

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

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

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 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

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

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

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

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 \$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

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

17-Feb
Britain nationalizes Northern Rock

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

Financial Turmoil Timeline (March 2008-May 2008)

Fed Policy Actions

- 11-Mar** Term Securities Lending Facility (TSLF) is introduced and swap lines with the ECB and SNB are increased
- 14-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
- 18-Mar** Target fed funds rate is lowered 75 bp to 2.25%
- 30-Apr** Target fed funds rate is lowered 25 bp to 2%
- 2-May** TAF and swap lines increase
- 2-May** TSLF eligible collateral expands to include AAA rated ABS

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

Market Events

- 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
- 16-Mar** JPMorgan announces it will purchase Bear Stearns for \$2/share
- 24-Mar** JPMorgan's purchase price for Bear Stearns increases to \$10/share

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

Other Policy Actions

- 7-Mar** SEC proposes a ban on naked short selling
- 19-Mar** Fannie Mae and Freddie Mac capital requirements are eased to allow for increases in lending

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 \$2.8 bn in the second quarter

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

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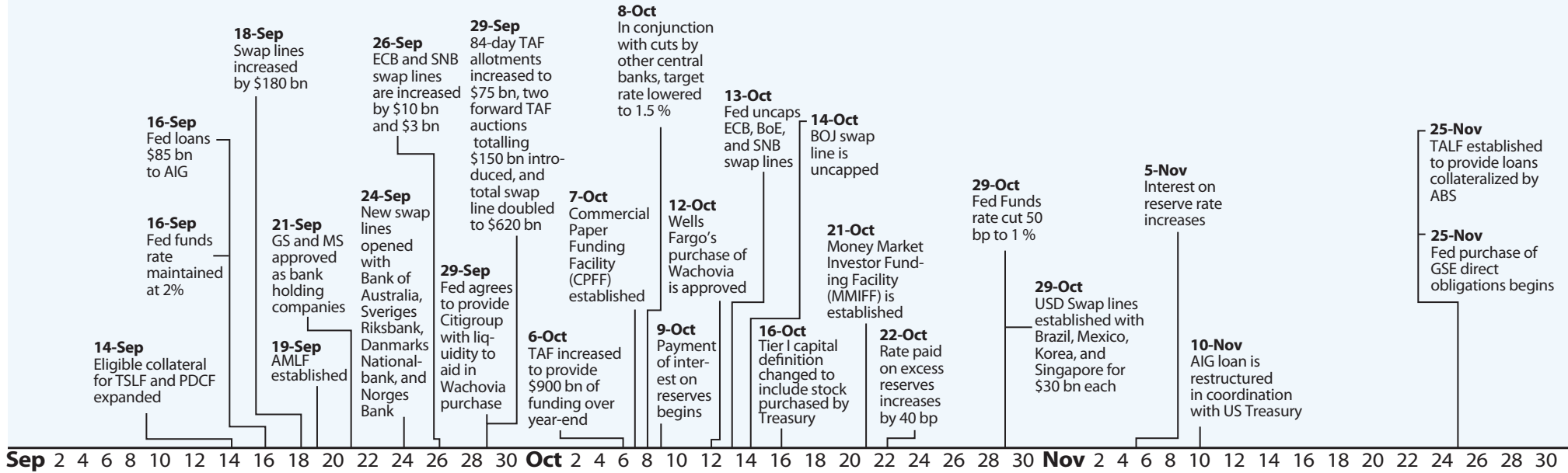
Other Policy Actions

