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## Hunt for high yields bolsters Maiden Lane III

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### Summary

It is not just corporate America that is benefiting from investors' hunt for yield. The Federal Reserve Bank of New York has been another beneficiary. Last week it successfully sold two large bundles of commercial real estate securities with a combined original face value of \$7.5bn. These collateralised debt obligations, known as the "Max" deals, are securities that were at the heart of the financial crisis and the bail-out of AIG, the insurer. In November 2008, with a loan from the New York Fed and equity from AIG, a special vehicle called Maiden Lane III bought them and other mortgage debt as part of AIG's rescue.

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