

Press Release

FEDERAL RESERVE press release



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The Federal Reserve Board on Thursday announced that the set of eligible collateral for loans extended by the Term Asset-Backed Securities Loan Facility (TALF) is being expanded to include four additional categories of asset-backed securities (ABS):

- ABS backed by mortgage servicing advances
- ABS backed by loans or leases relating to business equipment
- ABS backed by leases of vehicle fleets
- ABS backed by floorplan loans

Mortgage servicing advances are loans extended by residential mortgage servicers to cover payments missed by homeowners. Accepting ABS backed by mortgage servicing advances should improve the servicers' ability to work with homeowners to prevent avoidable foreclosures. The additional new ABS categories complement the consumer and small business loan categories that were already eligible--ABS backed by auto loans (including auto floorplan loans), credit cards loans, student loans, and SBA-guaranteed small business loans.

The new categories of collateral will be eligible for the April TALF funding. Additional details on the April funding will be released on March 24. Subscriptions for the April funding will be accepted on April 7, and those loans will settle on April 14.

The subscription period for the first TALF funding ends today. The requested loans will settle on March 25.

The Board authorized the TALF on November 24, 2008, under section 13(3) of the Federal Reserve Act. Under the TALF, the Federal Reserve Bank of New York extends three-year loans secured by AAA-rated ABS backed by newly and recently originated loans.

On February 10, 2009, the Board announced that it is prepared to undertake a significant expansion of the TALF. Today's announcement marks the first step in that expansion; a number of other asset classes are under review.

A new term sheet and a revised frequently-asked-questions document are attached.

[Terms and conditions](#)

[Frequently asked questions](#)