

The Financial Crisis: A Timeline of Events and Policy Actions

February 27, 2007 | [Freddie Mac Press Release](#)

The Federal Home Loan Mortgage Corporation (Freddie Mac) announces that it will no longer buy the most risky subprime mortgages and mortgage-related securities.

April 2, 2007 | [SEC Filing](#)

New Century Financial Corporation, a leading subprime mortgage lender, files for Chapter 11 bankruptcy protection.

June 2007 | [Congressional Testimony](#)

Standard and Poor's and Moody's Investor Services downgrade over 100 bonds backed by second-lien subprime mortgages.

June 7, 2007

Bear Stearns informs investors that it is suspending redemptions from its High-Grade Structured Credit Strategies Enhanced Leverage Fund.

June 28, 2007 | [Federal Reserve Press Release](#)

The Federal Open Market Committee (FOMC) votes to maintain its target for the federal funds rate at 5.25 percent.

July 11, 2007 | [Standard and Poor's Ratings Direct](#)

Standard and Poor's places 612 securities backed by subprime residential mortgages on a credit watch.

July 24, 2007 | [SEC Filing](#)

Countrywide Financial Corporation warns of "difficult conditions."

July 31, 2007 | [U.S. Bankruptcy Filing](#)

Bear Stearns liquidates two hedge funds that invested in various types of mortgage-backed securities.

August 6, 2007 | [SEC Filing](#)

American Home Mortgage Investment Corporation files for Chapter 11 bankruptcy protection.

August 7, 2007 | [Federal Reserve Press Release](#)

The FOMC votes to maintain its target for the federal funds rate at 5.25 percent.

August 9, 2007 | [BNP Paribas Press Release](#)

BNP Paribas, France's largest bank, halts redemptions on three investment funds.

August 10, 2007 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it "will provide reserves as necessary...to promote trading in the federal funds market at rates close to the FOMC's target rate of 5.25 percent. In current circumstances, depository institutions may experience unusual funding needs because of dislocations in money and credit markets. As always, the discount window is available as a source of funding."

August 16, 2007 | [SEC Filing](#)

Fitch Ratings downgrades Countrywide Financial Corporation to BBB+, its third lowest investment-grade rating, and Countrywide borrows the entire \$11.5 billion available in its credit lines with other banks.

August 17, 2007 | [Federal Reserve Press Release](#)

The Federal Reserve Board votes to reduce the primary credit rate 50 basis points to 5.75 percent, bringing the rate to only 50 basis points above the FOMC's federal funds rate target. The Board also increases the maximum primary credit borrowing term to 30 days, renewable by the borrower.

September 14, 2007 | [United Kingdom Treasury Department Press Release](#)

The Chancellor of the Exchequer authorizes the Bank of England to provide liquidity support for Northern Rock, the United Kingdom's fifth-largest mortgage lender.

September 18, 2007 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 50 basis points to 4.75 percent. The Federal Reserve Board votes to reduce the primary credit rate 50 basis points to 5.25 percent.

October 10, 2007 | [Hope Now Press Release](#) | [Treasury Department Press Release](#)

U.S. Treasury Secretary Paulson announces the HOPE NOW initiative, an alliance of investors, servicers, mortgage market participants, and credit and homeowners' counselors encouraged by the Treasury Department and the Department of Housing and Urban Development.

October 15, 2007 | [Bank of America Press Release](#)

Citigroup, Bank of America, and JPMorgan Chase announce plans for an \$80 billion Master Liquidity Enhancement Conduit to purchase highly rated assets from existing special purpose vehicles.

October 31, 2007 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 25 basis points to 4.50 percent. The Federal Reserve Board votes to reduce the primary credit rate 25 basis points to 5.00 percent.

November 2007 | [Additional Information](#)

Financial market pressures intensify, reflected in diminished liquidity in interbank funding markets.

December 11, 2007 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 25 basis points to 4.25 percent. The Federal Reserve Board votes to reduce the primary credit rate 25 basis points to 4.75 percent.

December 12, 2007 | [Federal Reserve Press Release](#) | [Additional Information](#)

The Federal Reserve Board announces the creation of a Term Auction Facility (TAF) in which fixed amounts of term funds will be auctioned to depository institutions against a wide variety of collateral.