11-July
The FDIC takes over IndyMac

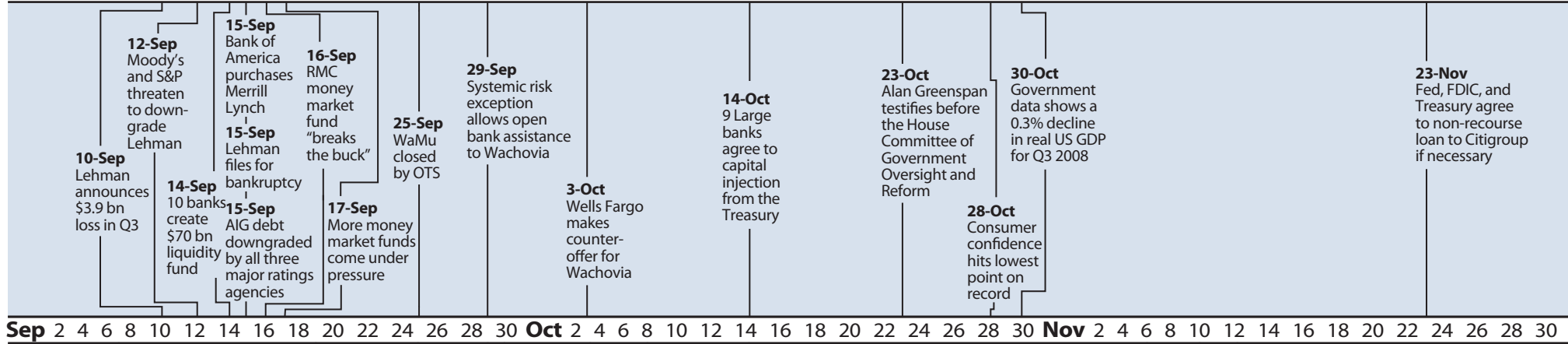
15-July
Treasury Secretary Paulson requests government funds to potentially support Fannie Mae and Freddie Mac

Financial Turmoil Timeline (September 2008 - November 2008)

