

Financial Turmoil Timeline (June 2007 - November 2007)

Fed Policy Actions

28-Jun
FOMC maintains the target fed funds rate at 5.25%

17-Jul
Fed, OTS, FTC, and state agencies launch new program to supervise subprime mortgage lenders

7-Aug
FOMC maintains the target fed funds rate at 5.25%

10-Aug
Fed issues statement that it stands ready to provide liquidity via the discount window

17-Aug
Spread between the primary credit rate and the target fed funds rate is reduced to 50 bp

18-Sep
FOMC lowers target fed funds rate 50 bp to 4.75%

31-Oct
FOMC lowers target fed funds rate 25 bp to 4.5%

2-Nov
Fed approves Basel II

Market Events

23-Jun
Bear Stearns pledges \$3.2 bn to aid one of its ailing hedge funds

9-Aug
BNP Paribas freezes three funds after an inability to value subprime mortgage based assets

13-Sep
Northern Rock receives emergency loan from the Bank of England

16-Oct
Citigroup begins a string of major bank writedowns based on subprime mortgage losses

27-Nov
Citigroup raises \$7.5 billion from the Abu Dhabi Investment Authority

Other Policy Actions

26-Jun
SEC begins investigation of 12 CDO issuers

10-Oct
Paulson makes statement on "private sector alliance" to prevent mortgage default

Jun 5 10 15 20 25 30 Jul 5 10 15 20 25 30 Aug 5 10 15 20 25 30 Sep 5 10 15 20 25 30 Oct 5 10 15 20 25 30 Nov 5 10 15 20 25 30

Jun 5 10 15 20 25 30 Jul 5 10 15 20 25 30 Aug 5 10 15 20 25 30 Sep 5 10 15 20 25 30 Oct 5 10 15 20 25 30 Nov 5 10 15 20 25 30

Financial Turmoil Timeline (December 2007 - February 2008)

Fed Policy Actions

11-Dec
FOMC lowers target fed funds rate 25 bp to 4.25%

12-Dec
Term Auction Facility (TAF) is announced and swap lines are established with the ECB and SNB for \$20b and \$4b respectively

17-Dec
The first TAF auction takes place for \$20b of 28-day credit

21-Dec
Fed extends TAF auctions "for as long as necessary to address elevated pressures in short-term funding markets"

22-Jan
FOMC lowers target fed funds rate 75 bp to 3.5%

30-Jan
FOMC lowers target fed funds rate 50 bp to 3%

1-Feb
TAF auction size increased to \$30b every two weeks

Dec 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Jan 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Feb 2 4 6 8 10 12 14 16 18 20 22 24 26 28

Market Events

11-Jan
Bank of America announces purchase of Countrywide Financial for \$4 bn

29-Jan
Rating agencies threaten to downgrade Ambac Financial and MBIA, two major bond insurers

Dec 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Jan 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Feb 2 4 6 8 10 12 14 16 18 20 22 24 26 28

Other Policy Actions

28-Jan
Economic Stimulus Act of 2008 proposed

13-Feb
Economic Stimulus Act of 2008 signed into law

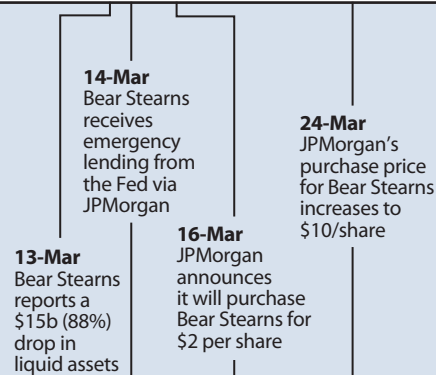
17-Feb
Britain nationalizes Northern Rock

Financial Turmoil Timeline (March 2008-May 2008)

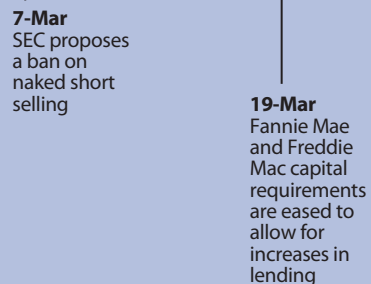
Fed Policy Actions



Market Events



Other Policy Actions



Mar 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Apr 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 May 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30

Financial Turmoil Timeline (June 2008-August 2008)

Fed Policy Actions

5-Jun
Bank of America's purchase of Countrywide is approved

13-Jul
Lending to Fannie Mae and Freddie Mac at the primary credit rate is authorized