The FOMC authorizes temporary reciprocal currency arrangements (swap lines) with the European Central Bank (ECB) and the Swiss National Bank (SNB). The Fed states that it will provide up to \$20 billion and \$4 billion to the ECB and SNB, respectively, for up to 6 months.

December 21, 2007 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that TAF auctions will be conducted every two weeks as long as financial market conditions warrant.

December 21, 2007 | [Bank of America Press Release](#)

Citigroup, JPMorgan Chase, and Bank of America abandon plans for the Master Liquidity Enhancement Conduit, announcing that the fund “is not needed at this time.”

January 11, 2008 | [Bank of America Press Release](#)

Bank of America announces that it will purchase Countrywide Financial in an all-stock transaction worth approximately \$4 billion.

January 18, 2008 | [SEC Filing](#)

Fitch Ratings downgrades Ambac Financial Group’s insurance financial strength rating to AA, Credit Watch Negative. Standard and Poor’s place Ambac’s AAA rating on CreditWatch Negative.

January 22, 2008 | [Federal Reserve Press Release](#)

In an intermeeting conference call, the FOMC votes to reduce its target for the federal funds rate 75 basis points to 3.5 percent. The Federal Reserve Board votes to reduce the primary credit rate 75 basis points to 4 percent.

January 30, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 50 basis points to 3 percent. The Federal Reserve Board votes to reduce the primary credit rate 50 basis points to 3.5 percent.

February 13, 2008 | [Public Law 110-185](#)

President Bush signs the Economic Stimulus Act of 2008 (Public Law 110-185) into law.

February 17, 2008 | [United Kingdom Treasury Department Press Release](#)

Northern Rock is taken into state ownership by the Treasury of the United Kingdom.

March 5, 2008 | [Carlyle Capital Corporation Press Release](#)

Carlyle Capital Corporation receives a default notice after failing to meet margin calls on its mortgage bond fund.

March 7, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces \$50 billion TAF auctions on March 10 and March 24 and extends the TAF for at least 6 months.

The Board also initiates a series of term repurchase transactions, expected to cumulate to \$100 billion, conducted as 28-day term repurchase agreements with primary dealers.

March 11, 2008 | [Federal Reserve Press Release](#) | [Additional Information](#)

The Federal Reserve Board announces the creation of the Term Securities Lending Facility (TSLF), which will lend up to \$200 billion of Treasury securities for 28-day terms against federal agency debt, federal agency residential mortgage-backed securities (MBS), non-agency AAA/Aaa private label residential MBS, and other securities.

The FOMC increases its swap lines with the ECB by \$10 billion and the Swiss National Bank by \$2 billion and also extends these lines through Sept. 30, 2008.

March 14, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board approves the financing arrangement announced by JPMorgan Chase and Bear Stearns [see note for March 24]. The Federal Reserve Board also announces they are “monitoring market developments closely and will continue to provide liquidity as necessary to promote the orderly function of the financial system.”

March 16, 2008 | [Federal Reserve Press Release](#) | [Additional Information](#)

The Federal Reserve Board establishes the Primary Dealer Credit Facility (PDCF), extending credit to primary dealers at the primary credit rate against a broad range of investment grade securities.

The Federal Reserve Board votes to reduce the primary credit rate 25 basis points to 3.25 percent, lowering the spread between the primary credit rate and FOMC target for the federal funds rate to 25 basis points. The Board also votes to increase the maximum maturity of primary credit loans to 90 days.

March 18, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 75 basis points to 2.25 percent. The Federal Reserve Board votes to reduce the primary credit rate 75 basis points to 2.50 percent.

March 24, 2008 | [Federal Reserve Bank of New York Press Release](#)

The Federal Reserve Bank of New York announces that it will provide term financing to facilitate JPMorgan Chase & Co.'s acquisition of The Bear Stearns Companies Inc. A limited liability company (Maiden Lane) is formed to control \$30 billion of Bear Stearns assets that are pledged as security for \$29 billion in term financing from the New York Fed at its primary credit rate. JPMorgan Chase will assume the first \$1 billion of any losses on the portfolio.

April 30, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 25 basis points to 2 percent. The Federal Reserve Board votes to reduce the primary credit rate 25 basis points to 2.25 percent.

May 2, 2008 | [Federal Reserve Press Release](#)

The FOMC expands the list of eligible collateral for Schedule 2 TSLF auctions to include AAA/Aaa-rated asset-backed securities, in addition to already eligible residential and commercial MBS and agency collateralized mortgage obligations.

