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Website: Regulatory Reform: Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)

Federal Reserve System: Board of Governors

Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)

Background

Money market mutual funds (MMMFs) are common investment vehicles that, in aggregate, hold trillions of dollars in funds on behalf of individuals, pension funds, municipalities, businesses, and others. During the financial crisis, MMMFs experienced significant withdrawals of funds by investors and were forced to meet the demand for withdrawals by selling assets in illiquid markets. The Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF) was introduced to help MMMFs that held asset-backed commercial paper (ABCP) meet investors' demands for redemptions, and to foster liquidity in the ABCP market and money markets more generally. Without additional liquidity in the money markets, forced sales of ABCP could have depressed the price of ABCP and other short-term instruments, resulting in a cycle of losses to MMMFs and even higher levels of redemptions and a weakening of investor confidence in MMMFs and the financial markets.

The AMLF was designed to provide a market for ABCP that MMMFs sought to sell. Under the program, the Federal Reserve provided nonrecourse loans to U.S. depository institutions, U.S. bank holding companies, U.S. broker-dealer subsidiaries of such holding companies, and U.S. branches and agencies of foreign banks. These institutions used the funding to purchase eligible ABCP from MMMFs. Borrowers under the AMLF, therefore, served as conduits in providing liquidity to MMMFs, and the MMMFs were the primary beneficiaries of the AMLF.

AMLF loans were fully collateralized by the ABCP purchased by the AMLF borrower. The ABCP had to meet eligibility requirements outlined in the program's terms and conditions. Further, to help ensure that the AMLF was used for its intended purpose, the Federal Reserve later required that an MMMF had to experience material outflows before the ABCP that it sold would be eligible collateral for AMLF loans.

The AMLF was created by the Federal Reserve under the authority of Section 13(3) of the Federal Reserve Act, which permitted the Board, in unusual and exigent circumstances, to authorize Reserve Banks to extend credit to individuals, partnerships, and corporations. The facility was administered by the Federal Reserve Bank of Boston, which was authorized to make AMLF loans to eligible borrowers in all 12 Federal Reserve Districts.

The facility was announced on September 19, 2008, and was closed on February 1, 2010. All loans made under the facility were repaid in full, with interest, in accordance with the terms of the facility.

Data

- Excel (2.02 MB) | Accessible (204 KB ZIP)
  CSV Data (807 KB) | CSV Definitions and Notes (4 KB)

Visit the Excel viewer for more information. Filter and sort features have been added to the column headers in the Excel spreadsheet to assist you with searching and to allow for the creation of custom datasets. Click on the arrow button in each column header to view and select the different filter and sort features.
Compressed (ZIP) files are available through 7-zip. Download the free 7-zip compression utility

The following information on AMLF transactions is provided:

Data Description	
Loan date	The date upon which the loan amount was credited to the borrower
Borrower	The name of the entity that borrowed funds from the AMLF in order to fund the purchase of ABCP from an eligible MMMF. Eligible borrowers included all U.S. depository institutions, U.S. bank holding companies (parent companies incorporated in the U.S. or their U.S. broker-dealer subsidiaries), and U.S. branches and agencies of foreign banks

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Facilities and Programs
- Agency Mortgage-Backed Securities (MBS) Purchase Program
- Term Auction Facility (TAF)
- Central Bank Liquidity Swap Lines
- Primary Dealer Credit Facility (PDCF)
- Term Securities Lending Facil (TSLF) and TSLF Options Program (TOP)
- Asset-Backed Commercial Pa Money Market Mutual Fund Liquidity Facility (AMLF)
- Commercial Paper Funding Facility (CPFF)
- Term Asset-Backed Securities Loan Facility (TALF)
- Money Market Investor Fundi Facility (MMIFF)
- Bear Stearns, JPMorgan Cha and Maiden Lane LLC
- American International Group (AIG), Maiden Lane II and III
- Bank of America
- Citigroup

Borrower city	The city in which the borrower is located
Borrower state	The state in which the borrower is located
Loan amount	The U.S. dollar value of AMLF funds credited to the borrower on the origination date. The loan amount equaled the aggregate amortized cost of eligible ABCP with identical maturity dates that was pledged as collateral on the origination date, in millions of dollars
Maturity date	The date upon which the loan amount plus accrued interest was repaid to the Federal Reserve and the ABCP was released to the borrower, which equaled the maturity date of the ABCP pledged to secure the AMLF loan
Interest rate	The interest rate applied to the AMLF loan amount to determine the amount of interest paid to the Federal Reserve. Loans made under the facility were made at a rate equal to the primary credit rate in effect on the origination date. That rate was fixed for the term of the loan, in percent
CUSIP	The CUSIP number of the ABCP pledged to secure an AMLF advance. The CUSIP number is a unique security identifier developed by the Committee on Uniform Security Identification Procedures. (Note: a single loan was collateralized by as few as one to as many as 29 CUSIPs.)
Money market mutual fund seller	The name of the MMMF from which the borrower purchased eligible ABCP. The MMMF must have been a fund that qualified as a money market mutual fund under Securities and Exchange Commission Rule 2a-7 (17 CFR 270.2a-7) issued pursuant to the Investment Company Act of 1940 (Rule 2a-7)
ABCP amortized cost	The MMMF's acquisition cost of the ABCP, as adjusted for amortization of premium or accretion of discount (that is, the investment's carrying value used by the MMMF to calculate the Net Asset Value (NAV) per share, at which MMMF redemptions are paid in accordance with Rule 2a-7). The ABCP must have been purchased by the borrower from an eligible MMMF at amortized cost, in millions of dollars
ABCP par value	The face amount of the ABCP, in millions of dollars

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