

# Press Release

## FEDERAL RESERVE press release



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**For release at 10:00 a.m. EDT**

The Federal Reserve on Thursday announced schedules for operations under the Term Auction Facility (TAF) and the Term Securities Lending Facility (TSLF) through January 2010 and other information related to those facilities.

These schedules are consistent with the intention indicated in the Federal Reserve's June 25 press release to gradually scale back these facilities in response to continued improvements in financial market conditions.

The schedules also take account of the possibility that market pressures could be heightened over year-end. As noted in previous announcements, the Federal Reserve remains prepared to expand its liquidity operations more generally should financial market conditions deteriorate materially.

Schedules are attached.

### **Term Auction Facility**

Under the TAF facility, to date the Federal Reserve has reduced offered amounts from a peak of \$150 billion per auction to \$75 billion per auction as conditions in short-term funding markets have continued to improve. Under the schedules announced Thursday, the Federal Reserve will continue to offer \$75 billion per 28-day auction through January in order to ensure that an adequate volume of funding is available in the period leading up to year-end and over year-end. Reductions in the sizes of those 28-day operations are expected to resume early next year. The amounts offered under the existing cycle of auctions of 84-day funds will be reduced to \$50 billion effective in October and to \$25 billion in November and December, and the maturities of those operations will be reduced. The purpose of shortening the maturities is to align the maturity dates of those operations with the maturities in the cycle for 28-day funds. With the completion of that transition, the auction schedule will be converted by early next year to a single cycle of 28-day funds offered every 28 days.

Over the next several months, the Federal Reserve will assess whether to maintain a TAF on a permanent basis and will publish a request for public comment on a range of possible structures for a permanent TAF.

### **Term Securities Lending Facility**

As announced on June 25, the Federal Reserve has discontinued Schedule 1 TSLF operations and TSLF Options Program operations. It has also reduced the frequency and size of its Schedule 2 TSLF operations. Consistent with recent further improvements in conditions in secured financing markets, the amounts offered in TSLF auctions will be scaled back further from their current size of \$75 billion. As indicated in the attached schedule, TSLF offerings will be reduced to \$50 billion in the October auction and to \$25 billion in the November, December, and January auctions in the current 28-day cycle of auctions.

### **TAF Auction Schedule**

<b>Auction Date</b>	<b>Term (Days)</b>	<b>Auction Amount</b>	<b>Settlement Date</b>	<b>Maturity Date</b>
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October 5	70	\$50 Billion	October 8	December 17
October 19	28	\$75 Billion	October 22	November 19
November 2	70	\$25 Billion	November 5	January 14, 2010
November 16	28	\$75 Billion	November 19	December 17
November 30	42	\$25 Billion	December 3	January 14, 2010
December 14	28	\$75 Billion	December 17	January 14, 2010
January 11, 2010	28	\$75 Billion	January 14, 2010	February 11, 2010

**TSLF Auction Schedule (All Schedule 2)**

<b>Auction Date</b>	<b>Term (Days)</b>	<b>Auction Amount</b>	<b>Settlement Date</b>	<b>Maturity Date</b>
October 8	28	\$50 Billion	October 9	November 6
November 5	28	\$25 Billion	November 6	December 4
December 3	35	\$25 Billion	December 4	January 8, 2010
January 7, 2010	28	\$25 Billion	January 8, 2010	February 5, 2010