The FOMC also increases existing swap lines with the ECB by \$20 billion and with the Swiss National Bank by \$6 billion.

The Federal Reserve Board expands TAF auctions from \$50 billion to \$75 billion.

June 5, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces approval of the notice of Bank of America to acquire Countrywide Financial Corporation.

June 5, 2008 | [SEC Filing](#)

Standard and Poor's downgrades monoline bond insurers AMBAC and MBIA from AAA to AA.

June 25, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to maintain its target for the federal funds rate at 2.00 percent.

July 11, 2008 | [FDIC Press Release](#)

The Office of Thrift Supervision closes IndyMac Bank, F.S.B. The Federal Deposit Insurance Corporation (FDIC) announces the transfer of the insured deposits and most assets of IndyMac Bank, F.S.B. to IndyMac Federal Bank, FSB.

July 13, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board authorizes the Federal Reserve Bank of New York to lend to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), should such lending prove necessary.

July 13, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces a temporary increase in the credit lines of Fannie Mae and Freddie Mac and a temporary authorization for the Treasury to purchase equity in either GSE if needed.

July 15, 2008 | [SEC Press Release](#)

The Securities Exchange Commission (SEC) issues an emergency order temporarily prohibiting naked short selling in the securities of Fannie Mae, Freddie Mac, and primary dealers at commercial and investment banks.

July 30, 2008 | [Public Law 110-289](#)

President Bush signs into law the Housing and Economic Recovery Act of 2008 (Public Law 110-289), which, among other provisions, authorizes the Treasury to purchase GSE obligations and reforms the regulatory supervision of the GSEs under a new Federal Housing Finance Agency.

July 30, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board extends the TSLF and PDCF through January 30, 2009, introduces auctions of options on \$50 billion of draws on the TSLF, and introduces 84-day TAF loans.

The FOMC increases its swap line with the ECB to \$55 billion.

August 5, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to maintain its target for the federal funds rate at 2.00 percent.

August 17, 2008 | [Federal Reserve Press Release](#)

Following an intermeeting conference call, the FOMC releases a statement about the current financial market turmoil, and notes that the “downside risks to growth have increased appreciably.”

September 7, 2008 | [Treasury Department Press Release](#)

The Federal Housing Finance Agency (FHFA) places Fannie Mae and Freddie Mac in government conservatorship. The U.S. Treasury Department announces three additional measures to complement the FHFA’s decision: 1) Preferred stock purchase agreements between the Treasury/FHFA and Fannie Mae and Freddie Mac to ensure the GSEs positive net worth; 2) a new secured lending facility which will be available to Fannie Mae, Freddie Mac, and the Federal Home Loan Banks; and 3) a temporary program to purchase GSE MBS.

September 14, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board expands the list of eligible collateral for the PDCF to include any collateral that can be pledged in the tri-party repo system of the two major clearing banks. Previously PDCF collateral had been limited to investment-grade debt securities.

The Board also expands the list of collateral accepted by TSLF to include all investment-grade debt securities and increases the frequency of Schedule 2 TSLF auctions and total offering to \$150 billion.

The Board also adopts an interim final rule that provides temporary exceptions to Section 23A of the Federal Reserve Act to allow insured depository institutions to provide liquidity to their affiliates for assets typically funded in the tri-party repo market.

September 15, 2008 | [Bank of America Press Release](#)

Bank of America announces its intent to purchase Merrill Lynch & Co. for \$50 billion.

September 15, 2008 | [SEC Filing](#)

Lehman Brothers Holdings Incorporated files for Chapter 11 bankruptcy protection.

September 16, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board authorizes the Federal Reserve Bank of New York to lend up to \$85 billion to the American International Group (AIG) under Section 13(3) of the Federal Reserve Act.

September 16, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to maintain its target for the federal funds rate at 2.00 percent.

September 16, 2008 | [Reserve Funds Press Release](#)

The net asset value of shares in the Reserve Primary Money Fund falls below \$1, primarily due to losses on Lehman Brothers commercial paper and medium-term notes.

September 17, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces a Supplementary Financing Program consisting of a series of Treasury bill issues that will provide cash for use in Federal Reserve initiatives.

September 17, 2008 | [SEC Press Release](#)

The SEC announces a temporary emergency ban on short selling in the stocks of all companies in the financial sector.

