

Money Market Investor Funding Facility (MMIFF)

Sponsor: Federal Reserve Bank of New York

Summary: SPVs will purchase money market instruments

- Funded by FRBNY recourse loans – up to \$600 billion authorization
- Sales of eligible assets at amortized cost
- Issue ABCP with a rate of return 25 bps below asset rate

Key Information

**Last Purchase Date:
October 30, 2009**

This program was not extended on June 25, 2009 when other liquidity programs were extended.

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Eligible Investors (list expanded January 7, 2009)

- U.S. 2a-7 money market mutual funds
- U.S.-dollar denominated cash collateral reinvestment fund, account or portfolio associated with securities lending transactions that is managed or owned by a U.S. bank, insurance company, pension fund, trust company, or SEC registered investment adviser
- Funds managed or owned by a U.S. bank, insurance company, pension fund, trust company, SEC-registered investment advisory or a U.S. state or local government entity, if the fund is required to:
 1. maintain a dollar-weighted average portfolio maturity of 90 days or less
 2. hold the fund's assets until maturity under usual circumstances, and
 3. hold only assets that, at the time of purchase, have a long-term rating of A (or equivalent) or above by an NRSRO or a short-term rating of A-2 (or equivalent) or above by an NRSRO, or that are the credit equivalent thereof.

Eligible Assets

- U.S. dollar-denominated, Minimum size of \$250,000
- Date of sale yield at least 60 bps above the primary credit rate
- Certificates of deposit, bank notes and CP maturing within 90 days
- 15% issuer concentration limit (20% at start up)
- New purchases cease upon issuer downgrade

Structure

- Each SPV will have 10 designated financial institution issuers
- Initially 5 SPVs will be formed
- SPV will issue ABCP with a short-term debt rating of at least A-1/P-1/F1 from 2 or more NRSROs to the investors which will absorb the first 10% of losses
- New York Fed will lend to the SPV 90% of the purchase price of each eligible asset, on an overnight basis at the primary credit rate
- Payments on purchased investments (1) repay New York Fed, (2) repay ABCP, (3) up to 25bp excess spread to investors (4) remainder to New York Fed

Asset Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)

Sponsor: Federal Reserve Bank of Boston

Summary: Facilitate purchases of ABCP from money market mutual funds

- Eligible borrowers borrow funds from the AMLF
- To fund purchase of ABCP from money market mutual funds
- Loans made at the primary credit rate on date of loan

New Rules (Effective after June 25, 2009):

- A money market mutual fund must experience material outflows (at least 5% of net assets in one day or 10% of net assets within the prior 5 business days) before it can sell ABCP eligible collateral for AMLF loans
- Any eligible ABCP purchased can be pledged at any time within the five business days following the date that the threshold level of redemptions was reached

June Monthly Report Statistics:

- Daily average borrowings for May 2009: \$26 billion

Key Dates

Start date:
September 19, 2008

**Last extension of credit:
February 1, 2010**

**(extended from
October 30, 2009)**

Eligible Borrowers:

- U.S. depository institutions
- U.S. BHCs
- U.S. branches and agencies of foreign banks

Loan Term:

- 270 days for non-depository institution borrowers
- 120 days for depository institution borrowers

Eligible ABCP Collateral:

- Purchased under program in place before Sept 18, 2008 and purchased on or after Sept 19, 2008 from a 2a-7 money market mutual fund
- Purchased by borrower at amortized cost
- Rated at the time pledged not less than A1/F1/P1 by two or more NRSROs or top category of one NRSRO