

Asset Backed Commercial Paper (ABCP) Money Market Mutual Fund (MMMF) Liquidity Facility Terms and Conditions

Last Updated: February 5, 2010

Please note: The AMLF program commenced operations on September 22, 2008 and expired on February 1, 2010.

The terms and conditions under which the Federal Reserve Bank of Boston (FRBB) will administer the Asset-Backed Commercial Paper (ABCP) Money Market Mutual Fund Liquidity Facility (AMLF or, "the Facility") are listed below and are subject to change.

Advances

Eligible borrower ("Borrower") may secure advances from the Facility by completing an ABCP Liquidity Facility Document Package which can be obtained from the Discount Window website at www.frbdiscountwindow.org. If Borrower does not currently have lending documentation on file with their local Administrative Reserve Bank, Borrower must complete an Authorizing Resolutions for Borrowers signed by the board of directors of the institution and have an official authorized under that resolution sign the Letter of Agreement. Depository institutions that currently have an Operating Circular 10 resolution on file with their local Administrative Reserve Bank do not need to execute a new resolution in order to participate in the AMLF. Effective June 26, 2009, any borrowers that had accessed AMLF prior to that date must have an official authorized under the resolution sign FRBB's Revised Certification governing ABCP eligibility prior to any new extension of credit under the AMLF.

Borrower Eligibility

All U.S. depository institutions, U.S. bank holding companies (parent companies incorporated in the U.S. or their U.S. broker-dealer subsidiaries), or U.S. branches and agencies of foreign banks are eligible to borrow under this facility pursuant to the discretion of the FRBB.

Advance Maturity

The maturity date of an advance will equal the maturity date of the eligible ABCP pledged to secure the advance made under this Facility.

Eligible Collateral

ABCP Collateral eligible for pledge under the Facility must meet the following criteria:

1. was purchased by Borrower on or after September 19, 2008 from a registered investment company that holds itself out as a money market mutual fund;
2. was purchased by Borrower at the Fund's acquisition cost as adjusted for amortization of premium or accretion of discount on the ABCP through the date of its purchase by Borrower;
3. is rated at the time pledged to FRBB, not lower than A1, F1, or P1 nor identified as on "negative watch" by any major rating agency;
4. was issued by an entity organized under the laws of the United States or a political subdivision thereof under a program that was in existence and actively issuing eligible ABCP directly to market investors on September 18, 2008;
5. has a stated maturity that does not exceed 120 days if the Borrower is a bank holding company or 270 days if Borrower is a depository institution; and
6. was purchased by Borrower from a Fund that has experienced either a) single day net redemptions that exceeded 5 percent or more of the Fund's net assets on any day during the 5-business day period prior to the request for the Advance, or b) multiple day net redemptions over a consecutive period of 5-business days or less (the Redemption Period) that exceeded 10 percent or more of the Fund's net assets (The request for Advance must occur within 5-business days of the end of the

Redemption Period). Borrower shall provide to FRBB appropriate certification by the Fund's Transfer Agent confirming such net outflows as set forth below.

Failure to meet any of the foregoing requirements may, at the discretion of FRBB, void the non-recourse provisions relating to the non-conforming ABCP, i.e. FRBB's rights shall be full recourse to Borrower with respect to that portion of any Advance equal to the Amortized Cost of the non-conforming ABCP, and may, at the discretion of FRBB, result in Borrower's disqualification from participating in the AMLF.

Certification by Fund's Transfer Agent and Calculation of Fund Net Asset Levels

In support of Borrower's assertion that ABCP Collateral meets the net redemption eligibility criteria described above, each request for an advance from the AMLF shall include information confirming net redemption levels as indicated by end of day net asset levels of the Fund over the applicable period. Net asset levels should be reported at the consolidated fund level. Fluctuations in the size of individual share classes of a Fund will not be considered in determining whether ABCP from the Fund is eligible for pledge to the AMLF.

Additionally, as verification of the net asset levels reported in the borrowing request, Borrower shall submit a certification from each Fund's Transfer Agent confirming the end of day shares outstanding for each of the prior 10 business days.

Rate

Advances made under the Facility will be made at a rate equal to the primary credit rate in effect at the Boston Fed offered to depository institutions at the time the advance is made.

Fees

There are no special fees associated with the Facility.

Custody Rules and Arrangement

The ABCP must be transferred to the Boston Fed's restricted account at the Depository Trust Company (DTC) before an advance, collateralized by that ABCP, will be approved.

Collateral Valuation

The collateral valuation will be the amortized cost (as defined in the Letter of Agreement) of the eligible ABCP pledged to secure an advance. This amount will not be margin adjusted.

Advance Size

Each advance shall be in a principal amount equal to the amortized cost of the ABCP pledged to secure the advance.

Non-Recourse

Advances made under the Facility are made without recourse, provided the requirements in the Letter of Agreement, the Certification, and these Terms and Conditions are met.

Program Termination

No new credit extensions will be made after February 1, 2010, unless the Facility is extended by the Board of Governors of the Federal Reserve System.

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