

cleared for release

New York, January 4, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Hughes, Deputy Chair,  
Ms. Considine, Mr. Fuld, Ms. Nooyi  
and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:45 p.m.

Corporate Secretary

cleared for release

New York, January 16, 2007

A meeting of the Directors' Management and Budget Committee of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:00 a.m. this day.

PRESENT:

Mr. Hughes, Chairman,  
Mr. Immelt (via telephone conference),  
Ms. Nooyi (via telephone conference),  
and Mr. Wait (via telephone conference),  
Mr. Geithner, President,  
Mr. Murphy, Executive Vice President,  
Mr. Manerikar, Senior Vice President,  
Mr. Pofsky, Assistant Vice President,  
Mr. Held, Corporate Secretary and Counsel,  
Ms. Resele-Tiden, Markets Officers and  
Assistant Corporate Secretary.

Mr. Geithner presented the Bank's "2006 Performance Evaluation" (# ). He stated that the evaluation would first be reviewed with the full Board at the January 18, 2007 Board of Directors' meeting, and then would be submitted to the Board of Governors' Committee on Federal Reserve Bank Affairs. Subsequently, the evaluation would be discussed at the Bank's Performance Evaluation review on April 19, 2007.

Mr. Manerikar presented the Bank's financial performance for 2006 and explained that preliminary expenses were about \$6 million or 1.1 percent below plan and slightly above the original budget for the year. Mr. Manerikar explained that the expense underruns were driven by revised actuarial valuations for retirement benefits, lower centralized Federal Reserve Information Technology support charges for our automated infrastructure and higher than planned turnover in market sensitive business areas. Mr. Manerikar observed that the Bank's 2006 expenses were 7.7 percent

higher than the prior year primarily due to additional resources to support Treasury operations and to enhance analytical work in market areas.

Mr. Geithner noted that while the Bank had met its operational targets, the Bank's General Auditor had downgraded his assessment of the Bank's control environment. He also noted that issues related to Cash operations had been noted by the Board during their detailed review, and that these issues could largely be resolved through additional training initiatives.

Mr. Geithner then provided an overview of several policy, operational and management initiatives for 2007. He noted that the FOMC is examining the monetary policy regime in the context of more explicit inflation targeting and that there were a number of broader financial system regulatory framework issues being discussed, including the risks associated with hedge funds and derivative products as well as a broad debate related to the U.S. regulatory framework. Mr. Geithner explained that operationally three major legacy system conversions would reach milestones in 2007 and that the Bank's Real Estate Strategy would be finalized during the first quarter of the year and presented to the Board shortly thereafter. He stated that efforts were underway to address increased attrition and management succession planning in the Bank more generally.

At this point, Mr. Immelt left the meeting.

Thereafter, the Committee approved the Bank's performance evaluation for submission to the Board of Directors.

The meeting duly adjourned at 9:40 a.m.

Corporate Secretary

cleared for release

New York, January 18, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:33 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Fuld, Mr. Hughes,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, and  
Mr. Turnipseed, Executive Vice President,  
and Mr. Yorke, Executive Vice President,  
Ms. Hansen, Deputy General Counsel and  
Senior Vice President, Mr. Mitchell,  
Senior Vice President, Mr. Silva,  
Chief of Staff, and Mr. Smith,  
General Auditor and Senior Vice President,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Markets Officer  
and Assistant Corporate Secretary,

The minutes of the meetings of (1) the Board held December 21, 2006; and (2) the Board held January 4, 2007, were submitted and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 11 advances to depository institutions (#       ), numbered 104 to 106 and 1 to 8, during the period December 20, 2006 - January 16, 2007, totaling \$1,364,265,000.

VOTED that the selection by the Federal Open Market Committee of William C. Dudley, Executive Vice President of this Bank, as Manager of the

System Open Market Account, is satisfactory to this Bank it being understood that, in the event that he should cease to be an officer of this Bank, his service as Manager would likewise cease.

The Report of Audit Activities (# ) of the internal auditing activities of the Bank during December 2006 was submitted by consent to the Board of Directors for its consideration. In his report, the General Auditor stated that "the results of completed audits as well as work in progress have not, in my opinion, disclosed any issues which the Audit Committee should bring to the attention of the full Board of Directors."

Mr. Geithner presented the "2006 Performance Evaluation" (# ). Mr. Geithner observed that there had been a number of notable accomplishments in 2006 that supported the Bank's core mission and strategies. He noted that the Bank had made substantial progress in its efforts to enhance its ability to identify and assess financial market risks, to assess supervised institutions, to advance the international dimension of the Bank's work, and to improve the analytics used in the formulation of monetary policy. He continued by stating that on the operational front, the Bank had implemented a new Payment System Risk policy, improved Fedwire resiliency, and successfully completed the EROC Check consolidation to Philadelphia, which was the largest System consolidation to date.

Mr. Murphy provided an overview of the Bank's preliminary year-end financial results. He stated that the Bank's direct expenses totaled \$536 million which was nearly \$6 million or 1.1 percent below plan, largely as a result of lower actuarial expenses for retirement benefits. He also stated that the Bank's operations had met all System targets with the exception of higher than planned Check errors due to the increased reliance on temporary workers prior to the consolidation of operations in Philadelphia.

