

Press Release

FEDERAL RESERVE press release



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For immediate release

The Federal Reserve Board on Monday proposed amendments to Regulation D (Reserve Requirements of Depository Institutions) that would enable the establishment of a term deposit facility.

Under the proposal, the Federal Reserve Banks would offer interest-bearing term deposits to eligible institutions through an auction mechanism. Term deposits would be one of several tools that the Federal Reserve could employ to drain reserves to support the effective implementation of monetary policy.

This proposal is one component of a process of prudent planning on the part of the Federal Reserve and has no implications for monetary policy decisions in the near term.

Public comments will be accepted on the proposal for 30 days after publication in the *Federal Register*, which is expected shortly. The *Federal Register* notice is attached.

Federal Register notice: [HTML](#) | [59 KB PDF](#)