30-Jul
84-day TAF auctions are introduced and the ECB swap line is increased

Jun 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Jul 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Aug 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30

Market Events

6-Jun
S&P downgrades the two largest monoline bond insurers from AAA to AA

16-Jun
Lehman reports a loss of \$2.8b in the second quarter

11-July
After FDIC take-over, IndyMac experiences a run on deposits

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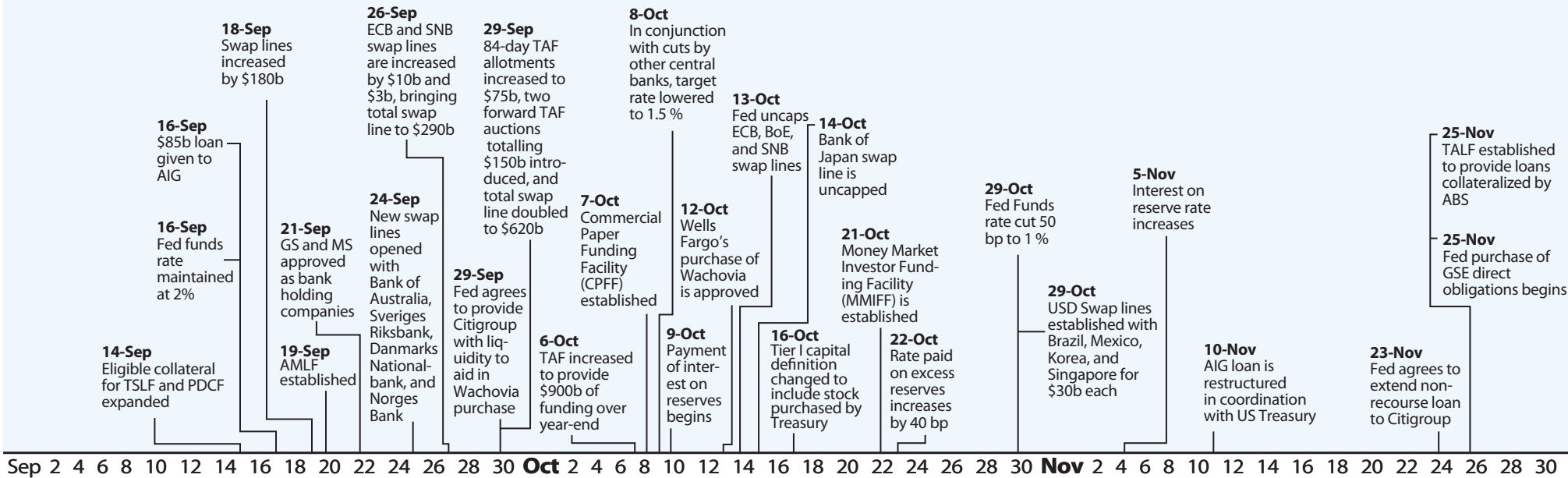
Other Policy Actions

11-July
The FDIC takes over IndyMac

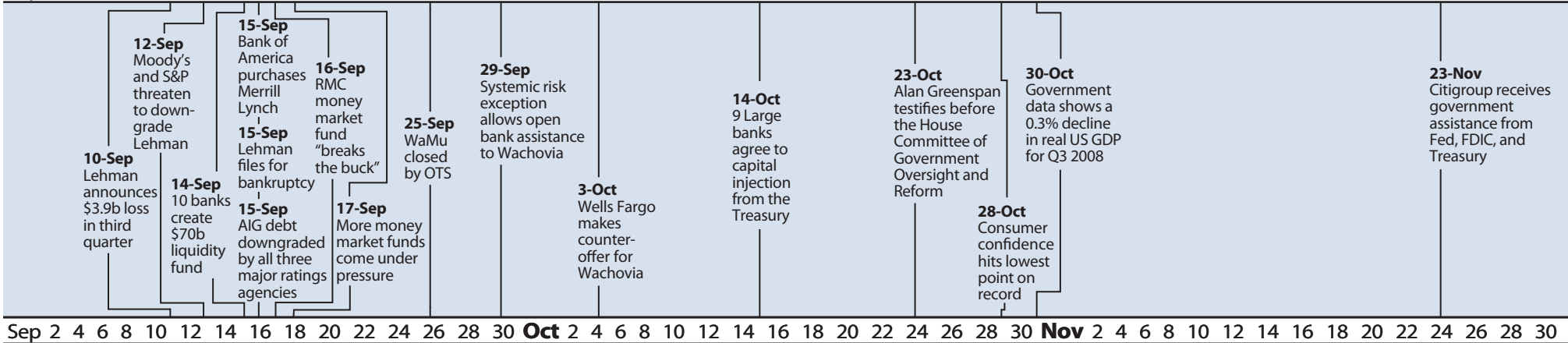
15-July
Treasury Secretary Paulson requests government funds to potentially support Fannie Mae and Freddie Mac