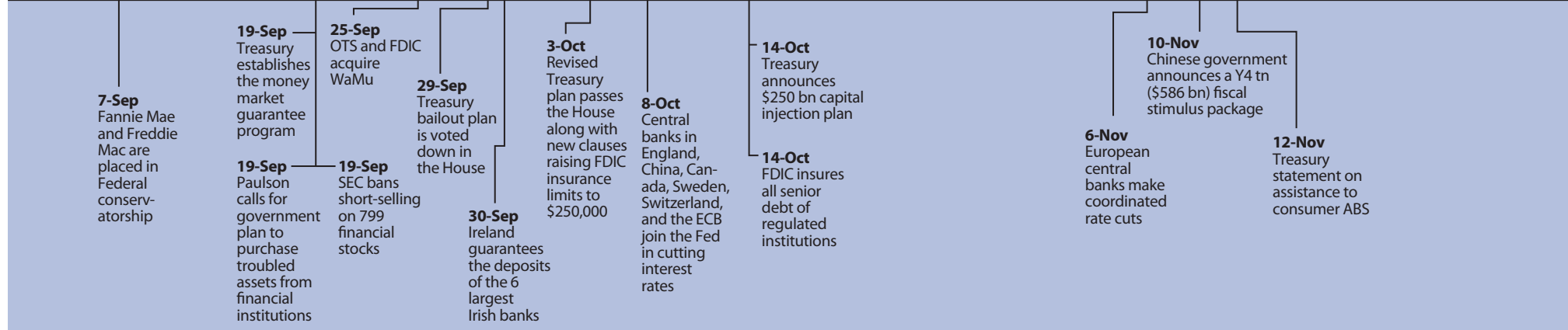
Fed Policy Actions



Market Events

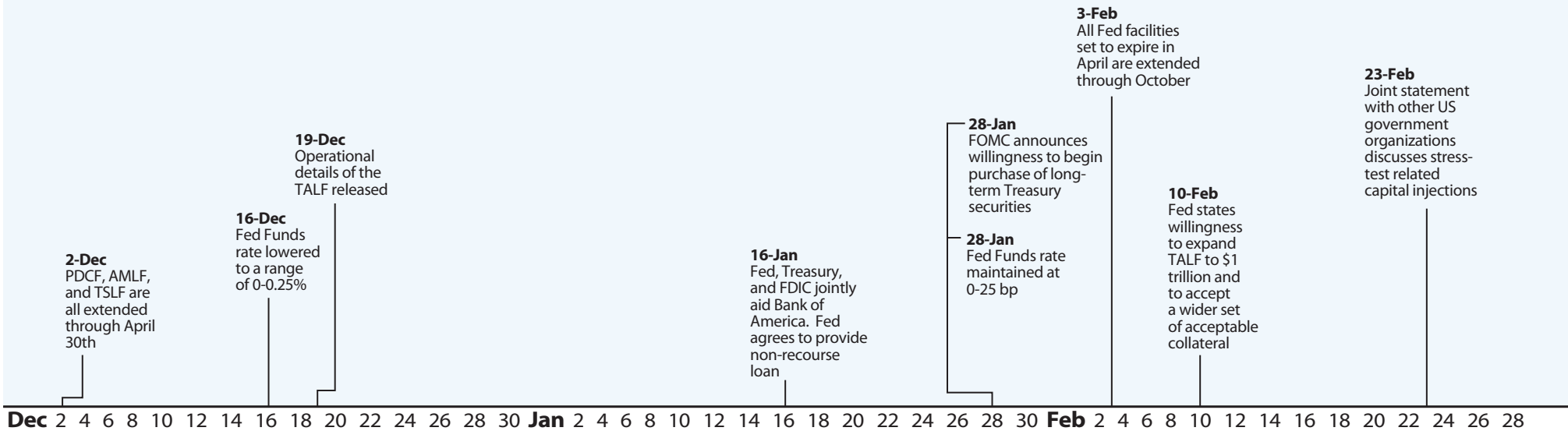


Other Policy Actions

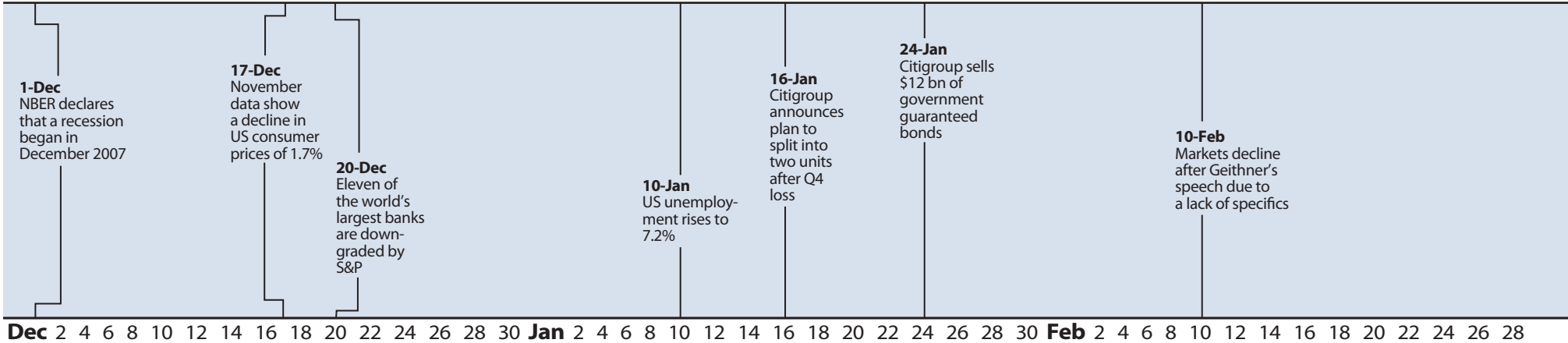


Financial Turmoil Timeline (December 2008 - February 2009)

