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FEDERAL RESERVE BANK *of* NEW YORK *Serving the Second District and the Nation*

PRESS RELEASE

New York Fed Sells \$6.2 Billion in Face Amount of Maiden Lane II LLC Assets; New York Fed Loan to be repaid in full

February 8, 2012

The Federal Reserve Bank of New York ("New York Fed") today announced that it has sold assets with a current face value of \$6.2 billion from its Maiden Lane II LLC ("ML II") portfolio through a competitive process to Goldman Sachs & Co. Proceeds from this sale and the January 19, 2012 transaction, will enable the repayment of the entire remaining outstanding balance of the senior loan from the New York Fed to ML II on the next payment date in early March. The original amount of the senior loan was \$19.5 billion.

The transaction was prompted by an unsolicited offer from Credit Suisse Securities (USA) LLC to BlackRock Solutions, the investment manager for ML II, to buy ML II assets. Consistent with its March 2011 announcement regarding the disposition procedures for ML II, which allowed for these types of reverse inquiries, the New York Fed directed BlackRock Solutions to conduct a sale via a competitive process. The five broker-dealers included in the competitive process were Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co., Morgan Stanley & Co. LLC, and RBS Securities Inc. The broker-dealers were selected based on the strength of each of their recently submitted reverse inquiries for large parcels of the portfolio.

The New York Fed decided to move forward with the transaction only after determining that the winning bid represented good value for the public. Net proceeds from the sale will be reported as part of the portfolio's normal reporting schedule on April 16, 2012.

William C. Dudley, President of the New York Fed, said, "I am pleased with the continued interest in these assets and am especially gratified that the New York Fed's loan to ML II will be repaid as a result of the sale announced today."

As stated previously, the New York Fed, through BlackRock Solutions, will dispose of the remaining securities in the ML II portfolio individually and in segments over time as market conditions warrant through a competitive sales process, while taking appropriate care to avoid market disruption. There will be no fixed timeframe for the sales; at each stage, the Federal Reserve will only transact if the best available bid represents good value for the public.

Following repayment of the New York Fed's senior loan, additional proceeds will be allocated as per the ML II agreement. Proceeds from additional asset sales that are allocated to the New York Fed will be included in the Federal Reserve's remittances of income to the U.S. Treasury.

The New York Fed publishes on its website a list of all the securities in the ML II portfolio. In order to allow the public to track progress on asset dispositions, the New York Fed provides monthly updates on portfolio holdings and a list of the securities sold within the prior month. In addition, it provides quarterly updates on total proceeds from sales, including a breakdown by counterparty. The New York Fed will also provide further details regarding all ML II transactions, including an account showing the acquirer and the price paid for each individual security three months after the last asset is sold, ensuring timely accountability without jeopardizing the ability to generate maximum sale proceeds for the public.

For more information, including the most recent holdings report as of December 31, 2011, visit **Maiden Lane II LLC**.

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