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PRESS RELEASE

New York Fed to Sell Maiden Lane II Assets in Competitive Process over Time

March 30, 2011

The Federal Reserve today announced that it has declined American International Group's (AIG) offer to purchase all of the assets in Maiden Lane II LLC (MLII).

After careful review, the Federal Reserve Bank of New York (New York Fed) and the Board of Governors of the Federal Reserve System (Board) judged that the public interest in maximizing returns from any sale and promoting financial stability would be better served by an alternative approach to realizing value that is also more consistent with normal market practice.

In light of improved conditions in the secondary market for non-agency residential mortgage backed securities (RMBS), and a high level of interest by investors, the Federal Reserve believes that conditions are right for ML II to begin more extensive asset sales while taking appropriate care at all times to avoid market disruption. In light of this decision, the New York Fed has changed the investment management objective for ML II consistent with such sales.

The New York Fed, through its investment manager, BlackRock Solutions will dispose of the securities in the ML II portfolio individually and in segments over time as market conditions warrant through a competitive sales process. There will be no fixed timeframe for the sales and at each stage the Federal Reserve will only transact if the best available bid represents good value for the public.

Offering the Maiden Lane securities for sale individually and in segments rather than as a single block will give a larger set of investors opportunity to bid for the assets. The Federal Reserve believes that this will maximize sale proceeds while also reducing the likelihood that any one institution ends up with concentrated exposure to these assets.

BlackRock Solutions will offer the securities for sale using the standard bid list process in the secondary market for RMBS securities. The bid list process involves marketing a list of securities from the portfolio via multiple broker dealers to obtain the best available price for each security.

Over time, the Federal Reserve will also entertain investor inquiries to acquire specific parcels of securities where these offer superior value, though no such bid will be accepted without being put into competition with other interested investors. In such cases, investors may submit offers for parcels of securities directly (without necessarily going through a dealer.)

BlackRock Solutions is expected to circulate the first bid list sale early next week. Inquiries relating to the sales process can be made at ML2inquiries@blackrock.com. In keeping with the Federal Reserve's commitment to enhanced transparency information will be released as soon as is practicable, while preserving the effectiveness of the asset disposition process.

The New York Fed already publishes on its website a list of all the securities in its portfolio. In order to allow the public to track progress on asset dispositions, the New York Fed will provide monthly updates on portfolio holdings and a list of the securities sold within the prior month. In addition, it will provide quarterly updates on total proceeds from sales, and the total amount purchased by each counterparty. Finally, the New York Fed will provide further details regarding these transactions, including an account showing the acquirer and the price paid for each individual security three months after the last asset is sold, ensuring timely accountability without jeopardizing the ability to generate maximum sale proceeds for the public.

For more information visit Maiden Lane II LLC, including the most recent holdings report as of February 28th, 2011, visit Maiden Lane II LLC.

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