic and ad hoc status reports and analyses of Financial Institution performance and risks, using metrics and risk constraints established by the Treasury.

- Report portfolio performance and status against the Treasury's benchmarks and/or success metrics.

- Report on (i) securities and obligations held, (ii) positions in asset classes, (iii) securities and obligations characteristics, and (iv) transactions.

- Forecast expected principal, interest, and dividend payments given a range of market scenarios.

- Produce required valuation reports, at least monthly, incorporating pricing and relative value measures from external sources and models, as appropriate.

- Support the preparation of reports to oversight bodies.

- Retain all documentation and reports related to the services in this notice, subject to the Treasury's recordkeeping requirements.

- Respond promptly to the Treasury's verbal inquiries.

A Financial Institution should be prepared to provide services immediately if selected as an asset manager.

As a financial agent, the Financial Institution will have a fiduciary responsibility to perform all services in the best interests of the United States.

V. MANAGER MODELS

As indicated above, the Treasury envisions selecting multiple managers, large and small, pursuant to this notice to manage the equity securities and debt obligations issued to Treasury by potentially thousands of public and private Financial Institutions. Given the scope of the portfolio mandate, these asset managers may be grouped into different tiers or segments, based on manager size, expertise, assignment to different parts of the capital structure, or other bases, or may be joined as co-managers or primary and sub-managers. Other asset managers may stand alone in handling their assigned portion of the portfolio. The Treasury will institute a framework of one or more manager models that will support an inclusive approach to involve both large and small asset managers. All asset managers selected will have a direct relationship with the Treasury as designated financial agents of the United States.

As part of this framework, the Treasury envisions that some managers will be arranged under a Manager-of-Managers model. If your Financial Institution is interested in and qualified to serve as a Manager-of-Managers, you should answer the additional items in Section IX of this notice.

In addition, to ensure a diversity of participation and ideas, and to identify the best asset management talent and capabilities throughout the industry, the Treasury is interested in receiving responses from qualified minority- and women-owned or controlled Financial Institutions to be asset managers. If your Financial Institution is minority- or women-owned or controlled, in whole or in part, you may answer the additional items in Section X of this notice.

VI. ORGANIZATIONAL ELIGIBILITY

To be eligible to be selected as a financial agent pursuant to this notice, an organization:

- Must be a "Financial Institution" as defined in the Act, meaning any institution, including, but not limited to, any bank, savings association, credit union, security broker or dealer, or insurance company, established and regulated under the laws of the United States or any State, territory, or possession of the United States, the District of Columbia, Commonwealth of Puerto Rico, Commonwealth of Northern Mariana Islands, Guam, American Samoa, or the United States Virgin Islands, and having significant operations in the United States, but excluding any central bank of, or institution owned by, a foreign government. Registered investment advisors under the Investment Advisors Act of 1940, as amended, and private equity firms are considered "Financial Institutions" eligible to be designated as financial agents for purposes of this notice.

- Must not be on any Federal excluded parties, debarment, or suspension lists.

- Must not be delinquent on any debts owed to the Federal Government;

- Must not be subject to any pending or current enforcement actions that could impair its ability to provide any services under this notice.

- If currently doing business with the Treasury or another Federal agency, must not be in any kind of probationary status, and must be addressing and resolving any identified deficiencies in performance.

VII. MINIMUM QUALIFICATIONS

The Treasury has established the following minimum qualifications for considering responses from interested and organizationally eligible Financial Institutions:

- The Financial Institution must be continuously engaged as a principal business in managing assets, comparable to the services described in Section IV, for the last 3 years.

- The Financial Institution must have at least $100 million in dollar-denominated assets under management.

- The Financial Institution's primary manager assigned to the Treasury's account must have at least 10 years of experience in managing assets comparable to those described in this notice.

- The Financial Institution must have financial statements prepared by an independent accounting firm, in accordance with generally accepted accounting principles, for the last 3 years.