September 18, 2008 | [Federal Reserve Press Release](#)

The FOMC expands existing swap lines by \$180 billion and authorizes new swap lines with the Bank of Japan, Bank of England, and Bank of Canada.

September 19, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces the creation of the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF) to extend non-recourse loans at the primary credit rate to U.S. depository institutions and bank holding companies to finance their purchase of high-quality asset-backed commercial paper from money market mutual funds.

The Federal Reserve Board also announces plans to purchase federal agency discount notes (short-term debt obligations issued by Fannie Mae, Freddie Mac, and Federal Home Loan Banks) from primary dealers.

September 19, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces a temporary guaranty program that will make available up to \$50 billion from the Exchange Stabilization Fund to guarantee investments in participating money market mutual funds.

September 20, 2008 | [Treasury Department Press Release](#) | [Draft Legislation](#)

The U.S. Treasury Department submits draft legislation to Congress for authority to purchase troubled assets.

September 21, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board approves applications of investment banking companies Goldman Sachs and Morgan Stanley to become bank holding companies.

September 24, 2008 | [Federal Reserve Press Release](#)

The FOMC establishes new swap lines with the Reserve Bank of Australia and the Sveriges Riksbank for up to \$10 billion each and with the Danmarks Nationalbank and the Norges Bank for up to \$5 billion each. The swap lines are authorized through January 30, 2009.

September 25, 2008 | [Office of Thrift Supervision Press Release](#)

The Office of Thrift Supervision closes Washington Mutual Bank. JPMorgan Chase acquires the banking operations of Washington Mutual in a transaction facilitated by the FDIC.

September 26, 2008 | [Federal Reserve Press Release](#)

The FOMC increases existing swap lines with the ECB by \$10 billion and the Swiss National Bank by \$3 billion.

September 29, 2008 | [Federal Reserve Press Release](#)

The FOMC authorizes a \$330 billion expansion of swap lines with Bank of Canada, Bank of England, Bank of Japan, Danmarks Nationalbank, ECB, Norges Bank, Reserve Bank of Australia, Sveriges Riksbank, and Swiss National Bank Swap lines outstanding now total \$620 billion.

The Federal Reserve Board expands the TAF, announcing an increase in the size of the 84-day maturity auction to \$75 billion and two forward TAF auctions totaling \$150 billion to provide short-term (one- to two-week) TAF credit over year-end.

September 29, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department opens its Temporary Guarantee Program for Money Market Funds [see note for September 19]. The temporary guarantee program provides coverage to shareholders for amounts that they held in participating money market funds as of the close of business on September 19, 2008.

September 29, 2008 | [FDIC Press Release](#)

The FDIC announces that Citigroup will purchase the banking operations of Wachovia Corporation. The FDIC agrees to enter into a loss-sharing arrangement with Citigroup on a \$312 billion pool of loans, with Citigroup absorbing the first \$42 billion of losses and the FDIC absorbing losses beyond that. In return, Citigroup would grant the FDIC \$12 billion in preferred stock and warrants.

September 29, 2008 | [Treasury Department Press Release](#)

The U.S. House of Representatives rejects legislation submitted by the Treasury Department requesting authority to purchase troubled assets from financial institutions [see note for September 20].

October 3, 2008 | [Federal Reserve Press Release](#)

Wells Fargo announces a competing proposal to purchase Wachovia Corporation that does not require assistance from the FDIC.

October 3, 2008 | [H.R. 1424](#) | [Public Law 110-343](#)

Congress passes and President Bush signs into law the Emergency Economic Stabilization Act of 2008 (Public Law 110-343), which establishes the \$700 billion Troubled Asset Relief Program (TARP).

October 6, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announce that the Fed will pay interest on depository institutions' required and excess reserve balances at an average of the federal funds target rate less 10 basis points on required reserves and less 75 basis points on excess reserves.

October 7, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces the creation of the Commercial Paper Funding Facility (CPFF), which will provide a liquidity backstop to U.S. issuers of commercial paper through a special purpose vehicle that will purchase three-month unsecured and asset-backed commercial paper directly from eligible issuers.

October 7, 2008 | [FDIC Press Release](#)

The FDIC announces an increase in deposit insurance coverage to \$250,000 per depositor as authorized by the Emergency Economic Stabilization Act of 2008.

