

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Announces Supplementary Financing Program

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Washington - The Federal Reserve has announced a series of lending and liquidity initiatives during the past several quarters intended to address heightened liquidity pressures in the financial market, including enhancing its liquidity facilities this week. To manage the balance sheet impact of these efforts, the Federal Reserve has taken a number of actions, including redeeming and selling securities from the System Open Market Account portfolio.

The Treasury Department announced today the initiation of a temporary Supplementary Financing Program at the request of the Federal Reserve. The program will consist of a series of Treasury bills, apart from Treasury's current borrowing program, which will provide cash for use in the Federal Reserve initiatives.

Announcements of and participation in auctions conducted under the Supplementary Financing Program will be governed by existing Treasury auction rules. Treasury will provide as much advance notification as possible regarding the timing, size, and maturity of any bills auctioned for Supplementary Financing Program purposes.

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