- The Financial Institution must covenant to disclose all actual and potential conflicts of interest, and to avoid, mitigate, or neutralize to the extent feasible and to the Treasury's satisfaction any personal or organizational conflicts of interest that may be identified by the Treasury or the Financial Institution. To this end, the Financial Institution must be able and willing to enact and enforce information barriers sufficient to prevent the disclosure or misuse of material, non-public information received or obtained from, or derived on behalf of, the Treasury.

- The Financial Institution must be able and willing to partner with other Financial Institutions selected to be primary managers, co-managers, sub-managers, or Managers-of-Managers in the portfolio, as directed by the Treasury.

- The Financial Institution must be able and willing to work with Federal Reserve Banks, Federal agencies, governmental entities, and other organizations when the Treasury determines it to be in the best interest of the Government.

- The Financial Institution must meet all organizational eligibility standards in Section VI.

VIII. INFORMATION REQUESTED

This Section identifies the primary information the Financial Institution must provide in its response to this notice.

1. Ownership. Please provide a succinct overview of your firm's ownership structure, and identify any major changes in the ownership structure that have occurred in the last 3 years.

2. Summary of Capabilities. Please provide an overview of your firm's specific organizational, technical, and personnel capabilities to perform the services identified in Section IV of this notice.

3. Expertise. Describe any specific expertise your firm has in managing and/or analyzing (i) preferred shares, (ii) senior debt, (iii) equity warrants, (iv) C and/or S Corporation shares or debt, (v) other Financial Institution equity securities or debt obligations, (vi) the financial institutions and financial services sectors, and (vii) private (non-publicly traded) companies.

4. Assets under Management. Provide information on your number of clients and a breakdown of your firm's assets under management by asset and/or product type as of September 30 for

at least the past 3 years, with any relevant details particular to the services and asset types identified in this notice.

5. Performance. Provide a table showing annualized gross-of-fee returns for Government Investment Performance Standards (GIPS) compliant composites for 1-year, 3-years, and, if available, 5-years ending September 30, 2008, against a broad U.S. market benchmark(s). If you are unable to provide a composite that complies with GIPS, please note this and provide relevant disclosures on the composite (number of accounts, dispersion, total assets, etc.).

6. Personnel. Describe the composition and expertise of your firm's personnel, and provide brief biographies of the senior team members who will be assigned to the Treasury's account.

7. Back Office and Reporting. Discuss your firm's back office and reporting capabilities, such as accounting, reconciliation, valuation, internal controls, and third party service providers, and such as producing a variety of standard and customized reports (e.g., performance reports, investor letters, risk reports, attribution reports, compliance reports, etc.).

8. Infrastructure Changes. Discuss what, if anything, your firm would need to change within its infrastructure (e.g., systems, licenses, personnel, etc.) to support the scope of services identified in this notice.

9. Conflicts of Interest. Identify any actual or potential conflicts of interest you would have in managing a portfolio as described in this notice. Include the interests of your corporate parents, subsidiaries, and affiliates in your answer. A conflict of interest is a relationship or activity that would cause a reasonable person to question your objectivity or ability to fulfill your fiduciary duties to the Treasury. Among other situations, conflicts of interest may exist if you, your corporate parent, or any of your subsidiaries or affiliates, is a Financial Institution that may be participating in the Troubled Asset Relief Program under the Act, or if you (1) have a personal, business, financial, or customer interest or relationship with a Financial Institution that may elect to participate in the Capital Purchase Program, or (2) manage proprietary or fiduciary accounts that hold securities issued by such Financial Institutions.

10. Mitigation Plan. Describe the specific steps you will take to avoid, mitigate, or neutralize any such conflicts.

11. Compliance. Describe your firm's compliance and ethics program, including any policies, procedures, training requirements, and audit practices designed to detect and prevent violations of Federal securities laws and conflicts of interest. If your organization has a compliance or risk officer, describe that person's position in the company's management structure and state whether that person operates independently from portfolio managers and other investment-policy decision makers.

12. Regulatory and Legal Actions. Identify any Federal or State citations or enforcement actions your organization or any affiliate has received or been warned of, and any litigation or legal

proceeding involving your asset management or investment consulting services involving fraud, negligence, criminal activity, or breach of fiduciary duty.

