

Capital infusion by the Treasury

The agreement the Treasury made with both GSEs specifies that in exchange for future support and capital investments of up to US\$ 100 billion in each GSE, at the inception of the conservatorship, each GSE shall issue to the Treasury US\$ 1 billion of senior preferred stock, with a 10% coupon, without cost to the Treasury.^{[6][28]} Also each GSE contracted to issue common stock warrants representing an ownership stake of 79.9%, at an exercise price of one-thousandth of a U.S. cent (\$ 0.00001) per share, and with a warrant duration of twenty years.^[29]