

Commercial Paper Funding Facility (CPFF)

Sponsor: Federal Reserve Bank of New York (FRBNY)

Summary: Purchase of CP by FRBNY

- Through an SPV
- Program managed by PIMCO
- Federal Reserve lending to the SPV at federal funds rate, secured by CP
- Sales through FRBNY primary dealers
- 10 bp facility fee payable with application (assessed on max. issuer limit)

Current Lending (June Report):

- May 27, 2009: \$149 billion

Application:

http://www.newyorkfed.org/markets/CPFF_Reg_and_Certification.pdf

Key Dates

Program Date: October 27, 2008

**Last Purchase Date – Extended to
February 1, 2010
(from October 30, 2009)**

Last Funding Date:
Maturity of Outstanding CP

Eligible Commercial Paper

- 3-month U.S. dollar-denominated CP directly from eligible issuers
- Lending rate (discount): 3-month overnight index swap rate; 300 bp for ABCP and 100 bp for unsecured CP
- 100 bp surcharge for unsecured CP unless acceptable collateral is posted
- Per issuer limit: greatest amount CP outstanding on any day between Jan 1 – Aug 31, 2008. Reduced by amount of CP held by other investors on date of CFPP investment
- Rating: at least A1/P1/F1 by a major NRSRO; if rated by multiple NRSROs, at least A1/P1/F1 by two or more major NRSROs
- No extendible CP; Not interest bearing CP
- Note: Unsecured fee will be charged prior to the TLGP opt-out date; institutions remaining in the program will be reimbursed

Eligible Issuers

- U.S. issuers
- U.S. issuers with a foreign parent
- Not municipalities

Collateral

- Endorsement or guarantee satisfactory to the Federal Reserve
- Issuer provides collateral arrangements satisfactory to the FRBNY
- Issuer otherwise provides security satisfactory to the FRBNY
- Participation in FDIC's TLGP

Mortgage-Related Purchase Programs

Sponsor: Federal Reserve

Summary: Support GSEs and mortgage market

- Two programs to support Fannie Mae, Freddie Mac and the Federal Home Loan Banks and to support mortgage lending by increasing secondary market liquidity
- Created because spreads on GSE debt and GSE-guaranteed MBS had widened

Current Holdings (June Report):

- As of May 27, 2009:
Agency Securities: \$80 billion
GSE MBS: \$428 billion

Key Dates

Start date GSE obligations:
week of December 1, 2008

Start date GSE-guaranteed MBS:
4Q 08 or 1Q 09

Duration: Over several quarters

GSE Direct Obligation Purchase Program

- Federal Reserve primary dealers will purchase direct obligations of Fannie Mae, Freddie Mac and FHLBs
- \$100 billion
- Competitive auction process

Mortgage-backed Asset Purchase Program

- Purchase of MBS guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae
- Fed will hire asset managers to conduct purchases
- \$500 billion
- Program structure to be developed with industry input