

Press Release

September 21, 2008

Board approves, pending a statutory five-day antitrust waiting period, the applications of Goldman Sachs and Morgan Stanley to become bank holding companies

For release at 9:30 p.m. EDT

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The Federal Reserve Board on Sunday approved, pending a statutory five-day antitrust waiting period, the applications of Goldman Sachs and Morgan Stanley to become bank holding companies.

To provide increased liquidity support to these firms as they transition to managing their funding within a bank holding company structure, the Federal Reserve Board authorized the Federal Reserve Bank of New York to extend credit to the U.S. broker-dealer subsidiaries of Goldman Sachs and Morgan Stanley against all types of collateral that may be pledged at the Federal Reserve's primary credit facility for depository institutions or at the existing Primary Dealer Credit Facility (PDCF); the Federal Reserve has also made these collateral arrangements available to the broker-dealer subsidiary of Merrill Lynch. In addition, the Board also authorized the Federal Reserve Bank of New York to extend credit to the London-based broker-dealer subsidiaries of Goldman Sachs, Morgan Stanley, and Merrill Lynch against collateral that would be eligible to be pledged at the PDCF.

Last Update: September 22, 2008