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GE Used New Fed Commercial-Paper Funding Facility (Update1)

By Rachel Layne - October 27, 2008 17:14 EDT

Oct. 27 (Bloomberg) -- [General Electric Co.](#), the biggest U.S. issuer of commercial paper, said it accessed the new short-term funding facility the Federal Reserve introduced as part of an effort to ease the credit crisis.

The parent company and its GE Capital finance units registered as users of the Fed's Commercial Paper Funding Facility last week to show support for the central bank's new program. GE will determine how much to issue based on commercial-paper buyers' need for liquidity, the company said last week when it announced plans to test the program.

The Fed is seeking to stem the credit-market seizure and revive demand for commercial paper, the short-term borrowing that companies use to finance day-to-day operations, by offering to buy 90-day debt of top-rated companies at a rate of 2.88 percent. GE, a direct issuer, continued to sell paper without interruption as it has throughout the crisis, Wilkerson said.

"As we indicated, this was our plan," [Russell Wilkerson](#), a spokesman for the Fairfield, Connecticut-based company, said in an interview today. "We followed through on that." GE isn't disclosing the amount, Wilkerson said.

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