Financial Turmoil Timeline (September 2008 - November 2008)

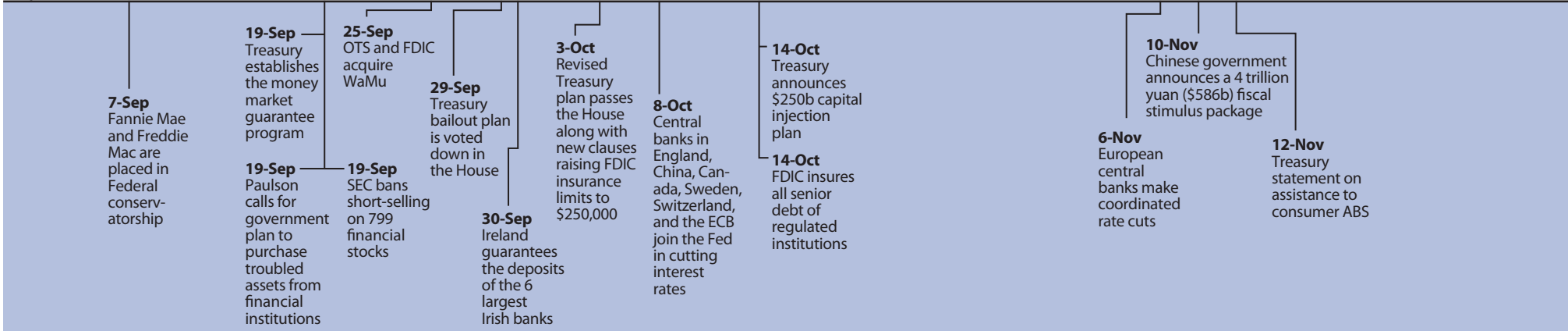
Fed Policy Actions



Market Events

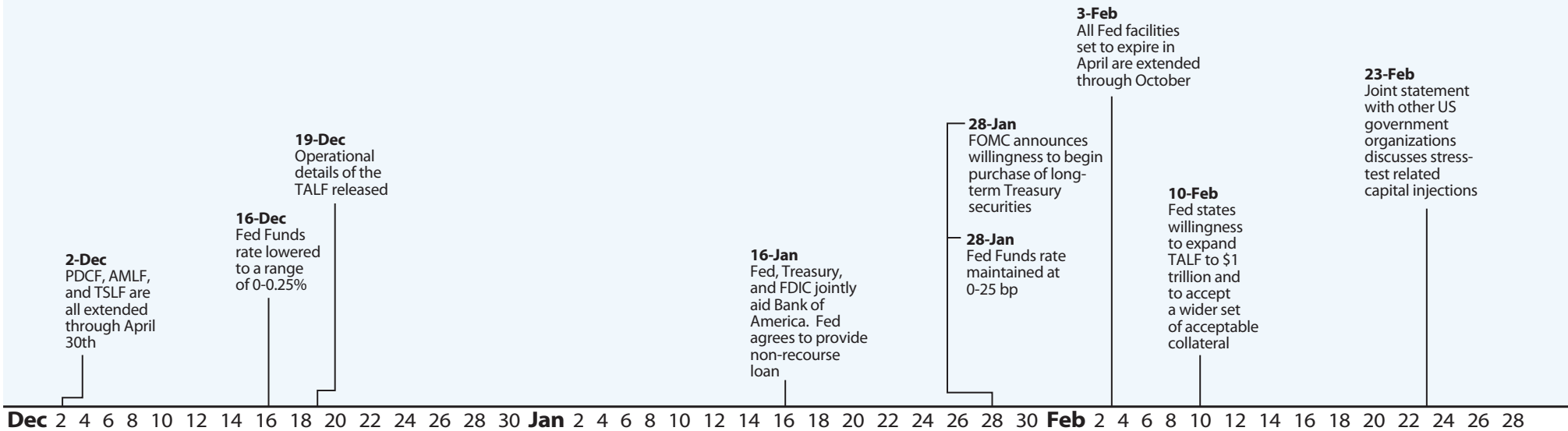


