

## 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)

**Application:** [http://www.newyorkfed.org/markets/CPFF\\_Reg\\_and\\_Certification.pdf](http://www.newyorkfed.org/markets/CPFF_Reg_and_Certification.pdf)

### Key Dates

Program Date:  
October 27, 2008

Last Purchase Date: April 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

## 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:  
April 30, 2009 (unless 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 advisor
- Funds managed or owned by a U.S. bank, insurance company, pension fund, trust company, SEC-registered investment advisor 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

### Key Dates

Start date: September 19, 2008

Last extension of credit: April 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