

Press Release

FEDERAL RESERVE press release



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The Federal Reserve Board on Tuesday announced additional details regarding the Commercial Paper Funding Facility (CPFF), including that it would begin funding purchases of commercial paper on October 27, 2008.

The Board authorized the CPFF on October 7, 2008 under [Section 13\(3\) of the Federal Reserve Act](#) to provide a liquidity backstop to U.S. issuers of commercial paper. The CPFF is intended to improve liquidity in short-term funding markets and thereby increase the availability of credit for businesses and households.

Under the CPFF, the Federal Reserve Bank of New York will finance the purchase of unsecured and asset-backed commercial paper from eligible issuers through its primary dealers. The CPFF will finance only highly rated, U.S. dollar-denominated, three-month commercial paper.

The attached terms-and-conditions and questions-and-answers documents describe the terms and operational details of the facility, which were determined after consultation with commercial paper issuers and dealers.