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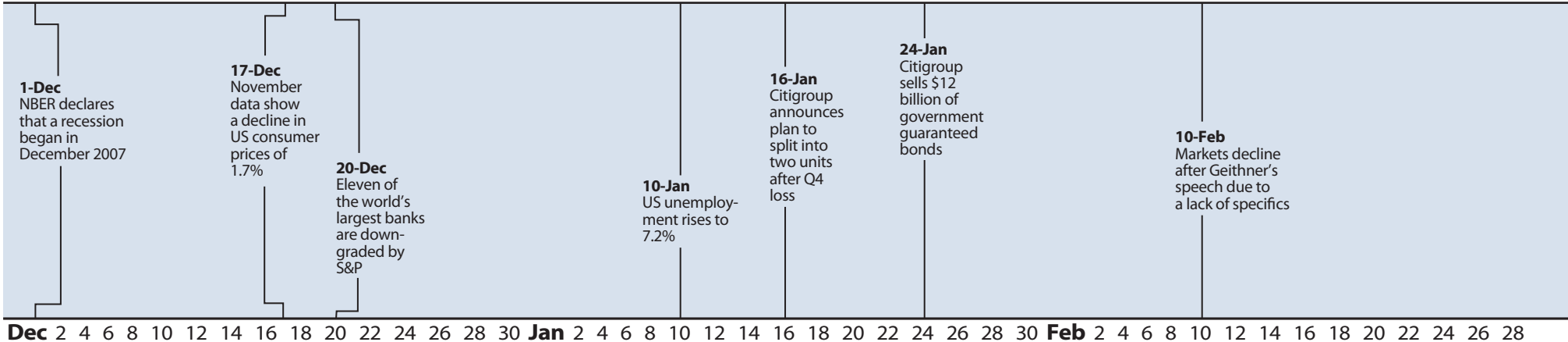


Financial Turmoil Timeline (December 2008 - February 2009)

