Financial Turmoil Timeline (June 2007 - November 2007)

26-Jun SEC begins investigation of 12 CDO issuers

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

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

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

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

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

9-Aug BNP Paribas freezes three funds after being unable 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

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

21-Oct FOMC lowers the target fed funds rate to 4.5%

2-Nov Fed approves Basel II

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

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

Click on any event for further information. If you encounter broken links or have other feedback, please email Lauri Feldman at lauri.feldman@ny.frb.org.
Financial Turmoil Timeline (December 2007 - February 2008)

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 $20 bn and $4 bn respectively

17-Dec
The first TAF auction takes place for $20 bn 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 $30 bn every two weeks

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

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

17-Feb
Britain nationalizes Northern Rock

13-Feb
Economic Stimulus Act of 2008 signed into law

28-Jan
Economic Stimulus Act of 2008 proposed

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Financial Turmoil Timeline  (March 2008-May 2008)

- **7-Mar** SEC proposes a ban on naked short selling
- **13-Mar** Bear Stearns reports a $15 bn (88%) drop in liquid assets
- **14-Mar** Bear Stearns receives emergency lending from the Fed via JPMorgan
- **15-Mar** Bear Stearns receives emergency lending from JPMorgan
- **16-Mar** Fed approves purchase of Bear Stearns by JPMorgan
- **16-Mar** The spread between the primary credit rate and target fed funds rate is cut to 25 bp
- **16-Mar** Primary Dealer Credit Facility (PDCF) is created
- **17-Mar** Target fed funds rate is lowered 75 bp to 2.25%
- **18-Mar** Fed approves purchase of Bear Stearns by JPMorgan
- **19-Mar** Fannie Mae and Freddie Mac capital requirements are eased to allow for increases in lending
- **24-Mar** JPMorgan’s purchase price for Bear Stearns increases to $10/share
- **25-Mar** JPMorgan’s purchase price for Bear Stearns increases to $10/share
- **26-Mar** TAF and swap lines increase
- **28-Mar** Target fed funds rate is lowered 25 bp to 2%
- **30-Apr** Target fed funds rate is lowered 25 bp to 2%
- **31-Apr** Target fed funds rate is lowered 25 bp to 2%
- **2-May** TSLF eligible collateral expands to include AAA rated ABS
- **2-May** TAF and swap lines increase
- **30-May** Target fed funds rate is lowered 25 bp to 2%

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Financial Turmoil Timeline (June 2008-August 2008)

- **June 5**: Bank of America’s purchase of Countrywide is approved
- **June 6**: S&P downgrades the two largest monoline bond insurers from AAA to AA
- **June 13**: Lending to Fannie Mae and Freddie Mac at the primary credit rate is authorized
- **June 15**: Treasury Secretary Paulson requests government funds to potentially support Fannie Mae and Freddie Mac
- **June 16**: Lehman reports a loss of $2.8 bn in the second quarter
- **June 17**: After FDIC take-over, IndyMac experiences a run on deposits
- **June 25**: Bank of America’s purchase of Countrywide is approved
- **June 30**: The FDIC takes over IndyMac
- **July 11**: The FDIC takes over IndyMac
- **July 15**: 84-day TAF auctions are introduced and the ECB swap line is increased
- **July 30**: 84-day TAF auctions are introduced and the ECB swap line is increased
- **August 30**: 84-day TAF auctions are introduced and the ECB swap line is increased

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Financial Turmoil Timeline (September 2008 - November 2008)

Fed Policy Actions

- 16-Sep Fed loans $85 bn to AIG
- 16-Sep Fed funds rate maintained at 2%
- 18-Sep Swap lines increased by $180 bn
- 21-Sep GS and MS approved as bank holding companies
- 26-Sep ECB and SNB swap lines are increased by $10 bn and $3 bn
- 29-Sep 84-day TAF allotments increased to $10 bn, two forward TAF auctions totalling $150 bn introduced, and total swap line doubled to $620 bn
- 7-Oct Commercial Paper Funding Facility (CPFF) established
- 9-Oct Fed agrees to provide Citigroup with liquidity to aid in Wachovia purchase
- 12-Oct Wells Fargo’s purchase of Wachovia is approved
- 13-Oct Fed uncaps ECB, BoE, and SNB swap lines
- 14-Oct BOJ swap line is uncapped
- 15-Oct Money Market Investor Funding Facility (MMIFF) is established
- 20-Oct Wells Fargo’s offer for counteroffer for Wachovia
- 21-Oct Federal Reserve agrees to provide liquidity to Wachovia
- 22-Oct Rate paid on excess reserves increases by 40 bp
- 25-Oct TALF established to provide loans collateralized by ABS
- 29-Oct USD Swap lines established with Brazil, Mexico, Korea, and Singapore for $30 bn each
- 5-Nov Interest on reserve rate increases
- 10-Nov AIG loan is restructured in coordination with US Treasury
- 14-Oct Treasury announces $250 bn capital injection plan
- 10-Nov Chinese government announces a Y4 tn ($586 bn) fiscal stimulus package
- 23-Nov Fed, FDIC, and Treasury agree to non-recourse loan to Citigroup if necessary