13. Ideas and Insights. Given the unique nature of the portfolio, the Treasury's primary policy goal, and the services described in this notice, provide <u>two</u> specific ideas, recommendations, or insights on the strategy for managing the overall portfolio or the investment policy to govern the assets you would manage for the Treasury.

14. Reporting Recommendation. Provide at least one recommendation or insight for the type and format of the most useful report that the Treasury should receive on the status of holdings, the condition and attributes of Financial Institutions that have issued obligations to the Treasury, and/or the performance or surveillance metrics for the portfolio.

15. Fees. Describe your proposed fees, including the reasons and logic behind the proposed fees, and declare the all-in costs associated with your services.

IX. ADDITIONAL ITEMS FOR MANAGER-OF-MANAGERS

If your Financial Institution is interested and qualified to act as a Manager-of-Managers for the portfolio described in this notice, please provide additional information in response to the following items.

1. Manager-of-Managers Experience. Describe your specific experience in serving as a Manager-of-Managers or overseeing a stable of managers, and provide information on the process you use for portfolio construction, operational due diligence, and risk management of assets under a Manager-of-Managers model.

2. Manager-of-Manager Ideas. Provide one specific idea, recommendation, or insight for each of the following: (i) implementing a Manager-of-Managers model for the portfolio described in this notice, (ii) the type and format of the most useful report that the Treasury should receive on the performance of the Manager-of-Managers model and the individual managers under it, and (iii) the strategy for coordinating the individual managers.

X. ADDITIONAL ITEMS FOR MINORITY- AND WOMEN-OWNED OR CONTROLLED BUSINESSES

In identifying qualified minority- and women-owned or controlled Financial Institutions, the Treasury is not establishing a specific ownership percentage, nor a particular certification requirement, for qualification or disqualification. Financial Institutions owned or controlled, in whole or in part, by minorities or women, may answer the following additional items directly without regard to other external standards for defining minority or women-owned status.

1. Minority/Women Ownership. Identify the percent of the business that is either women-owned or minority-owned. As part of your answer, identify the percent of the voting interests that is actually and fully owned by women or minorities, and identify the percent of net profit and loss that actually and fully accrues to women or minorities.

2. Minority/Women Executive Management. If the day-to-day management or operation of your Financial Institution is actually and directly carried out by minorities or women, please identify all such executive and operational officers, their titles, and who they report to in the organization.

3. Certification. If your Financial Institution is currently certified as a minority- or women-owned business, identify the certifying entity and the certification type and issuance and expiration date.

Providing the information in this Section is voluntary. The information requested in this Section will not be used in the response evaluation. Congressional and other oversight bodies may request to review the information provided under this Section

XI. SELECTION PROCESS

The Treasury will evaluate the responses to this notice from all interested and qualified Financial Institutions, and will invite certain candidates to continue to the second phase of the financial agent selection process. The second phase, and subsequent phases, may be conducted under confidentiality agreements to facilitate information exchange, consistent with the public disclosure and transparency provisions of the Act. In the second phase, the prospective financial agents will provide additional information about their expertise, potential conflicts of interest, and corporate and ownership structures, as well as information on audited financial statements and filings, insurance and bonding, codes of conduct and ethics, asset management models and strategies, and references. This phase may include telephone conversations to allow questioning by and of the Treasury.

The Treasury will evaluate the responses from the second phase candidates, and will determine whether a candidate will continue to be considered. In this last stage, a Financial Institution may be required to conduct face-to-face discussions on portfolio scenarios, public policy goals, and statutory requirements, and to respond to interview questions to assess the capabilities of prospective individuals to be assigned to manage assets. Following any face-to-face meetings, the Treasury will make final selections of the Financial Institutions to be designated as asset managers.

Financial Institutions selected to be asset managers must sign a Financial Agency Agreement with the Treasury, a copy of which will be provided for review during the second stage of the selection process. The Financial Institution’s willingness to enter into the standard Financial Agency Agreement, with the established terms and conditions currently applied to financial agents of the United States, will be among the factors used in evaluating the Financial Institution.

The Treasury may, in its sole discretion, decide not to select all asset managers pursuant to this notice at the same time, but rather may select managers over time in a sequence that matches the Treasury’s project plans and portfolio needs as the CPP and other programs under the Act expand in scope.