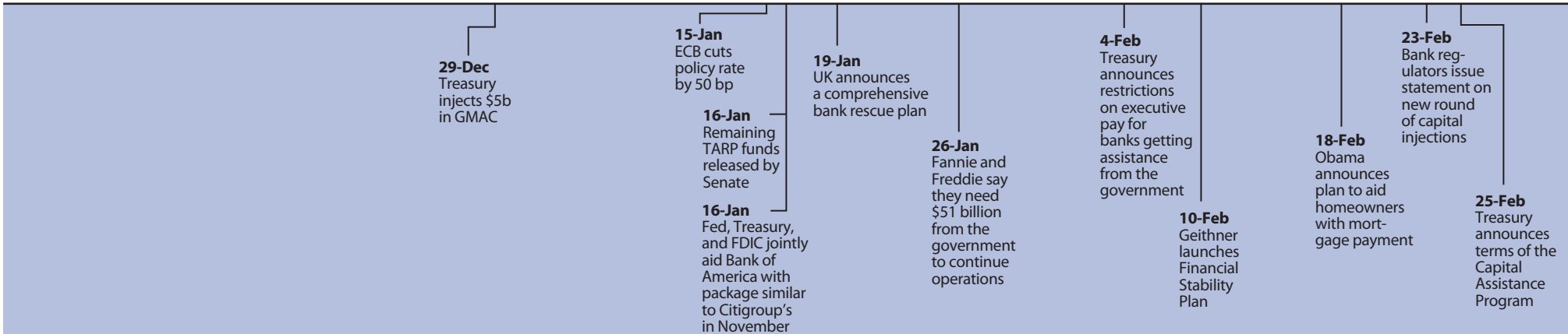
Fed Policy Actions



Market Events

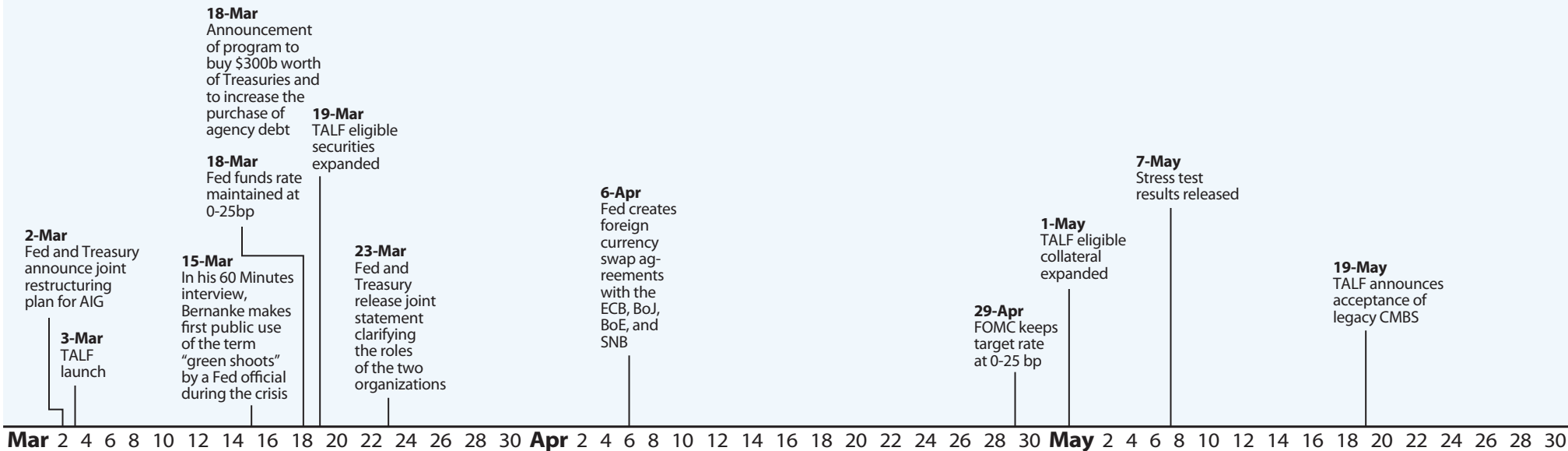


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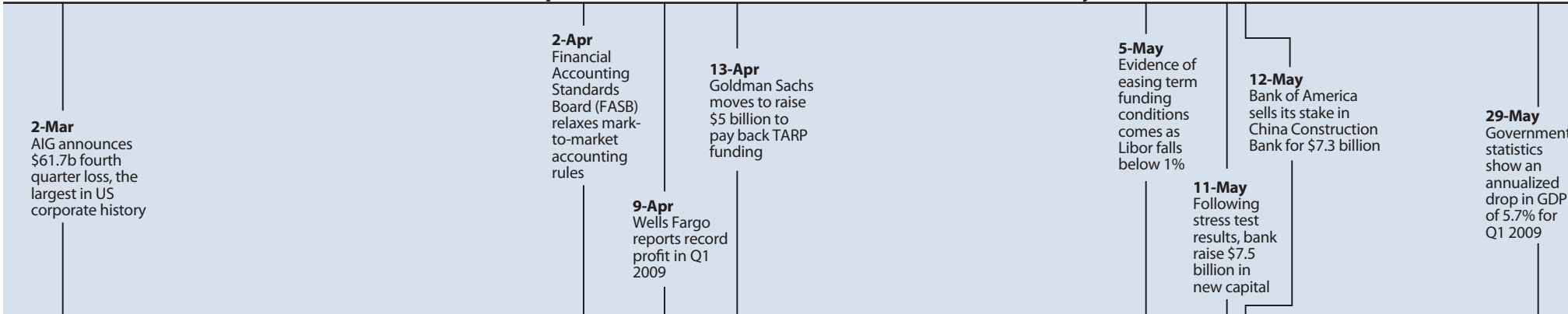


Financial Turmoil Timeline (March 2009 - May 2009)

