

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Enters into Agreement to Assist the Reserve Fund's US Government Money Market Fund

11/20/2008

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The fund, which Treasury accepted into its [temporary guarantee program for money market funds](#), has not made a claim to Treasury under the program. In a separate agreement with the fund, the Treasury has agreed to serve as a buyer of last resort for the fund's securities, which consist of short-term U.S. government and government sponsored enterprise securities.

This action is being taken to ensure that the fund is liquidated in an orderly and timely fashion.

The agreement grants the fund a 45-day period where it will continue to sell assets at or above their amortized cost. At the conclusion of this period, Treasury's Exchange Stabilization Fund will purchase any remaining securities at amortized cost, up to an amount required to ensure that each shareholder receives \$1 for every share they own.

This extraordinary action is in response to the unique situation of the money market fund. This fund was permitted to suspend share redemptions as of September 17, in accordance with an order issued by the Securities and Exchange Commission.

No other funds participating in Treasury's temporary guarantee program received a similar order from the SEC. Because of this, Treasury does not foresee a need to take similar actions with regard to any other funds participating in Treasury's temporary guarantee program.

Treasury's agreement with the fund requires the fund's adviser and its trustees to waive their fees accrued after November 19 to the extent that fund shareholders do not receive distributions of \$1 per share.

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REPORTS

- [Letter Agreement](#)