The Treasury will notify the Financial Institution if its response to this notice is selected, rejected, or requires further information. However, the Treasury shall have no requirement to discuss the reasons, in either general or specific terms, or at any stage in the selection process, that the Financial Institution's response was not accepted or that the selection process may have been terminated.

The financial agent selection process may involve extremely short deadlines for submitting additional information, participating in conference calls, and for traveling to Washington, D.C. for meetings or interviews. Financial Institutions must be prepared to respond immediately during the selection process.

XII. DEADLINE AND SUBMISSION OF RESPONSE

To be considered to provide the services in this notice, the Financial Institution must submit its response by 5:00 p.m. ET on November 13, 2008.

The response must be submitted in PDF format via email to: assetmanager@do.treas.gov

Additional information about the Act and the programs established under it, which may help in writing a response, may be found at: http://www.treas.gov/initiatives/eesa

This notice includes the entirety of instructions and guidance for interested Financial Institutions to submit a response. Financial Institutions should not attempt to obtain additional information from officers, employees, or agents of the Treasury regarding this notice. No information gained from any such communication may be considered in any way binding or limiting on the Treasury.

The Treasury, in its sole discretion, may change the deadline for submission of responses.

The Treasury has no obligation to consider a response received after the deadline provided above. The only acceptable evidence of the time of receipt is the Treasury's time/date stamp on the response or other evidence of receipt maintained by the Treasury.

The Financial Institution, by submitting a response to this notice, warrants and represents that it understands and agrees to all terms of this notice and the selection process, including the following:

- The Treasury, in its sole discretion, will select Financial Institutions to perform the services in this notice, based on its determination of what is in the best interests of the United States.

- No communication, question, response, or clarification, whether oral or written, about the requirements of this notice shall in any way serve to limit the Treasury's complete and sole discretion in selecting a Financial Institution and in making decisions in connection with this notice.

- The Treasury may select, reject, or request additional clarifying information about a Financial Institution's response without further discussion with the Financial Institution.

Because the Treasury may select or reject the response without engaging in discussion, the Financial Institution must present its most favorable technical and pricing response.

XIII. RESPONSE FORMAT

The response must include a one-page cover letter, executed by a person legally authorized to represent the Financial Institution, that includes the following.

- The name, title, address, and office and cell phone numbers of the individual to receive communications from the Treasury.

- A certification statement that the Financial Institution (i) meets the organizational eligibility requirements of Section VI, (ii) meets the minimum qualifications in Section VII, (iii) understands and agrees to the terms and selection process set forth in this notice, (iv) understands and agrees to the confidentiality provisions in Section XVII, (v) understands and agrees that as a financial agent it will have a fiduciary duty to perform all services in the best interests of the United States, and (vi) is capable of providing the services identified in this notice.

The cover letter may be addressed to:

Gary Grippo
Deputy Assistant Secretary
Fiscal Operations and Policy
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

In addition to the cover letter, the response must include a document <u>not to exceed 20 one-sided pages</u>, in 12-point font with 1-inch margins, addressing all of the items in Section VIII above.

In addition to the cover letter and the document not to exceed 20 pages, the response should include, if applicable, a document <u>not to exceed three one-sided pages</u>, in 12-point font with 1-inch margins, addressing the items in Section IX for Manager-of-Managers and/or in Section X for minority- and women-owned or controlled businesses.

The response must not include any other documents or attachments. The response must not include any generic marketing or sales information, or rely on cross-references to other documents.

The response should be submitted as a single, consolidated PDF formatted file, including the cover letter, the document not to exceed 20 pages, and, if applicable, the document not to exceed three pages. Please include the name of your Financial Institution in either the

header or footer of each page of your response, and please include <u>only</u> the name of your Financial Institution in the subject line of your email submission.

XIV. EVALUATION OF RESPONSE

The Treasury's overarching objective in evaluating Financial Institution responses and selecting providers is to ensure that the portfolio is managed in the most ethical, transparent, accountable, and cost effective manner possible.