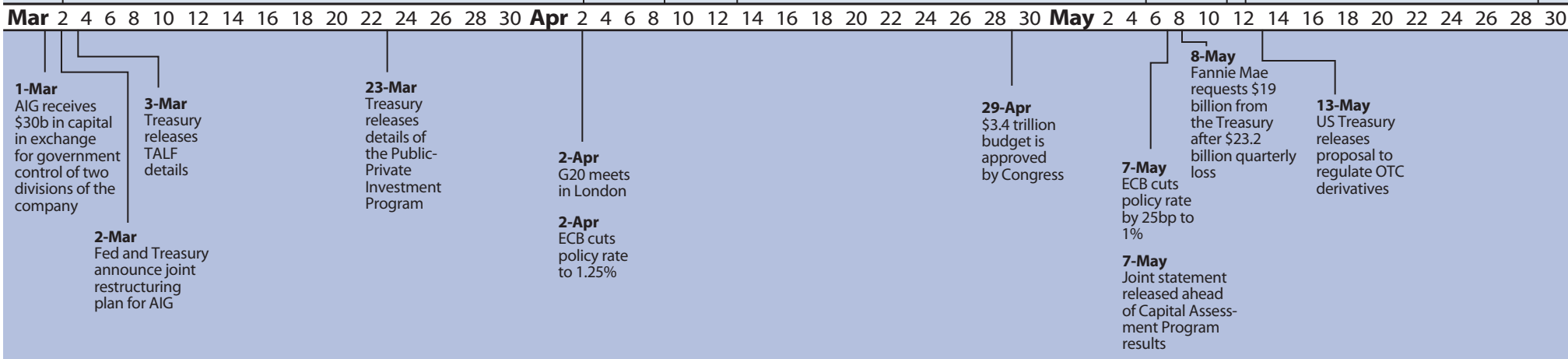
Fed Policy Actions



Market Events

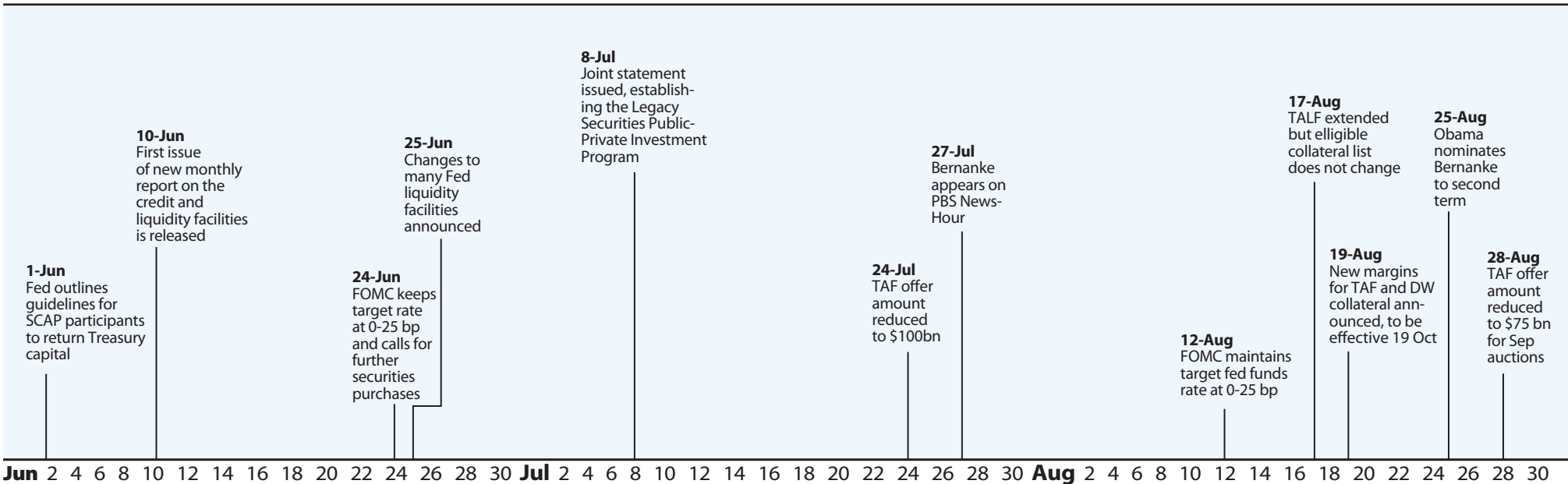


Other Policy Actions

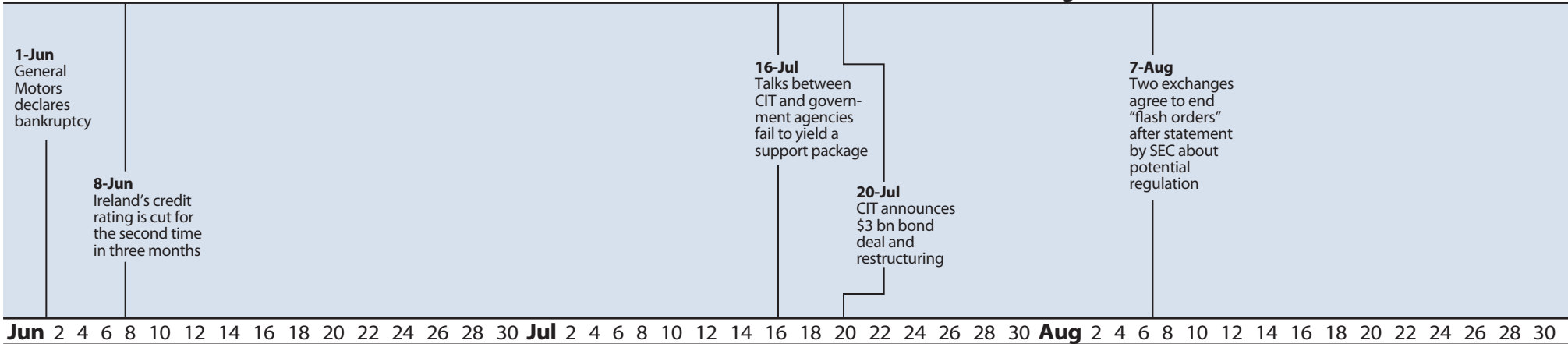


Financial Turmoil Timeline (June 2009 - August 2009)

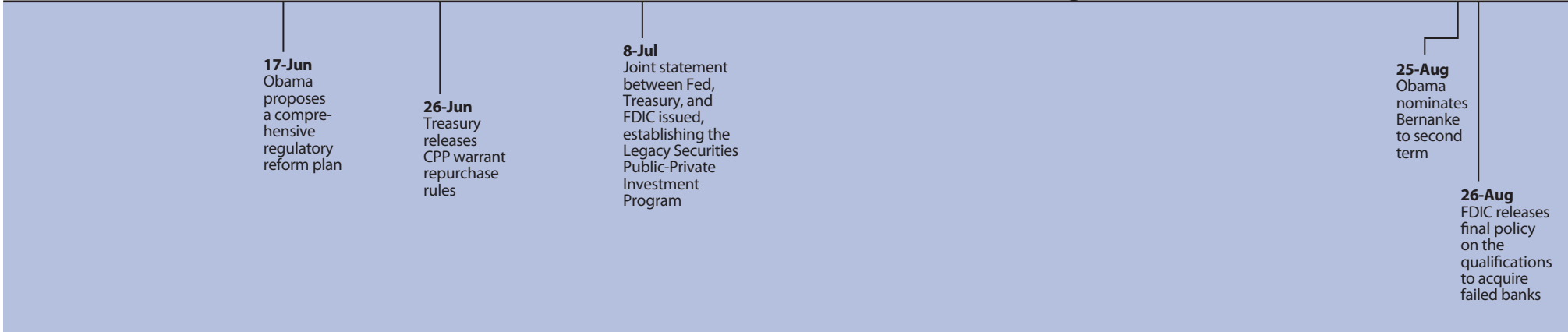
Fed Policy Actions



Market Events



Other Policy Actions



Financial Turmoil Timeline (September 2009 - November 2009)

Fed Policy Actions

23-Sep
Target rate kept at 0-25 bp, agency purchases set to expire after Q1 2010

24-Sep
TSLF and TAF offer amount reductions announced

5-Oct
Changes to process for evaluating ABS pledged to TALF announced

22-Oct
Proposed guidance on bank incentive compensation released

4-Nov
FOMC maintains target rate at 0-25 bp, citing subdued inflation

Sep 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Oct 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Nov 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30

Market Events

25-Sep
Trade volumes for July rose at fastest rate in over 5 years

1-Nov
CIT Group files for bankruptcy with support of debt holders

13-Nov
Federal Housing Finance Agency capital reserves fall to 0.53%

26-Nov
Dubai World requests 6-month debt standstill

Sep 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Oct 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 Nov 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30

Other Policy Actions

9-Sep
FDIC board approves expiration of Temporary Liquidity Guarantee Program on 31 Oct

17-Sep
SEC proposes flash order ban

17-Sep
SEC approves new rules to govern rating agencies

18-Sep
Treasury Guarantee Program for Money Markets expires

29-Sep
FDIC requires insured institutions to prepay quarterly risk-based assessments to strengthen its cash position

22-Oct
Treasury issues first rulings on executive compensation for 7 firms that received TARP assistance

9-Nov
Treasury Capital Assistance Program will close without making any investments

17-Nov
President Obama establishes Financial Fraud Enforcement Task Force