

News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY

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FOR IMMEDIATE RELEASE
December 12, 2007

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BOARD OF GOVERNORS AMENDS REGULATION A TO ALLOW TERM AUCTION FACILITY

Today, the Board of Governors of the Federal Reserve System amended Regulation A – Extensions of Credit by Federal Reserve Banks, effective immediately, to allow a Term Auction Facility (TAF). The TAF will allow depository institutions submitting winning bids to obtain term advances from their local Reserve Banks at an interest rate determined as a result of the auction. The TAF will be available to all depository institutions that qualify for the discount window's primary credit program and that meet the parameters of the TAF. The first auction will take place during the week of Dec. 17, 2007, with a second auction occurring on or about Dec. 20, 2007.

Please review the information provided in the Board's announcement and consider whether the TAF may be of value to your institution. As noted in the announcement, conference calls have been scheduled at 2 P.M. ET on Dec. 12, 13, and 14 to discuss the TAF and answer questions.

You also may call the following Federal Reserve Bank of Kansas City staff at (800) 333-2987 to discuss the new program or your institution's eligibility:

Dennis Denney, Assistant Vice President and Discount Officer, extension 2633

Lisa Klose, Manager, Credit and Risk Management Department, extension 2030

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