

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

February 25, 2014

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Federal Reserve Plans to Conduct a Series of Seven-day Term Deposit Operations in March Under the Term Deposit Facility (TDF)

On February 21, 2014, the Federal Reserve announced plans to conduct a series of seven-day term deposit operations in March under the Term Deposit Facility (TDF) as part of the ongoing program of small-value offerings [announced on September 8, 2010](#). These small-value operations are designed to ensure the operational readiness of the TDF and to provide eligible institutions with an opportunity to gain familiarity with term deposit procedures. The development of the TDF and the ongoing small-value TDF operations are a matter of prudent planning and have no implications for the near-term conduct of monetary policy.

The Federal Reserve plans to conduct four operations of seven-day term deposits in March with the individual operations held on March 3, March 10, March 17, and March 24. The first three operations will offer fixed-rate deposits with the rate set in advance at 26 basis points, as in previous TDF operations. The last operation will employ a floating-rate format, with the rate set equal to the sum of the interest rate paid on excess reserves (currently 25 basis points) plus a fixed spread of 1 basis point, resulting in an effective rate of 26 basis points.

Further details for each of the weekly operations will be announced nearer to the time of each operation, and additional information, including the steps that institutions must complete to be eligible to participate in term deposit operations are available at:

http://www.frbservices.org/centralbank/term_deposit_facility.html.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Reserves Administration
(415) 974-2026