Market Events

- 7-Sep Fannie Mae and Freddie Mac are placed in Federal conservatorship
- 10-Sep Lehman announces $3.9 bn loss in Q3
- 12-Sep Moody’s and S&P threaten to downgrade Lehman
- 14-Sep 10 banks create $70 bn liquidity fund
- 16-Sep Bank of America purchases Merrill Lynch
- 19-Sep Lehman files for bankruptcy
- 15-Sep Systemic risk exception allows open bank assistance to Wachovia
- 17-Sep AIG debt downgraded by all three major ratings agencies
- 20-Sep Wells Fargo agrees to capital injection from the Treasury
- 21-Sep Lehman files for bankruptcy
- 22-Oct Consumer confidence hits lowest point on record

Other Policy Actions

- 7-Sep Paulson calls for government plan to purchase troubled assets from financial institutions
- 19-Sep SEC bans short-selling on 799 financial stocks
- 29-Sep Treasury bailout plan is voted down in the House
- 30-Sep Ireland guarantees the deposits of the 6 largest Irish banks
- 6-Nov European central banks make coordinated rate cuts
- 12-Nov Treasury statement on assistance to consumer ABS

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Financial Turmoil Timeline (December 2008 - February 2009)

1-Dec NBER declares that a recession began in December 2007

2-Dec PDCF, AMLF, and TSLF are all extended through April 30th

16-Dec Fed Funds rate lowered to a range of 0-0.25%

16-Dec Operational details of the TALF released

17-Dec November data show a decline in US consumer prices of 1.7%

20-Dec Eleven of the world’s largest banks are downgraded by S&P

21-Dec Fed, Treasury, and FDIC jointly aid Bank of America. Fed agrees to provide non-recourse loan

10-Jan US unemployment rises to 7.2%

16-Jan Fed, Treasury, and FDIC jointly aid Bank of America. Fed agrees to provide non-recourse loan

24-Jan Citigroup sells $12 bn of government guaranteed bonds

28-Jan FOMC announces willingness to purchase long-term Treasury securities

28-Jan Fed Funds rate maintained at 0-25 bp

29-Dec Treasury injects $5 bn in GMAC

15-Jan ECB cuts policy rate by 50 bp

19-Jan UK announces a comprehensive bank rescue plan

16-Jan Remaining TARP funds released by Senate

16-Jan Fed, Treasury, and FDIC jointly aid Bank of America

16-Jan Citigroup announces plan to split into two units after Q4 loss

26-Jan Fannie and Freddie say they need $51 bn to continue operations

4-Feb Treasury announces restrictions on executive pay for banks getting assistance from the government

18-Feb Obama announces plan to aid homeowners with mortgage payment

23-Feb Joint statement with other US government organizations discusses stress-test related capital injections

23-Feb Bank regulators issue statement on new round of capital injections

25-Feb Treasury announces terms of the Capital Assistance Program

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Financial Turmoil Timeline (June 2009 - August 2009)

1-Jun Fed outlines guidelines for SCAP participants to return Treasury capital

8-Jun Ireland’s credit rating is cut for the second time in three months

17-Jun Obama proposes a comprehensive regulatory reform plan

24-Jun FOMC keeps target rate at 0-25 bp and calls for further securities purchases

25-Jun TAF offering amount reduced for first time

8-Jul Joint statement issued, establishing the Legacy Securities Public-Private Investment Program

27-Jul Bernanke appears on PBS News-Hour

24-Jul TAF offer amount reduced to $100 bn

26-Jun Treasury releases CPP warrant repurchase rules

12-Aug FOMC maintains target fed funds rate at 0-25 bp

26-Aug TAF offer amount reduced to $75 bn for Sep auctions

10-Jun First issue of new monthly report on the credit and liquidity facilities is released

2-Jul Reg D amendment prevents FHLBs from earning IOER

25-Jun TAF offering amount reduced for first time

24-Jul TAF offering amount reduced to $100 bn

8-Jul Joint statement issued, establishing the Legacy Securities Public-Private Investment Program

