

Press Release

September 19, 2008

Federal Reserve Board announces two enhancements to its programs to provide liquidity to markets

For release at 8:30 a.m. EDT

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The Federal Reserve Board on Friday announced two enhancements to its programs to provide liquidity to markets. One initiative will extend non-recourse loans at the primary credit rate to U.S. depository institutions and bank holding companies to finance their purchases of high-quality asset-backed commercial paper (ABCP) from money market mutual funds. This should assist money funds that hold such paper in meeting demands for redemptions by investors and foster liquidity in the ABCP markets and broader money markets.

To further support market functioning, the Federal Reserve also plans to purchase from primary dealers federal agency discount notes, which are short-term debt obligations issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

[Asset-Backed Commercial Paper \(ABCP\) Money Market Mutual Fund \(MMMF\) Liquidity Facility \(AMLF\) !\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\)](#)

[Statement regarding planned purchases of agency debt !\[\]\(17413706fd4997a1a4bdf85c6864eee1_img.jpg\)](#)

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