



OLA After SPOE/SPE

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Junk Heap
(receivership
estate)



Bridge Bank

Operating
Cos.

* A Parent Company
Under SPOE

Assets

- * Equity in Subs
- * Payables From Subs

Use

- * Secure Loan From FDIC
- * Forgive to Recapitalize Subs

The only source of liquidity for the entire group?

And an additional source of recapitalization for the group?

* Parent Company Assets in the Bridge

SEC. 210. POWERS AND DUTIES OF THE CORPORATION.

(n) Orderly Liquidation Fund.—

(6) Maximum obligation limitation.—The Corporation may not, in connection with the orderly liquidation of a covered financial company, issue or incur any obligation, if, after issuing or incurring the obligation, the aggregate amount of such obligations outstanding under this subsection for each covered financial company would exceed—

(A) an amount that is equal to 10 percent of the total consolidated assets of the covered financial company, based on the most recent financial statement available, during the 30-day period immediately following the date of appointment of the Corporation as receiver (or a shorter time period if the Corporation has calculated the amount described under subparagraph (B)); and

(B) the amount that is equal to 90 percent of the fair value of the total consolidated assets of each covered financial company that are available for repayment, after the time period described in subparagraph (A).

*The Limitations of
FDIC Lending

*The Chapter 11 Backstop

(Where is it?)

- * Chapter 11 was seen as lacking in AIG, so presumably it needs to change
- * At very least, need to harmonize with OLA
 - * Speed
 - * Swaps
 - * And Liquidity