

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

January 5, 2010

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

Temporary Exemption to the Limitations in Section 23A of the Federal Reserve Act Has Expired

The Federal Reserve Board announced on October 30, 2009 that a temporary exemption to the limitations in section 23A of the Federal Reserve Act, instituted as part of the response to the financial crisis, has expired as scheduled on October 30, 2009.

The exemption, which was subject to various conditions to promote safety and soundness, allowed all insured depository institutions to provide liquidity to their affiliates for assets typically funded in the tri-party repo market. It was originally approved on September 14, 2008, and was extended on January 30, 2009.

Since the approval of the extension in January, the functioning of the tri-party repo market has improved considerably.

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/letters>.

For additional information, please contact:

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