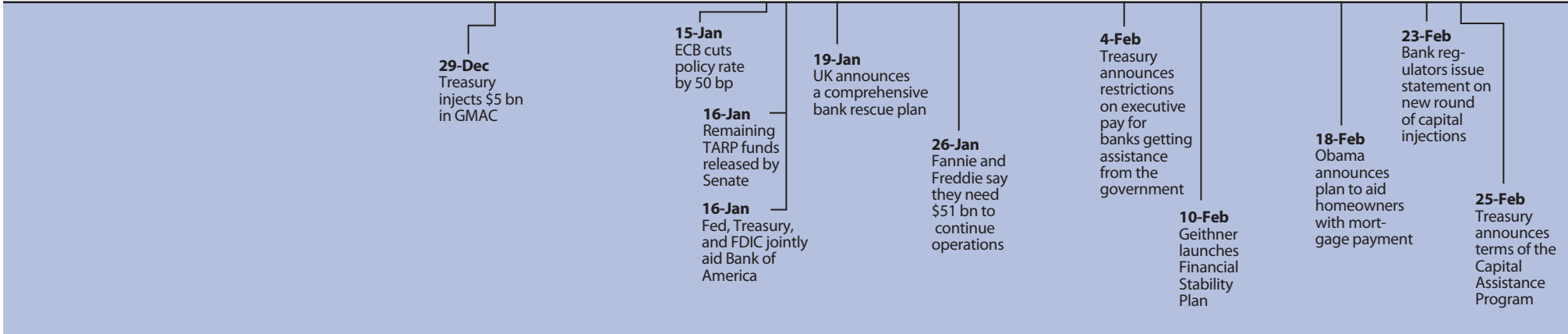
Fed Policy Actions



Market Events

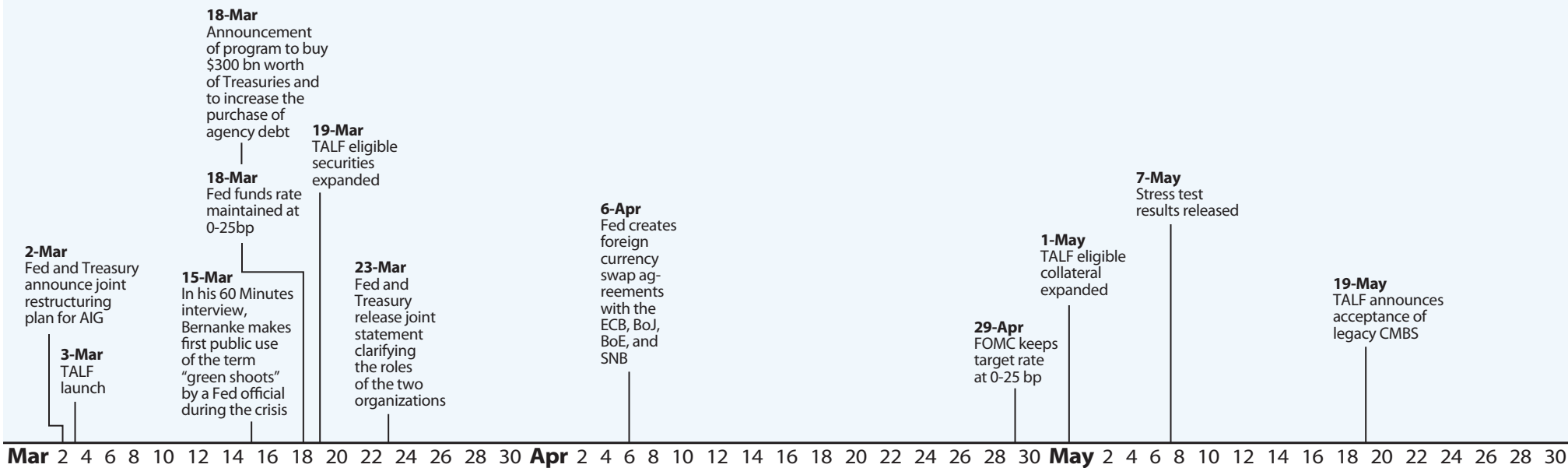


Other Policy Actions

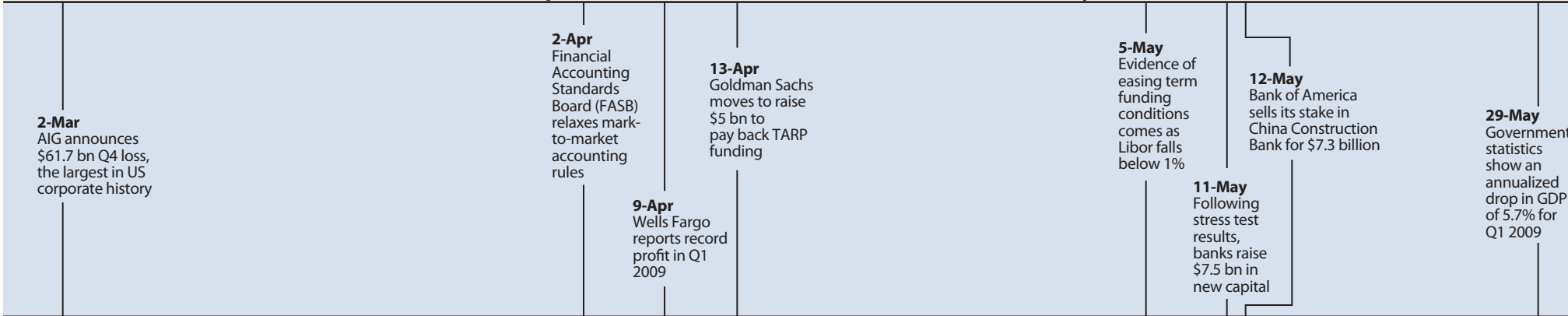


Financial Turmoil Timeline (March 2009 - May 2009)

