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Press Release



Release Date: December 4, 2009

For immediate release

The Federal Reserve Board on Friday announced the adoption of a final rule that would establish a process by which the Federal Reserve Bank of New York may determine the eligibility of credit rating agencies for the Term Asset-Backed Securities Loan Facility (TALF).

The rule establishes criteria for determining the eligibility of agencies to issue credit ratings on asset-backed securities (ABS), other than those backed by commercial real estate, to be accepted as collateral for the TALF. The criteria include registration as a nationally recognized statistical rating organization (NRSRO) with the Securities and Exchange Commission and experience issuing credit ratings specific to the types of assets accepted as collateral in the TALF. The final rule is substantively the same as the proposed rule announced on October 5, 2009.

The rule is intended to promote competition among NRSROs and ensure appropriate protection against credit risk for the U.S. taxpayer. The set of NRSROs that become eligible under the new criteria will take effect with the February 2010 TALF subscription.

The TALF, authorized by the Board on November 24, 2008, helps market participants meet the credit needs of households and businesses by lending to investors in highly rated ABS and commercial mortgage-backed securities.

The *Federal Register* notice is attached.

Federal Register notice: [HTML](#) | [57 KB PDF](#)

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