

Press Release

December 02, 2008

Federal Reserve announces the extension of three liquidity facilities through April 30, 2009

For immediate release

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In light of continuing strains in financial markets, the Federal Reserve on Tuesday announced the extension through April 30, 2009, of three liquidity facilities: the Primary Dealer Credit Facility (PDCF), the Asset-Backed Commercial Paper Money Market Fund Liquidity Facility (AMLF), and the Term Securities Lending Facility (TSLF). These facilities had previously been authorized through January 30, 2009.

The extension through April 30 for these facilities is consistent with the term authorized for several other liquidity-related facilities: the Commercial Paper Funding Facility (CPFF), the Money Market Investor Funding Facility (MMIFF), and the temporary reciprocal currency arrangements (swap lines) with 14 other central banks.

The PDCF provides discount window loans to primary dealers. The AMLF provides loans to depository institutions to purchase asset-backed commercial paper from money market mutual funds. Under the TSLF, the Federal Reserve Bank of New York auctions term loans of Treasury securities to primary dealers. The CPFF provides a liquidity backstop to U.S. issuers of commercial paper. The MMIFF supports a private-sector initiative to provide liquidity to U.S. money market investors.

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