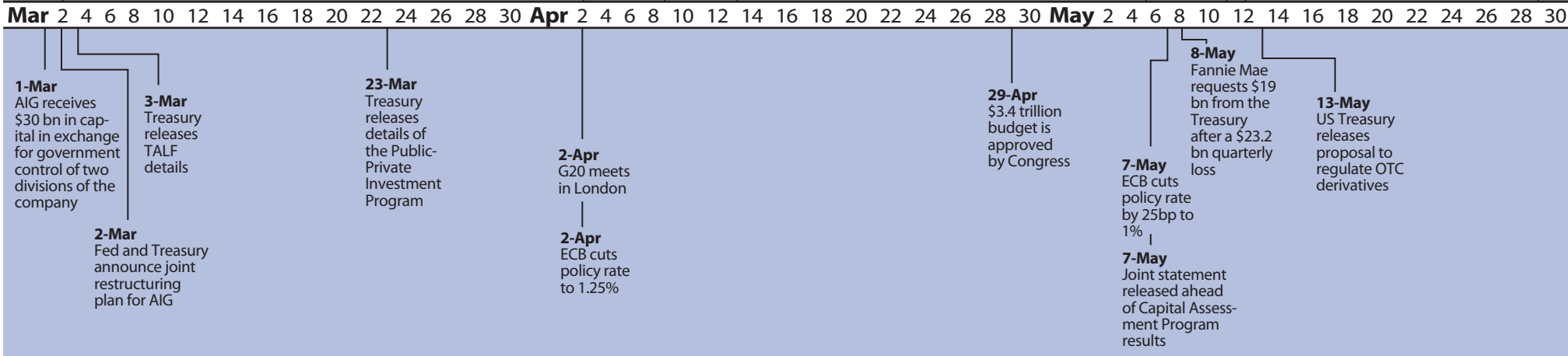
Fed Policy Actions



Market Events

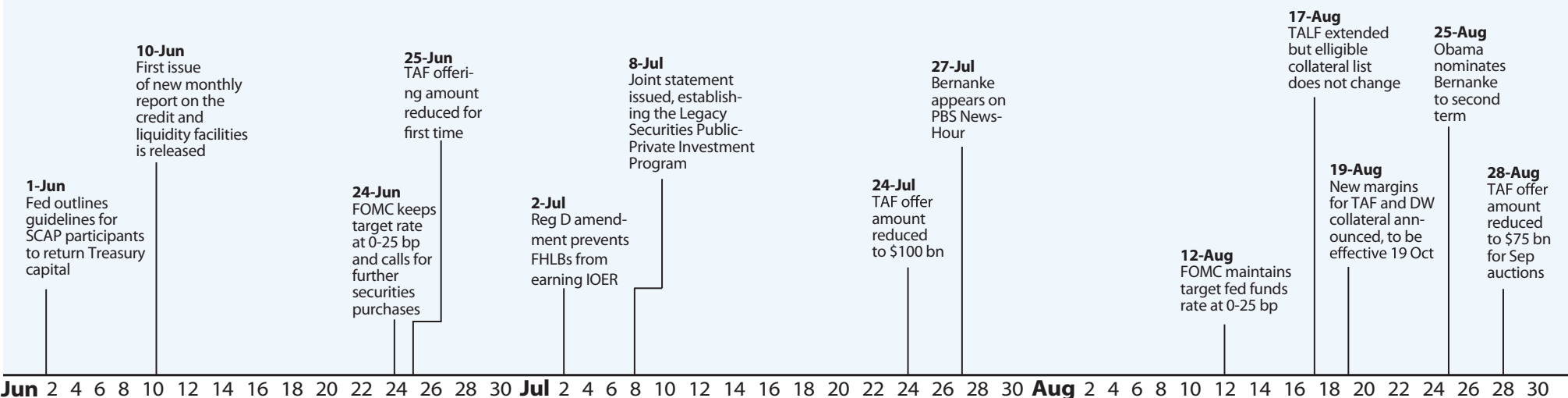


Other Policy Actions

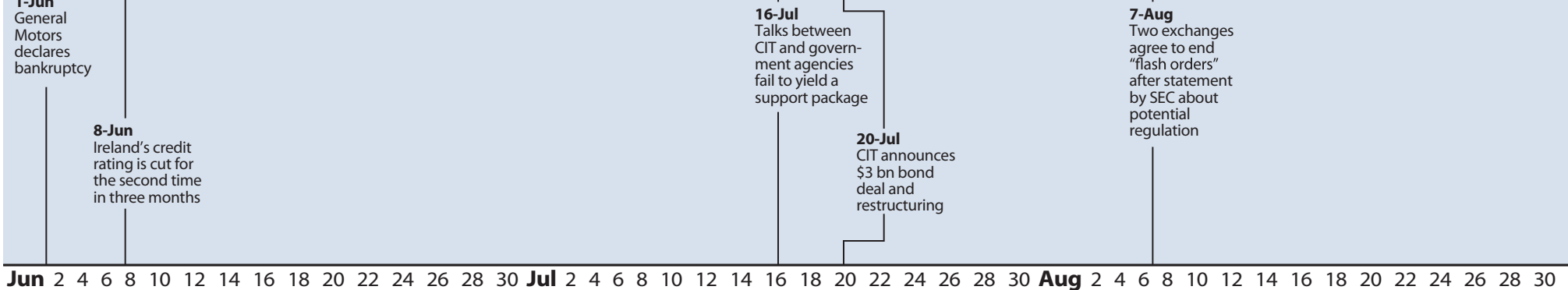


Financial Turmoil Timeline (June 2009 - August 2009)

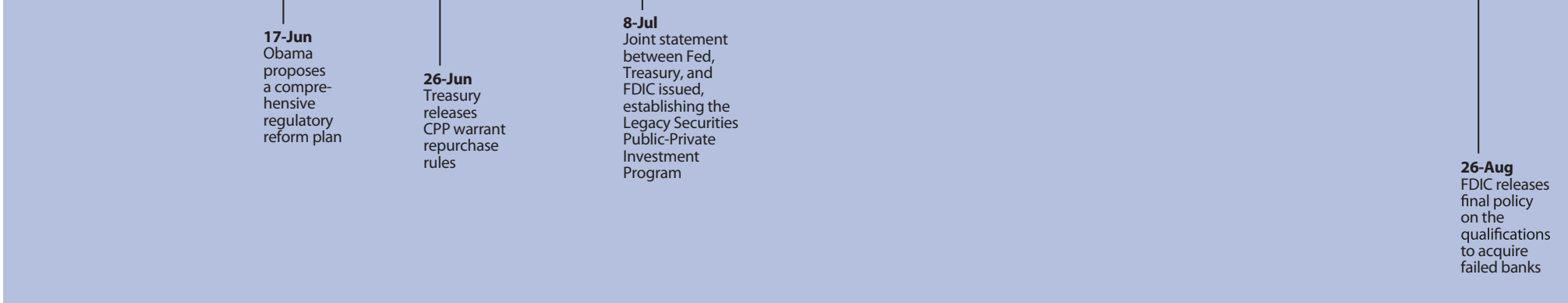
Fed Policy Actions



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

Financial Turmoil Timeline (December 2009 - February 2010)

Fed Policy Actions

16-Dec
Target rate kept at 0-25 bp, agency purchases on track to be completed by Q1 2010

28-Dec
Board proposes amending Reg. D to establish a term deposit facility

27-Jan
FOMC keeps target rate at 0-25 bp and notes that inflation is likely to remain low for some time

28-Jan
The Senate confirms Chairman Bernanke for a second four year term

1-Feb
The AMLF, the CPFF, the PDCF and the TSLF are closed

3-Feb
Ben Bernanke is sworn in to his second term as Chairman of the Federal Reserve

18-Feb
The Primary Credit Rate is increased from 1/2 to 3/4 of a percent

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Market Events

9-Dec
Bank of America repays TARP funds

23-Dec
Citibank and Wells Fargo repay TARP funds

27-Jan
Secretary Geithner testifies to congress on AIG deal

10-Feb
PNC Bank repays TARP funds

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

9-Dec
Treasury extends TARP until October 2010

24-Dec
Treasury uncaps the available capital for PSPAs with Fannie Mae and Freddie Mac

