

Board of Governors of the Federal Reserve System

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Press Release



Release Date: February 10, 2009

For release at 11:00 a.m. EST

The Federal Reserve Board on Tuesday announced that it is prepared to undertake a substantial expansion of the Term Asset-Backed Securities Loan Facility (TALF). The expansion could increase the size of the TALF to as much as \$1 trillion and could broaden the eligible collateral to encompass other types of newly issued AAA-rated asset-backed securities, such as commercial mortgage-backed securities, private-label residential mortgage-backed securities, and other asset-backed securities. An expansion of the TALF would be supported by the provision by the Treasury of additional funds from the Troubled Asset Relief Program.

The Board's objective in expanding the TALF would be to provide additional assistance to financial markets and institutions in meeting the credit needs of households and businesses and thus to support overall economic growth in the current period of severe financial strains. Decisions concerning the expansion of the TALF, which will be made in consultation with the Treasury Department, will draw on initial experience in administering the program and the Board's assessment of the likely effectiveness of possible enhancements to the program in advancing its broad economic goals.

Under the current specification of the TALF, the Federal Reserve Bank of New York will lend to eligible owners of certain AAA-rated asset-backed securities (ABS). The Federal Reserve had previously announced that it would accept AAA-rated asset-backed securities backed by newly and recently originated auto loans, credit card loans, student loans, and SBA-guaranteed small business loans as collateral for TALF loans. The date that the TALF will commence operations will be announced later this month.

Related Press Releases

[Federal Reserve announces the creation of the Term Asset-Backed Securities Loan Facility \(TALF\)](#)

November 25, 2008

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

December 19, 2008

[Federal Reserve releases additional terms and conditions of the Term Asset-Backed Securities Loan Facility \(TALF\)](#)

February 6, 2009

Other Related Information

[Remarks by Treasury Secretary Geithner on the introduction of the Financial Stability Plan](#)

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[Fact Sheet--Financial Stability Plan \(72 KB PDF\)](#)

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