

# Press Release

December 19, 2008

## Federal Reserve releases revised information detailing operational aspects of Term Asset-Backed Securities Loan Facility (TALF)

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The Federal Reserve Board on Friday released revised terms and conditions and questions and answers detailing operational aspects of the Term Asset-Backed Securities Loan Facility (TALF). The revised terms and conditions were determined after consultation with asset-backed securities (ABS) issuers, investors, and dealers, and include an extension of the TALF loan maturity from one to three years and additional specification of eligible ABS collateral. In addition, to provide more certain investor access, TALF loans will be provided to all eligible borrowers with eligible collateral rather than distributed through an auction. The documents will be subject to further refinement in coming weeks based on continued market analysis and consultation and on clarification of operational details.

The Board authorized the TALF on November 24, 2008 under [section 13\(3\) of the Federal Reserve Act](#). The TALF is designed to increase credit availability and support economic activity by facilitating renewed issuance of consumer and small business asset-backed securities (ABS). The ABS markets historically have funded a substantial share of consumer credit and SBA-guaranteed small business loans, but conditions in ABS markets have caused issuance of such securities to come to a standstill in recent months.

Under the TALF, the Federal Reserve Bank of New York will finance the purchase of eligible ABS by investors. The TALF will finance only certain newly issued, highly rated ABS collateralized by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration.

[Terms and conditions](#) 

[Frequently asked questions](#) 

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