October 8, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board authorizes the Federal Reserve Bank of New York to borrow up to \$37.8 billion in investment-grade, fixed-income securities from American International Group (AIG) in return for cash collateral.

October 8, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 50 basis points to 1.50 percent. The Federal Reserve Board votes to reduce the primary credit rate 50 basis points to 1.75 percent.

October 12, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces its approval of an application by Wells Fargo & Co. to acquire Wachovia Corporation.

October 13, 2008 | [Federal Reserve Press Release](#)

The FOMC increases existing swap lines with foreign central banks. The Bank of England, European Central Bank, and Swiss National Bank announce that they will conduct tenders of U.S. dollar funding at 7-, 28-, and 84-day maturities at fixed interest rates.

October 14, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve announces additional details of the Commercial Paper Funding Facility (CPFF).

October 14, 2008 | [Federal Reserve Press Release](#)

The FOMC increases its swap line with the Bank of Japan.

October 14, 2008 | [Treasury Department TARP Press Release](#) | [Additional Information](#)

U.S. Treasury Department announces the Troubled Asset Relief Program (TARP) that will purchase capital in financial institutions under the authority of the Emergency Economic Stabilization Act of 2008. The U.S. Treasury will make available \$250 billion of capital to U.S. financial institutions. This facility will allow banking organizations to apply for a preferred stock investment by the U.S. Treasury. Nine large financial organizations announce their intention to subscribe to the facility in an aggregate amount of \$125 billion.

October 14, 2008 | [FDIC TLGP Press Release](#)

The FDIC creates a new Temporary Liquidity Guarantee Program to guarantee the senior debt of all FDIC-insured institutions and their holding companies, as well as deposits in non-interest-bearing deposit transaction through June 30, 2009.

October 21, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces creation of the Money Market Investor Funding Facility (MMIFF). Under the facility, the Federal Reserve Bank of New York provides senior secured funding to a series of special purpose vehicles to facilitate the purchase of assets from eligible investors, such as U.S. money market mutual funds. Among the assets the facility will purchase are U.S. dollar-denominated certificates of deposit and commercial paper issued by highly rated financial institutions with a maturity of 90 days or less.

October 22, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it will alter the formula used to determine the interest rate paid to depository institutions on excess reserve balances. The new rate will be set equal to the lowest FOMC target rate in effect during the reserve maintenance period less 35 basis points.

October 24, 2008 | [PNC Press Release](#)

PNC Financial Services Group Inc. purchases National City Corporation, creating the fifth largest U.S. bank.

October 28, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$125 billion in preferred stock in nine U.S. banks under the Capital Purchase Program.

October 28, 2008 | [Federal Reserve Press Release](#)

The FOMC and Reserve Bank of New Zealand establish a \$15 billion swap line.

October 29, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to reduce its target for the federal funds rate 50 basis points to 1.00 percent. The Federal Reserve Board reduces the primary credit rate 50 basis points to 1.25 percent.

October 29, 2008 | [Federal Reserve Press Release](#)

The FOMC also establishes swap lines with the Banco Central do Brasil, Banco de Mexico, Bank of Korea, and the Monetary Authority of Singapore for up to \$30 billion each.

October 29, 2008 | [IMF Press Release](#)

The International Monetary Fund (IMF) announces the creation of a short-term liquidity facility for market-access countries.

November 5, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it will alter the formula used to determine the interest rate paid to depository institutions on required and excess reserve balances. The rate on required reserves will be set equal to the average target federal funds rate over the reserve maintenance period. The rate on excess balances will be set equal to the lowest FOMC target rate in effect during the reserve maintenance period.

November 10, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board approves the applications of American Express and American Express Travel Related Services to become bank holding companies.

November 10, 2008 | [Federal Reserve Press Release](#) | [Treasury Department Press Release](#)

The Federal Reserve Board and the U.S. Treasury Department announce a restructuring of the government's financial support of AIG. The Treasury will purchase \$40 billion of AIG preferred shares under the TARP program, a portion of which will be used to reduce the Federal Reserve's loan to AIG from \$85 billion to \$60 billion. The terms of the loan are modified to reduce the interest rate to the three-month LIBOR plus 300 basis points and lengthen the term of the loan from two to five years.

