

**DATE:** August 14, 2007

**SUBJECT:** The Federal Reserve is providing liquidity to facilitate the orderly functioning of financial markets.

**HIGHLIGHTS:** The Federal Reserve will provide reserves as necessary through open market operations to promote trading in the federal funds market at rates close to the Federal Open Market Committee's target rate of 5-1/4 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.

**DOCUMENT  
LOCATION:**

<http://www.federalreserve.gov/boarddocs/press/monetary/2007/20070810/default.htm>

**FURTHER  
INFORMATION:**

Timothy A. Bosch, Vice President  
Banking Supervision and Regulation Department  
(314) 444-8440, or 1-800-333-0810, ext. 448440