Current and Proposed Methods of CRR Auction Impact on EAL

Prior to CRR Auction (CRR – 1+ weeks)

Available Credit (minimum $500K for annual or monthly auction)

Prior to CRR Auction (CRR – 1+ weeks)

Close of Collateral Posting Set Bid Reservation (CRR – 2 Business Days)

Available Credit

CRR Bid Reservation

During CRR Auction Total Bids < Bid Res. (CRR + 2BD monthly or CRR + 3BD annual)

Available Credit

CRR Bid Reservation

Bid 1

Bid 2

After CRR Auction Announce Winning Bids; Release Excess Collateral (CRR + 1 week)

Available Credit

Bid 1

Bid 2

Available Credit tied up for approx. 2 weeks; only 10% available for other market activities including CB

Available Credit

LEGEND:

Aggregate Credit Limit (ACL)  
Estimated Aggregate Liability (EAL)  
Available Credit

* Scheduled for March 2010 board meeting

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