The Federal Reserve Board also authorizes the Federal Reserve Bank of New York to establish two new lending facilities for AIG: The Residential Mortgage- Backed Securities Facility will lend up to \$22.5 billion to a newly formed limited liability company (LLC) to purchase residential MBS from AIG; the Collateralized Debt Obligations Facility will lend up to \$30 billion to a newly formed LLC to purchase CDOs from AIG (Maiden Lane III LLC).

November 11, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces a new streamlined loan modification program with cooperation from the Federal Housing Finance Agency (FHFA), Department of Housing and Urban Development, and the HOPE NOW alliance.

November 12, 2008 | [Treasury Department Press Release](#)

U.S. Treasury Secretary Paulson formally announces that the Treasury has decided not to use TARP funds to purchase illiquid mortgage-related assets from financial institutions.

November 14, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$33.5 billion in preferred stock in 21 U.S. banks under the Capital Purchase Program.

November 14-17, 2008 | [Lincoln National Press Release](#) | [Hartford Press Release](#) | [Genworth Press Release](#)

Three large U.S. life insurance companies seek TARP funding: Lincoln National, Hartford Financial Services Group, and Genworth Financial announce their intentions to purchase lenders/depositories and thus qualify as savings and loan companies to access TARP funding.

November 18, 2008 | [Senate Hearing](#)

Executives of Ford, General Motors, and Chrysler testify before Congress, requesting access to the TARP for federal loans.

November 20, 2008 | [Fannie Mae Press Release](#) | [Freddie Mac Press Release](#)

Fannie Mae and Freddie Mac announce that they will suspend mortgage foreclosures until January 2009.

November 21, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces that it will help liquidate The Reserve Fund's U.S. Government Fund. The Treasury agrees to serve as a buyer of last resort for the fund's securities to ensure the orderly liquidation of the fund.

November 21, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$3 billion in preferred stock in 23 U.S. banks under the Capital Purchase Program.

November 23, 2008 | [Federal Reserve Press Release](#) | [Summary of Terms](#)

The U.S. Treasury Department, Federal Reserve Board, and FDIC jointly announce an agreement with Citigroup to provide a package of guarantees, liquidity access, and capital. Citigroup will issue preferred shares to the Treasury and FDIC in exchange for protection against losses on a \$306 billion pool of commercial and residential securities held by Citigroup. The Federal Reserve will backstop residual risk in the asset pool through a non-recourse loan. In addition, the Treasury will invest an additional \$20 billion in Citigroup from the TARP.

November 25, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces the creation of the Term Asset-Backed Securities Lending Facility (TALF), under which the Federal Reserve Bank of New York will lend up to \$200 billion on a non-recourse basis to holders of AAA-rated asset-backed securities and recently originated consumer and small business loans. The U.S. Treasury will provide \$20 billion of TARP money for credit protection.

November 25, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces a new program to purchase direct obligations of housing related government-sponsored enterprises (GSEs)—Fannie Mae, Freddie Mac and Federal Home Loan Banks—and MBS backed by the GSEs. Purchases of up to \$100 billion in GSE direct obligations will be conducted as auctions among Federal Reserve primary dealers. Purchases of up to \$500 billion in MBS will be conducted by asset managers.

November 26, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces approval of the notice of Bank of America Corporation to acquire Merrill Lynch and Company.

December 2, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it will extend three liquidity facilities, the Primary Dealer Credit Facility (PDCF), the Asset-Backed Commercial Paper Money Market Fund Liquidity Facility (AMLF), and the Term Securities Lending Facility (TSLF) through April 30, 2009.

December 3, 2008 | [SEC Press Release](#)

The SEC approves measures to increase transparency and accountability at credit rating agencies and thereby ensure that firms provide more meaningful ratings and greater disclosure to investors.

December 5, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$4 billion in preferred stock in 35 U.S. banks under the Capital Purchase Program.

December 10, 2008 | [FDIC Press Release](#)

The FDIC reiterates the guarantee of federal deposit insurance in the event of a bank failure.

December 11, 2008 | [NBER Press Release](#)

The Business Cycle Dating Committee of the National Bureau of Economic Research announces that a peak in U.S. economic activity occurred in December 2007 and that the economy has since been in a recession.

December 12, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$6.25 billion in preferred stock in 28 U.S. banks under the Capital Purchase Program.

December 15, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it has approved the application of PNC Financial Services to acquire National City Corporation.

