November 3, 2026

Emergency Capital Investment Program (ECIP) Disposition
Frequently Asked Questions (FAQs)

The following FAQs are being provided by the Federal Reserve System to address regulatory issues posed by ECIP security redemptions for banking organizations.

***1. Question*:** Eligible banking organizations that participated in the U.S. Treasury Emergency Capital Investment Program (ECIP) may seek to redeem outstanding senior perpetual non-cumulative preferred securities (ECIP securities) issued under the ECIP Securities Purchase Option Agreement (Option Agreement). In certain cases, a banking organization may elect to use a Mission Aligned Nonprofit Affiliate (MANA), as that term is defined under the Option Agreement, to facilitate the redemption of ECIP securities.[1] If a MANA acquires ECIP securities of the banking organization, is the MANA required to register as a bank holding company or savings and loan holding company or are there circumstances where an application may not be required?

***Answer*:** If the MANA acquires ECIP securities of a banking organization sufficient to control the banking organization under the Board's Regulation Y or Regulation LL, as applicable, then the MANA would become a bank holding company or savings and loan holding company, as applicable, even if the MANA only holds the ECIP securities for a moment in time.[2] One common circumstance where control due to acquisition of ECIP securities may arise is if the ECIP securities represent one-third or more of the total equity of the banking organization or 25 percent or more of a class of voting securities of the banking organization. If a MANA anticipates acquiring ECIP securities of a banking organization in an amount sufficient to control the banking organization, the MANA should contact the applicable Federal Reserve Bank to seek the prior approval of the Board to become a bank holding company or savings and loan holding company, as applicable.

However, if the MANA expects only to acquire the ECIP securities and sell them to the issuing banking organization within the same business day, the MANA may contact the applicable Federal Reserve Bank to seek confirmation from the General Counsel of the Federal Reserve Board that no regulatory purpose would be served by requiring the MANA to submit such an application and that therefore no application would be required. In assessing a request for a determination that no regulatory purpose would be served by an application, Board staff would consider, among other topics:

- The transaction steps for the transfer of ECIP securities, including the timing of each component of the transaction;
- Whether the ECIP securities are voting securities under the Board's Regulation Y or Regulation LL, as applicable, and the percentage of the total equity of the issuing banking organization the ECIP securities represent;
- The payments expected for each transfer of ECIP securities and the source of funds for such payments; and

[1] *See* Preferred Stock ECIP Securities Purchase Option Agreement (Draft) § 1.01, https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/emergency-capital-investment-program (last visited Oct. 21, 2026).
[2] *See* 12 CFR 225.2(e)(1) (bank holding companies) and 12 CFR 238.2(e) (savings and loan holding companies).

- The ongoing relationship, if any, between the banking organization and the MANA, including any joint activities, governance arrangements, and director and management interlocks.

A MANA or affiliated banking organization may contact the applicable Federal Reserve Bank with questions about obtaining such confirmation.

***2. Question*:** Eligible banking organizations that participated in the U.S. Treasury Emergency Capital Investment Program (ECIP) may seek to redeem outstanding senior perpetual non-cumulative preferred securities (ECIP securities) issued under the ECIP Securities Purchase Option Agreement (Option Agreement) using a Mission Aligned Nonprofit Affiliate (MANA), as that term is defined under the Option Agreement.[3] Are there any considerations that a banking organization should keep in mind with respect to its ongoing relationships with a MANA or the activities of the MANA?

***Answer*:** For purposes of the Bank Holding Company Act and Home Owners' Loan Act, a MANA would be a company and therefore could be a subsidiary of the banking organization if the banking organization controls the MANA.[4] A banking organization could control a MANA through various means, such as ownership of 25 percent or more of the voting securities of the MANA—if it is a stock entity—or the ability to control the election of the majority of the board of directors of the MANA. If a banking organization controls a MANA, the banking organization must ensure that the MANA only engages in activities that are permissible for a subsidiary of the banking organization under applicable law. A banking organization may be required to obtain prior approval for the activities of the MANA or to provide post notice, depending on the activities in which the MANA proposes to engage.[5]

***3. Question*:** Eligible banking organizations that participated in the U.S. Treasury Emergency Capital Investment Program (ECIP) may seek to redeem outstanding senior perpetual non-cumulative preferred securities (ECIP securities) issued under the ECIP Securities Purchase Option Agreement.[6] Is an eligible banking organization required to obtain the prior approval of the Board to redeem or repurchase ECIP securities?

Answer: Banking organizations may be subject to requirements to obtain prior approval from the Board to redeem ECIP securities. For example, bank holding companies may be required to obtain prior approval from the Board to redeem significant amounts of equity securities under the Board's Regulation Y.[7] A banking organization may consult with supervisory staff with any questions as to whether any approval is required to redeem ECIP securities.

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[3] *See* U.S. Dep't of the Treasury, *Emergency Capital Investment Program*, https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/emergency-capital-investment-program (last visited Oct. 21, 2026).
[4] *See* 12 CFR 225.2(e)(1) (bank holding companies) and 12 CFR 238.2(e) (savings and loan holding companies).
[5] *See, e.g.*, 12 CFR part 225, subparts C and I (bank and financial holding companies); 12 CFR part 238, subpart F (savings and loan holding companies).
[6] *See* U.S. Dep't of the Treasury, *Emergency Capital Investment Program*, https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/emergency-capital-investment-program (last visited Oct. 21, 2026).
[7] *See* 12 CFR 225.4(b).