27-Jul Bernanke appears on PBS News-Hour

19-Aug New margins for TAF and DW collateral announced, to be effective 19 Oct

25-Aug Obama nominates Bernanke to second term

17-Aug TALF extended but eligible collateral list does not change

8-Jul Joint statement between Fed, Treasury, and FDIC issued, establishing the Legacy Securities Public-Private Investment Program

20-Jul CIT announces $3 bn bond deal and restructuring

12-Aug New margins for TAF and DW collateral announced, to be effective 19 Oct

28-Aug TALF offer amount reduced to $75 bn for Sep auctions

17-Aug TALF extended but eligible collateral list does not change

24-Jun FOMC keeps target rate at 0-25 bp and calls for further securities purchases

1-Jun Fed outlines guidelines for SCAP participants to return Treasury capital

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19-Aug New margins for TAF and DW collateral announced, to be effective 19 Oct

28-Aug TALF offer amount reduced to $75 bn for Sep auctions

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Financial Turmoil Timeline (September 2009 - November 2009)

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Financial Turmoil Timeline (December 2009 - February 2010)

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Financial Turmoil Timeline (March 2010 - May 2010)

- **15-Mar**: FOMC maintains the 0-25 bp target
- **31-Mar**: Agency MBS and Agency Debt purchases completed
- **29-Apr**: President Obama announces three nominees to serve on the Federal Reserve Board
- **30-Apr**: Federal Reserve Board approves amendments to Reg D allowing for term deposits for eligible institutions
- **28-Apr**: FOMC maintains the 0-25 bp target and notes that economic activity has strengthened
- **27-Apr**: Federal Reserve Board approves amendments to Reg D allowing for term deposits for eligible institutions
- **29-Apr**: FOMC maintains the 0-25 bp target and notes that economic activity has strengthened
- **28-May**: Federal Reserve Board announces TDF auction schedule
- **9-May**: Reestablishment of temporary U.S. dollar liquidity swap facilities
- **10-May**: Temporary U.S. dollar liquidity swap facilities expanded
- **29-Mar**: Treasury announces that it plans to sell $7.7 bn in Citigroup stock over the course of 2010
- **22-Mar**: The Senate Banking committee passes financial regulation bill
- **22-Apr**: President Obama gives speech urging financial industry executives to support efforts for financial reform
- **19-Apr**: SEC charges Goldman Sachs with fraud
- **21-Apr**: GM repays remaining TARP funds
- **16-Apr**: SEC charges Goldman Sachs with fraud
- **28-May**: Federal Reserve Board announces TDF auction schedule
- **6-May**: The Dow plummets 998.5 points, its largest intraday point drop ever

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Financial Turmoil Timeline  (June 2010 - August 2010)

21-Jun
Issuance of final guidance on incentive compensation

23-Jun
FOMC keeps target rate at 0-25 bp in response to continuingly weak economic conditions

20-Jul
Fed announces a reduction in the credit protection provided by TALF

10-Aug
FOMC maintains target fed funds rate at 0-25 bp

18-Jul
FOMC announces a reduction in the credit protection provided by TALF

22-Jul
FOMC keeps target rate at 0-25 bp in response to continuingly weak economic conditions

23-Jun
FOMC keeps target rate at 0-25 bp in response to continuingly weak economic conditions

29-Jun
Dodd-Frank Wall Street Reform and Consumer Protection Act Passed

30-Jun
SEC adopts measures to curtail pay-to-play practices

25-Aug
New home sales hit lowest levels on record

27-Aug
Stocks rally following Chairman Bernanke’s speech

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Financial Turmoil Timeline (December 2010)

Fed Policy Actions

1-Dec
Fed releases detailed information on its market transactions during the crisis

14-Dec
FOMC announces that it will purchase $600 bn in longer-term Treasurries and maintains the target rate

21-Dec
The Fed, ECB, BOJ, BOE, BOC, and SNB announce an extension of the US Dollar liquidity swap facilities

Market Events

1-Dec
AIG issues its first bond since its near collapse

17-Dec
B of A is sued for routinely misleading consumers about home loan modifications

28-Dec
Initial claims for unemployment fell to their lowest level in 2 years

21-Dec
The Fed, ECB, BOJ, BOE, BOC, and SNB announce an extension of the US Dollar liquidity swap facilities

26-Dec
Fannie and Freddie say they need $51 billion from the government to continue operations

Other Policy Actions

16-Dec
Congress approves an $860 B tax cut and extended unemployment insurance package

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