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Press Release

January 07, 2009

Federal Reserve announces changes to Money Market Investor Funding Facility (MMIFF)

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The Federal Reserve Board on Wednesday announced two changes to the Money Market Investor Funding Facility (MMIFF).

First, the set of institutions eligible to participate in the MMIFF was expanded from U.S. money market mutual funds to also include a number of other money market investors. The newly eligible participants include U.S.-based securities-lending cash-collateral reinvestment funds, portfolios, and accounts (securities lenders); and U.S.-based investment funds that operate in a manner similar to money market mutual funds, such as certain local government investment pools, common trust funds, and collective investment funds. The possibility that the set of eligible investors would be expanded beyond money market mutual funds to include other money market investors was noted when the program was first announced on October 21, 2008.

Second, the Board authorized the adjustment of several of the economic parameters of the MMIFF, including the minimum yield on assets eligible to be sold to the MMIFF, to enable the program to remain a viable source of backup liquidity for money market investors even at very low levels of money market interest rates.

The Board authorized the MMIFF on October 21, 2008 under [section 13\(3\) of the Federal Reserve Act](#). The MMIFF became operational on November 24, 2008. The MMIFF is designed to serve as a source of

liquidity to money market mutual funds and other eligible money market investment vehicles, thereby increasing their ability to meet redemption requests and their willingness to invest in money market instruments, particularly term money market instruments. Under the MMIFF, the Federal Reserve Bank of New York provides a credit facility to a series of special purpose vehicles (SPVs) established by the private sector. The SPVs will purchase certain U.S. dollar-denominated, highly rated, short-term certificates of deposit, bank notes, and commercial paper from eligible money market investors.

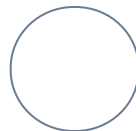
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Last Update: January 07, 2009



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