December 16, 2008 | [Federal Reserve Press Release](#)

The FOMC votes to establish a target range for the effective federal funds rate of 0 to 0.25 percent. The Federal Reserve Board votes to reduce the primary credit rate 75 basis points to 0.50 percent.

The Federal Reserve Board also establishes the interest rates on required reserve balances and excess balances at 0.25 percent for reserve maintenance periods beginning December 18, 2008.

December 19, 2008 | [Treasury Department Press Release](#) | [General Motors Term Sheet](#) | [Chrysler Term Sheet](#)

The U.S. Treasury Department authorizes loans of up to \$13.4 billion for General Motors and \$4.0 billion for Chrysler from the TARP.

December 19, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces revised terms and conditions of the Term Asset-Backed Securities Loan Facility (TALF). Among the revisions are an extension of TALF loans from maturities of one year to three years and an expansion of eligible ABS collateral.

December 19, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$27.9 billion in preferred stock in 49 U.S. banks under the Capital Purchase Program.

December 22, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board approves the application of CIT Group Inc., an \$81 billion financing company, to become a bank holding company. The Board cites “unusual and exigent circumstances affecting the financial markets” for expeditious action on CIT Group’s application.

December 23, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$15.1 billion in preferred stock from 43 U.S. banks under the Capital Purchase Program.

December 24, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board approves the applications of GMAC LLC and IB Finance Holding Company, LLC (IBFHC) to become bank holding companies, on conversion of GMAC Bank, a \$33 billion Utah industrial loan company, to a commercial bank. GMAC Bank is a direct subsidiary of IBFHC and an indirect subsidiary of GMAC LLC, a \$211 billion company. The Board cites “unusual and exigent circumstances affecting the financial markets” for expeditious action on these applications. As part of the

agreement, General Motors will reduce its ownership interest in GMAC to less than 10 percent.

December 29, 2008 | [Treasury Department Press Release](#)

The U.S. Treasury Department announces that it will purchase \$5 billion in equity from GMAC as part of its program to assist the domestic automotive industry. The Treasury also agrees to lend up to \$1 billion to General Motors "so that GM can participate in a rights offering at GMAC in support of GMAC's reorganization as a bank holding company." This commitment is in addition to the support announced on December 19, 2008.

December 30, 2008 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that it expects to begin to purchase mortgage-backed securities backed by Fannie Mae, Freddie Mac and Ginnie Mae under a previously announced program in early January 2009 (see November 25, 2008).

December 30, 2008 | [SEC Press Release](#)

The U.S. Securities and Exchange Commission (SEC) releases a report that recommends against the suspension of fair value accounting standards. The report was mandated by the Emergency Economic Stabilization Act of 2008 (EESA).

December 31, 2008 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$1.91 billion in preferred stock from seven U.S. banks under the Capital Purchase Program.

January 5, 2009 | [Federal Reserve Bank of New York Press Release](#)

The Federal Reserve Bank of New York begins purchasing fixed-rate mortgage-backed securities guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae under a program first announced on November 25, 2008.

January 7, 2009 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces two changes to the Money Market Investor Funding Facility (MMIFF) that 1) expand the set of institutions eligible to participate in the MMIFF and 2) reduce the minimum yield on assets eligible to be sold to the MMIFF.

January 8, 2009 | [Moody's Special Comment on FHLB](#)

Moody's Investor Services issues a report suggesting that the Federal Home Loan Banks are currently facing the potential for significant accounting write-downs on their \$76.2 billion private-label MBS securities portfolio. According to Moody's, only four of 12 Banks' capital ratios would remain above regulatory minimums under a worst-case scenario.

January 9, 2009 | [Congressional Oversight Panel Press Release](#)

The Congressional Oversight Panel issues its second monthly report on the expenditure of the Troubled Asset Relief Program (TARP).

January 9, 2009 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$4.8 billion in preferred stock from 43 U.S. banks under the Capital Purchase Program.

January 12, 2009 | [FDIC Press Release](#)

The FDIC issues a letter to FDIC-supervised institutions calling on them to implement a process to monitor their use of capital injections, liquidity support and/or financing guarantees obtained through Treasury, FDIC, and Federal Reserve financial stability programs.

January 12, 2009 | [White House Press Release](#) | [More Information](#)

At the request of President-Elect Obama, President Bush submits a request to Congress for the remaining \$350 billion in TARP funding for use by the incoming administration.