The Treasury will use the following non-exclusive factors in evaluating a Financial Institution's response:

- The value and rigor of the Financial Institution's ideas, recommendations, and insights.

- The qualifications of staff to be assigned to the Treasury.

- The Financial Institution's experience in managing and analyzing the types of assets and performing the types of services identified in this notice.

- The Financial Institution's existing infrastructural capabilities, or clear and credible evidence of the ability to implement necessary infrastructural capabilities, to support the services identified in this notice.

- The quality and cogency of the written response in answering the questions directly and supplying the most relevant information.

- The nature and extent of the Financial Institution's conflicts of interest and its ability to neutralize or mitigate such conflicts.

- The Financial Institution's overall financial and management stability.

- The Financial Institution's proposed fee schedule and all-in costs.

- The Financial Institution's willingness to enter into the standard Financial Agency Agreement, with the established terms and conditions currently applied to financial agents of the United States.

The Treasury will notify the Financial Institution if its response is selected, rejected, or requires further information. However, the Treasury shall have no requirement to discuss the reasons, in either general or specific terms, that the Financial Institution's response was not accepted or that the selection process may have been terminated.

XV. CONFLICTS OF INTEREST MITIGATION

Financial Institutions selected under this notice will be required to address and manage any actual or potential conflicts of interest to the satisfaction of the Treasury. Prior to entering into a

Financial Agency Agreement with the Treasury, the prospective Financial Institution will be required to provide the Treasury with sufficient information to evaluate any organizational or personal conflicts of interest. In addition, the Treasury and the Financial Institution must agree on a written mitigation plan documenting the actions or steps the Financial Institution will take to neutralize or mitigate conflicts identified by the Financial Institution or the Treasury, such as enacting and enforcing information barriers, being subject to certain transaction restrictions while in receipt of material, non-public information, or divesting assets that give rise to a conflict of interest. In addition, a Financial Institution that is selected under the notice will be subject to periodic certification requirements regarding its conflicts of interest as well as scheduled or ad hoc audits by the Treasury or designated representatives of the Treasury.

XVI. AUTHORITY

The Secretary of the Treasury has statutory authority to designate Financial Institutions as financial agents of the United States to perform reasonable duties as determined by the Secretary, pursuant to the Act. A Financial Institution, if designated to provide services pursuant to this notice, shall be financial agent of the United States, and not a contractor. Neither this notice, nor the services sought by the Treasury, is a procurement subject to the Federal Acquisition Regulation.

XVII. CONFIDENTIALITY

The Treasury considers any information provided to a Financial Institution in evaluating its response to this notice to be strictly confidential and must not be disclosed to any third party outside the Financial Institution's corporate organization, nor duplicated, used, or disclosed in whole or in part for any purpose other than to prepare a response. Under no circumstances shall any information received in connection with this notice be disclosed to any third party outside the Financial Institution's corporate organization without the express prior written consent of the Treasury.

In addition, if selected to provide services pursuant to this notice, a Financial Institution will be required to strictly safeguard and protect any confidential information received in its role as asset manager, and will be strictly limited to using such confidential information solely for the purposes of fulfilling its duties to the Treasury.

XVIII. RESERVATION OF RIGHTS

The release of this notice and the Treasury's receipt of any information or responses shall not, in any manner, obligate the Treasury to perform any act or otherwise incur any liabilities.

The Treasury assumes no obligation to reimburse or otherwise compensate a Financial Institution for expenses or losses incurred in connection with this notice.

The Treasury shall have the unlimited right to use, for any governmental purpose, any information submitted in connection with this notice.

The Treasury reserves the right to: (1) modify the requirements in this notice or withdraw this notice at any time; (2) decide not to select any Financial Institution; (3) reject a response without inviting the Financial Institution to submit a new response; (4) negotiate with and select any Financial Institution considered qualified; (5) request, orally or in writing, clarification of or additional information on a response; (6) waive minor informalities or irregularities, or a requirement of this notice; (7) accept any response in part or in total; and (8) reject a response that does not conform to the specified format or other requirements of this notice.

Any selection and designation of a financial agent pursuant to this notice shall be contingent upon and subject to availability of funding.