

## Press Release

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January 12, 2009

### Federal Reserve will offer \$150 billion in 28-day credit through its Term Auction Facility today

For release at 10:00 a.m. EST

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On January 12, 2009, the Federal Reserve will offer \$150 billion in 28-day credit through its Term Auction Facility. Additional information regarding the auction is listed below; the auction will be conducted as specified in this announcement, Regulation A, and the terms and conditions of the Term Auction Facility ([www.federalreserve.gov/monetarypolicy/taf.htm](http://www.federalreserve.gov/monetarypolicy/taf.htm)).

Today's auction incorporates a change in the method for setting the minimum bid rate. The minimum bid rate will now be set at a level equal to the rate of interest that banks earn on excess reserve balances, currently 0.25 percent. Previously, the minimum bid rate for TAF auctions had been determined based on a measure of the averaged expected overnight federal funds rate over the term of the credit being auctioned.

#### Description of Offering and Auction Parameters

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Offering Amount:                      | \$150 billion                         |
| Term:                                 | 28-day loan                           |
| Bid Submission Date:                  | January 12, 2009                      |
| Opening Time:                         | 11:00 a.m. EST                        |
| Closing Time:                         | 12:30 p.m. EST                        |
| Notification Date:                    | January 13, 2009                      |
| Settlement Date:                      | January 15, 2009                      |
| Maturity Date:                        | February 12, 2009                     |
| Minimum Bid Amount (per bid):         | \$5 million                           |
| Bid Increment:                        | \$100,000                             |
| Maximum Bid Amount (per institution): | \$15 billion (10% of Offering Amount) |
| Minimum Bid Rate:                     | 0.25 percent                          |
| Incremental Bid Rate:                 | 0.001 percent                         |
| Minimum Award:                        | \$10,000                              |
| Maximum Award:                        | \$15 billion (10% of Offering Amount) |

#### Submission of Bids

Participants must submit bids by phone to their local Reserve Bank between the opening time and closing time on the bid submission date.

#### Notification

Summary auction results will be published on the website of the Board of Governors of the Federal Reserve System ([www.federalreserve.gov/monetarypolicy/taf.htm](http://www.federalreserve.gov/monetarypolicy/taf.htm)) at approximately 10:00 a.m. EST on the notification date. Between 10:00 a.m. and 11:30 a.m. EST on the notification date, Reserve Banks will notify individual institutions in their districts that have submitted winning bids of their awards. Participants have until 12:30 p.m. EST on the notification date to inform their local Reserve Bank of any error.

**Rounding Convention**

Pro rata awards will be rounded to multiples of \$10,000. Normal rounding convention will be used, except that awards under \$10,000 will be rounded to \$10,000.

Last Update: January 12, 2009