January 13, 2009 | [Federal Home Loan Bank of Seattle Press Release](#)

The Federal Home Loan Bank of Seattle reports that it will likely report a risk-based capital deficiency and suspend its dividend because of a decline in the market value of its mortgage-backed securities portfolio. The move follows a similar announcement on January 8 by the Federal Home Loan Bank of San Francisco.

January 16, 2009 | [Federal Reserve Press Release](#) | [Term Sheet](#)

The Treasury, Federal Reserve, and FDIC announce a package of guarantees, liquidity access, and capital for Bank of America. The Treasury and the FDIC will enter a loss-sharing arrangement with Bank of America on a \$118 billion portfolio of loans, securities, and other assets in exchange for preferred shares. In addition, and if necessary, the Federal Reserve will provide a non-recourse loan to back-stop residual

risk in the portfolio. Separately, the Treasury will invest \$20 billion in Bank of America from the TARP in exchange for preferred stock.

January 16, 2009 | [Treasury Department Press Release](#)

The Treasury, Federal Reserve and FDIC finalize terms of their guarantee agreement with Citigroup. (See announcement on November 23, 2008.)

January 16, 2009 | [Treasury Department Press Release](#)

The Treasury Department announces that it will lend \$1.5 billion from the TARP to a special purpose entity created by Chrysler Financial to finance the extension of new consumer auto loans.

January 16, 2009 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$1.4 billion in preferred stock from 39 U.S. banks under the Capital Purchase Program.

January 23, 2009 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$326 million in preferred stock from 23 U.S. banks under the Capital Purchase Program.

January 28, 2009 | [NCUA Press Release](#)

The National Credit Union Administration (NCUA) Board announces that the NCUA will guarantee uninsured shares at all corporate credit unions through February 2009 and establish a voluntary guarantee program for uninsured shares of credit unions through December 2010. The Board also approves a \$1 billion capital purchase in U.S. Central Corporate Federal Credit Union. Corporate credit unions provide financing, check clearing, and other services to retail credit unions.

January 30, 2009 | [Federal Reserve Press Release](#)

The Board of Governors announces a policy to avoid preventable foreclosures on certain residential mortgage assets held, controlled or owned by a Federal Reserve Bank. The policy was developed pursuant to section 110 of the Emergency Economic Stabilization Act.

January 30, 2009 | [Treasury Department CPP Transaction Report](#)

The U.S. Treasury Department purchases a total of \$1.15 billion in preferred stock from 42 U.S. banks under the Capital Purchase Program.

February 3, 2009 | [Federal Reserve Press Release](#)

The Federal Reserve announces the extension through October 30, 2009, of the existing liquidity programs scheduled to expire on April 30, 2009. The Board of Governors and the FOMC note “continuing substantial strains in many financial markets.” In addition, the swap lines between the Federal Reserve and other central banks are also extended to October 30, 2009. The expiration date for the TALF remains December 31, 2009, and the TAF does not have an expiration date.

February 6, 2009 | [Federal Reserve Press Release](#)

The Federal Reserve Board releases additional terms and conditions of the Term Asset-Backed Securities Loan Facility (TALF). Under the TALF, the Federal Reserve Bank of New York will lend up to \$200 billion to eligible owners of certain AAA-rated asset-backed securities backed by newly and recently originated auto loans, credit card loans, student loans and SBA-guaranteed small business loans.

February 10, 2009 | [Treasury Department Press Release](#) | [Fact Sheet](#)

U.S. Treasury Secretary Timothy Geithner announces a Financial Stability Plan involving Treasury purchases of convertible preferred stock in eligible banks, the creation of a Public-Private Investment Fund to acquire troubled loans and other assets from financial institutions, expansion of the Federal Reserve’s Term Asset-Backed Securities Loan Facility (TALF), and new initiatives to stem residential mortgage foreclosures and to support small business lending.

February 10, 2009 | [Federal Reserve Press Release](#)

The Federal Reserve Board announces that is prepared to expand the Term Asset-Backed Securities Loan Facility (TALF) to as much as \$1 trillion and broaden the eligible collateral to include AAA-rated commercial mortgage-backed securities, private-label residential mortgage-backed securities, and other asset-backed securities. An expansion of the TALF would be supported by \$100 billion from the Troubled Asset Relief Program (TARP). The Federal Reserve Board will announce the date that the TALF will commence operations later this month.