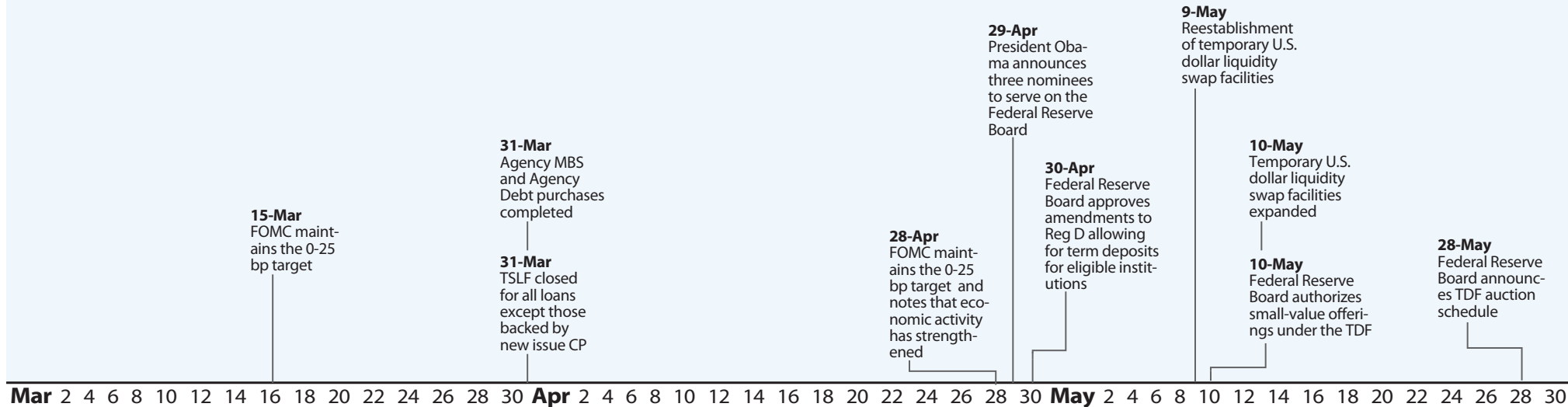
14-Jan
President Obama proposes a financial crisis responsibility fee

27-Jan
SEC issues a new rule to increase the resilience of money market funds to economic stress

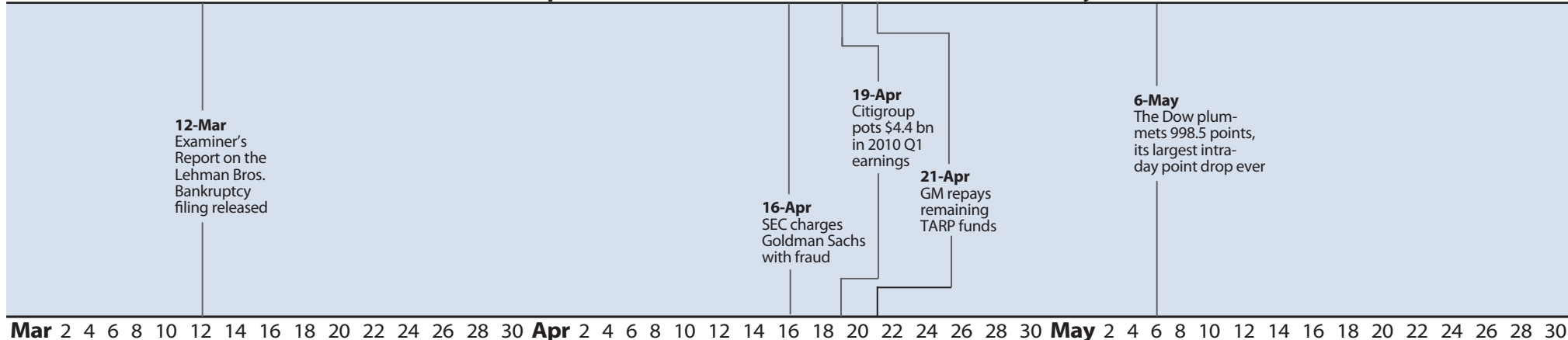
24-Feb
SEC approves restrictions on short selling

Financial Turmoil Timeline (March 2010 - May 2010)

