

The Emergency Economic Stabilization Act of 2008 an Overview

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On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008 (the "Act") authorizing governmental intervention in the financial markets. The Act's central feature is its authorization of the Secretary of the Treasury (the "Secretary") to purchase up to \$700,000,000,000 of mortgages, securities based on or related to mortgages and such other financial instruments as the Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System (the "Board"), deems fit to purchase to promote financial market stability -- broadly defined as "troubled assets." Selected provisions of the Act are summarized below.