



Yale SCHOOL OF MANAGEMENT
Program on Financial Stability

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Resource Library

1-12-2009

Federal Reserve Auction in Term Auction Facility Press Release

Federal Reserve System: Board of Governors

<https://elischolar.library.yale.edu/ypfs-documents/354>

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact ypfs@yale.edu.

Board of Governors of the Federal Reserve System

- About the Fed
- News & Events**
- Monetary Policy
- Banking Information & Regulation
- Payment Systems
- Economic Research & Data
- Consumer Information
- Community Development
- Reporting Forms
- Publications

Testimony and Speeches

Press Releases

Regulatory Reform

Conferences

Other Public Communication

[Home](#) > [News & Events](#) > [2009 Monetary Policy Releases](#)

Press Release



Release Date: January 12, 2009

For release at 10:00 a.m. EST

On January 12, 2009, the Federal Reserve will offer \$150 billion in 28-day credit through its Term Auction Facility. Additional information regarding the auction is listed below; the auction will be conducted as specified in this announcement, Regulation A, and the terms and conditions of the Term Auction Facility (www.federalreserve.gov/monetarypolicy/taf.htm).

Today's auction incorporates a change in the method for setting the minimum bid rate. The minimum bid rate will now be set at a level equal to the rate of interest that banks earn on excess reserve balances, currently 0.25 percent. Previously, the minimum bid rate for TAF auctions had been determined based on a measure of the averaged expected overnight federal funds rate over the term of the credit being auctioned.

Description of Offering and Auction Parameters

Offering Amount:	\$150 billion
Term:	28-day loan
Bid Submission Date:	January 12, 2009
Opening Time:	11:00 a.m. EST
Closing Time:	12:30 p.m. EST
Notification Date:	January 13, 2009
Settlement Date:	January 15, 2009
Maturity Date:	February 12, 2009
Minimum Bid Amount (per bid):	\$5 million
Bid Increment:	\$100,000
Maximum Bid Amount (per institution):	\$15 billion (10% of Offering Amount)
Minimum Bid Rate:	0.25 percent
Incremental Bid Rate:	0.001 percent
Minimum Award:	\$10,000
Maximum Award:	\$15 billion (10% of Offering Amount)

Submission of Bids

Participants must submit bids by phone to their local Reserve Bank between the opening time and closing time on the bid submission date.

Notification

Summary auction results will be published on the website of the Board of Governors of the Federal Reserve System (www.federalreserve.gov/monetarypolicy/taf.htm) at approximately 10:00 a.m. EST on the notification date. Between 10:00 a.m. and 11:30 a.m. EST on the notification date, Reserve Banks will notify individual institutions in their districts that have submitted winning bids of their awards. Participants have until 12:30 p.m. EST on the notification date to inform their local Reserve Bank of any error.

Rounding Convention

Pro rata awards will be rounded to multiples of \$10,000. Normal rounding convention will be used, except that awards under \$10,000 will be rounded to \$10,000.

[2009 Monetary Policy Releases](#)

Last update: January 12, 2009

[Home](#) | [News & Events](#)

[Accessibility](#) [Contact Us](#) [Disclaimer](#) [Website Policies](#) [FOIA](#)

PDF Reader