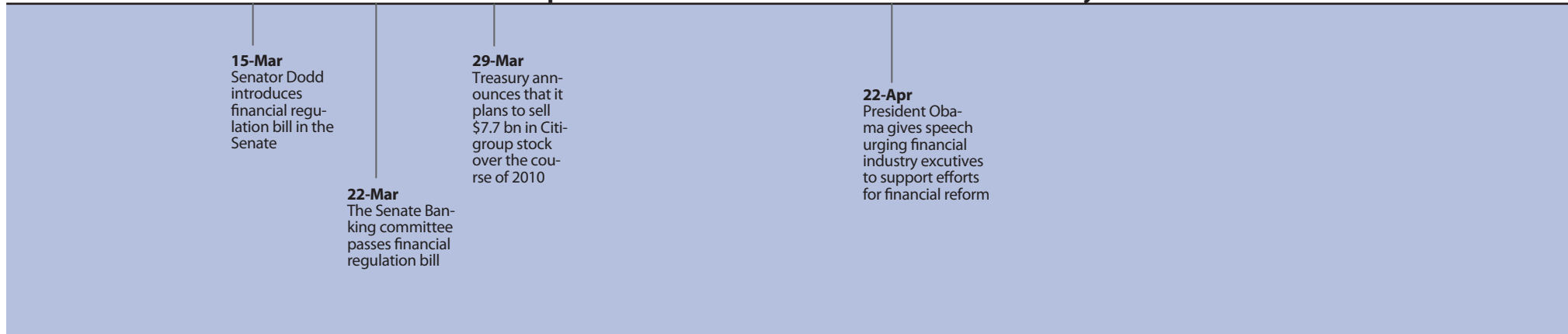
Fed Policy Actions



Market Events



Other Policy Actions



Financial Turmoil Timeline (June 2010 - August 2010)

Fed Policy Actions

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

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

25-Aug
New home sales hit lowest levels on record

27-Aug
Stocks rally following Chairman Bernanke's speech

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

Other Policy Actions

21-Jun
Issuance of final guidance on incentive compensation

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

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

Financial Turmoil Timeline (September 2010 - November 2010)

Fed Policy Actions

8-Sep
Board authorizes the continuation of small value offerings of term deposits under the TDF

21-Sep
Target rate kept at 0-25 bp and FOMC anticipates exceptionally low levels for an extended period

25-Oct
Review of the foreclosure procedures at the largest mortgage servicers is to be completed in Nov.

3-Nov
FOMC maintains target and announces its intent to purchase \$600 bn of Treasuries by 2011 Q2

17-Nov
Fed proposes implementation of the Volker Rule conformance period

17-Nov
Fed issues guidelines for evaluating large BHC's capital action proposals

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

29-Sep
JPM and GMAC freeze foreclosures proceedings

30-Sep
AIG announces government assistance exit plan

1-Oct
Bank of America freezes foreclosures proceedings

17-Nov
GM has a \$20.1 bn IPO, the largest in US history

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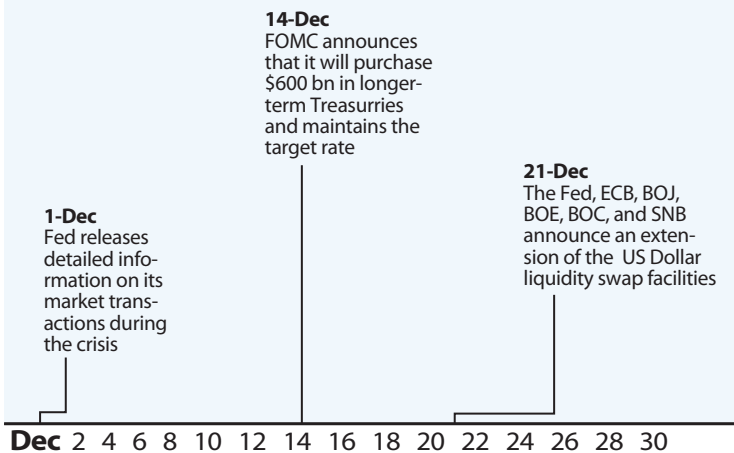
Other Policy Actions

10-Sep
SEC approves rules expanding stock-by-stock circuit breakers and trade brakes

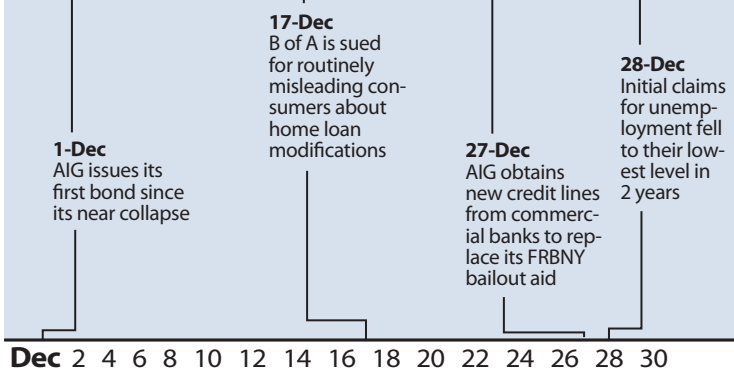
17-Sep
Elizabeth Warren is appointed to lead the Consumer Financial Protection Bureau

Financial Turmoil Timeline (December 2010)

Fed Policy Actions



Market Events



Other Policy Actions

