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Money Market Investor Funding Facility: Program Terms and Conditions, Effective October 22, 2008

Federal Reserve System: Federal Reserve Bank of New York

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Facility
The Money Market Investor Funding Facility (MMIFF) is intended to help restore liquidity to the money markets. The MMIFF will be a credit facility provided by the Federal Reserve to a series of special purpose vehicles established by the private sector (PSPVs) in accordance with the terms described below. Each PSPV will purchase eligible money market instruments from eligible investors using financing from the MMIFF and from the issuance of asset-backed commercial paper (ABCP). The MMIFF is authorized under section 13(3) of the Federal Reserve Act.

Eligible Assets of a PSPV
A PSPV will purchase from eligible investors at amortized cost U.S. dollar-denominated certificates of deposit, bank notes and commercial paper with a remaining maturity of 90 days or less. Each PSPV will only purchase debt instruments issued by ten financial institutions designated in its operational documents. Each of these financial institutions will have a short-term debt rating of at least A-1/P-1/F1 from two or more major nationally recognized statistical rating organizations (NRSROs).

PSPV Concentration Limit
At the time of a PSPV's purchase of a debt instrument issued by a financial institution, the debt instruments of that financial institution may not constitute more than 15 percent of the assets of the PSPV.

Eligible Investors
Eligible investors will include U.S. money market mutual funds and over time may include other money market investors.

Liabilities of a PSPV
Each PSPV will finance its purchase of an eligible asset by selling ABCP and by borrowing under the MMIFF. The PSPV will issue to the seller of the eligible asset ABCP equal to 10 percent of the asset's purchase price. The ABCP will have a maturity equal to the maturity of the asset and will be rated at least A-1/P-1/F1 by two or more major NRSROs. The Federal Reserve Bank of New York will commit to lend to each PSPV 90 percent of the purchase price of each eligible asset until the maturity of the asset. The New York Fed loans will be on an overnight basis and at the primary credit rate. The loans will be senior to the ABCP, with recourse to the PSPV, and secured by all the assets of the PSPV.

Downgrade or Default of an Eligible Asset
If the debt instruments of a financial institution held by a PSPV are no longer eligible assets due to a short-term debt rating downgrade, the PSPV must cease all asset purchases until all of the PSPV's assets issued by that financial institution have matured.

Upon a default of any asset held by a PSPV, the PSPV must cease all asset purchases and repayments on outstanding ABCP. Proceeds from maturation of the PSPV's assets will be used to repay the New York Fed and, upon maturation of all assets in the PSPV, any remaining available cash will then be used to repay principal and interest on the ABCP. Any excess spread will be allocated as described below.

Termination and Wind-down Process
A PSPV will cease purchasing assets and will enter the wind-down process described below on April 30, 2009, unless the Board extends the MMIFF.

During the wind-down process, proceeds from the maturation of the assets of a PSPV on a given day will be used first to repay principal and interest on the New York Fed loans and then to repay principal and interest on the ABCP that matures on that day. A small fixed amount of any excess spread remaining in the PSPV after completion of the wind-down process will be allocated proportionally among investors in its ABCP; the New York Fed will receive any remaining excess spread.
