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Term Securities Lending Facility (TSLF) And TSLF Options Program (TOP)

Federal Reserve System: Board of Governors

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Regulatory Reform

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Term Securities Lending Facility (TSLF) And TSLF Options Program (TOP)

Background

In March 2008, the Federal Reserve established the Term [Securities Lending Facility](#) (TSLF) as a means of addressing the pressures faced by [primary dealers](#) in their access to [term funding](#) and collateral. Primary dealers often obtain funding by pledging securities as collateral. When the markets for the collateral became illiquid, primary dealers had increased difficulty obtaining funding and, therefore, were less able to support broader markets. The TSLF supported the liquidity of primary dealers and fostered improved conditions in financial markets more generally.

Under this program, the Federal Reserve loaned relatively liquid Treasury securities for a fee to primary dealers for one month in exchange for eligible collateral consisting of other, less liquid securities. Loans were allocated through auctions. For "Schedule 1" auctions, the eligible collateral comprised Treasury securities, [agency securities](#), and [agency mortgage-backed securities](#). For "Schedule 2" auctions, the eligible collateral included Schedule 1 collateral plus highly rated securities.


The Federal Reserve established the TSLF Options Program (TOP) to offer additional liquidity during periods of heightened collateral market pressure, such as quarter-end dates. The TOP auctioned options that gave primary dealers the right, but not the obligation, to draw upon a TSLF loan, in exchange for eligible collateral, on a specified date in the future.

The TSLF extensions under Schedule 2 collateral involved 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. Schedule 1 collateral is eligible for [open market operations](#), so TSLF extensions against such collateral did not require 13(3) authority. The facility was administered by the Federal Reserve Bank of New York.

The TSLF was announced on March 11, 2008, and the first auction took place March 27, 2008. TSLF auctions against Schedule 1 collateral were suspended effective July 1, 2009. TSLF auctions against Schedule 2 collateral closed on February 1, 2010. All securities loans made under the facility were repaid in full, with interest, in accordance with the terms of the facility.

Data

- [TSLF: Excel \(203 KB\)](#) | [Accessible \(85 KB ZIP\)](#)
[CSV Data \(132 KB\)](#) | [CSV Definitions and Notes \(4 KB\)](#)
Note: The TSLF data files were revised on December 22, 2010, at 10:00 a.m.; see the definitions and notes tab for details.
- [TOP: Excel \(62 KB\)](#) | [Accessible \(4 KB ZIP\)](#)
[CSV Data \(11 KB\)](#) | [CSV Definitions and Notes \(1 KB\)](#)

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 TSLF transactions is provided:

Data Description

Trade date	The date upon which the TSLF loan was requested (operation date)
Loan date	The start date of the TSLF loan; the initial date on which the loan (of Treasury securities) and collateral were exchanged
Maturity date	The date upon which the loan (of Treasury securities) matured
Schedule	Identifies the type of eligible collateral for a given operation. Schedule 1 eligible collateral includes collateral accepted for triparty repurchase agreements arranged by the Open Market Trading Desk. Schedule 2 includes investment-grade corporate securities, municipal securities, mortgage-backed securities (MBS), and asset-backed securities (ABS) in addition to Schedule 1-eligible collateral
TOP-related loan	Identifies whether the loan was related to the exercise (in part or in full) of an option purchased from the TOP. "Y" indicates that the loan was related to the exercise of an option purchased from the TOP, while "N" indicates that the loan was not related to the exercise of an option purchased from the TOP
Borrower	The name of the primary dealer that borrowed from the facility
Lending fee	The nominal annual rate charged to the borrower based on the market value of Treasury securities borrowed, in percent
Par amount lent	The par value of the loan (of Treasury securities), in millions of dollars
Market value of loan	The market value of the loan (of Treasury securities). Market value accounts for accrued interest and inflation accretion (for Treasury Inflation-Protected Securities (TIPS)), in millions of dollars
Total value of collateral pledged	The total market value of the collateral pledged to secure all outstanding loans (of Treasury securities) on the loan settlement date. Market value accounts for accrued interest
Collateral by collateral type	

(units are in millions of dollars)	
U.S. Treasury/agency	Securities issued by the U.S. Department of the Treasury, federal government agencies, and government-sponsored enterprises, in millions of dollars
Municipal	Securities issued by state and local governments and agencies, in millions of dollar
Corporate	Unsecured securities issued by private corporations, in millions of dollars
MBS/CMO: agency backed	Mortgage-backed securities (MBS) and collateralized mortgage obligations (CMO) issued by government-sponsored enterprises, in millions of dollars
MBS/CMO: other	Mortgage-backed securities (MBS) and collateralized mortgage obligations (CMO) issued by private corporations, in millions of dollars
Asset-backed	Securities collateralized by a non-mortgage pool of assets, in millions of dollars
International	Securities issued by non-U.S. entities, government and private, in millions of dollars
Other	Other categories of program-eligible collateral, in millions of dollars
Collateral by rating	
Credit rating	A composite credit rating for the pledged collateral based on ratings information used by the borrower's clearing bank

The following information on TOP transactions is provided:

Data Description	
Option trade date	The date upon which the option was requested (option operation date)
Expiration date	The date upon which the option expired
Loan date	The start date of the loan; the initial date upon which the loan (of Treasury securities) and collateral were exchanged
Maturity date	The date upon which the loan (of Treasury securities) matured
Option holder	The name of the primary dealer that purchased the option

Option premium The nominal annual rate charged to the borrower to obtain the right to draw upon a Schedule 2 TSLF loan, in percent

Par amount awarded The amount of options awarded, in millions of dollars

Exercised Indicates whether the primary dealer exercised its options (in part or in full) on a given option expiration date. "Y" indicates the dealer exercised all or some of the options it purchased. "N" indicates the dealer exercised none of the options it purchased

Last Update: February 12, 2016