Mr. Geithner continued by reviewing the Bank's key objectives for 2007. On the policy front, he stated that the FOMC would begin efforts to review and possibly revise the existing monetary policy regime particularly with respect to transparency and inflation targeting. He noted that the Bank would be involved in a number of broad supervisory framework initiatives, including initiatives related to counterparty credit risk management, a review of regulatory efficiency, as well as an increased focus on the risks associated with hedge fund activities. On the operational front, Mr. Geithner stated that there were a number of key initiatives related to upgrading critical legacy systems for the Treasury Auction business, Fedwire and the custodial system for Central Bank Services that would be either completed or advanced in 2007. He also noted that the Bank's real estate strategy would be finalized during the first quarter of 2007, and that the Retail Product Office was likely to address the possible consolidation of the Utica Check operation during the next phase of System office closings.

Whereupon, it was duly and unanimously

VOTED to approve the performance evaluation of the Federal Reserve Bank of New York for 2006 as proposed.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. He stated that the global macroeconomic outlook remained positive but that commodity prices had stumbled somewhat since finishing at strong levels in 2006. Mr. Checki elaborated that in Europe and Japan, economic indicators remained generally positive and poised for near potential growth despite some unevenness in Japanese financial data. He observed that growth in China remained in the double-digits primarily as a reflection of a surge in its trade surplus and that results for 2007 were likely to be strong as well. Mr. Check stated that asset prices in emerging

markets had fluctuated but firmed most recently. Growth potential continued to be influenced by a number of broad geopolitical risks, including efforts in Thailand to limit foreign capital inflows, and heightened credit risks associated with surges in consumer lending in emerging markets.

Messrs. Bollinger and Fuld entered the meeting during Mr. Checki's presentation.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. He stated that market expectations were for an easing of monetary policy over the next year despite favorable revisions to fourth quarter 2006 GDP performance. He explained that market expectations were driven in part by historical patterns which showed that periods of policy tightening have generally been followed relatively soon by a period of policy easing. Mr. Dudley noted that there continued to be concerns about the negative impact of the recent housing decline, and observed that the yield curve remained inverted but that volatility remained low.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. Mr. Tracy stated that the economic outlook had not changed significantly, although the downside risk to economic growth and the upside risk to inflation had both lessened. He noted that over the past three months, employment growth had remained solid, that compensation had experienced solid nominal growth and that wage growth had decelerated which was a pattern consistent with historical economic cycles. Mr. Tracy noted that there had been a sharper contraction in the housing sector than had previously been indicated, and that it was difficult to determine whether the housing adjustment had ended. He noted that the level of exports appeared to be moving in the right direction and that the outlook for 2007 was favorable.



Finally, Mr. Tracy observed that core inflation appeared to have moderated, having reached a peak in mid 2006, though the overall level remained higher than desired.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Checki, Dudley, Murphy, Rutledge, Tracy, Turnipseed and Yorke, Ms. Hansen, Messrs. Mitchell, Silva and Smith and Ms. Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
January 18, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner presented to the Directors a document, with resumes attached, regarding officer personnel actions (# ). He asked the Directors to approve the following: (1) the appointment of [REDACTED] who is currently Program Manager/Assistant Special Agent-in-Charge, National Security Division, Federal Bureau of Investigation, who would join the Bank as Protection Officer, Protection Function, Legal Group; and (2) the appointment, including a sign-on bonus, of [REDACTED] who is currently Vice President of Finance and Head of Global Pricing, American Express, who would join the Bank as Vice President, Financial Management Function, Corporate Group. Mr. Geithner noted that both [REDACTED] and [REDACTED] will join the Bank in February.

Whereupon, it was duly and unanimously

VOTED to approve the appointments and fix the salaries as set forth in the document before the Board of Directors.

The meeting duly adjourned at 11:15 a.m.

Corporate Secretary

cleared for release

New York, January 18, 2007

A meeting of the Nominating and Corporate Governance Committee of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 11:16 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon and Mr. Fuld, and  
Mr. Held, Corporate Secretary  
and Counsel.

Mr. Held presented a resolution proposed for adoption by the Committee.

Whereupon, it as duly and unanimously voted to adopt the following resolution:

"The Nominating and Corporate Governance Committee shall allow notational voting subject to the following restrictions:

(a) notational voting shall be allowed only for routine matters, such as the annual approval of Committee charters;

(b) the decision to allow notational voting on any particular matter shall be subject to the approval of the Chair of the Committee;

(c) only actual votes shall be counted - silence shall not be interpreted as consent; and

(d) action by the Committee pursuant to notational voting shall be upon a vote of a majority of the Committee members."

The meeting duly adjourned at 11:20 a.m.

cleared for release

New York, February 1, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Hughes, Deputy Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Fuld, and Ms. Nooyi,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:43 p.m.

Corporate Secretary

cleared for release

New York, February 15, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:40 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Hughes, Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, and  
Mr. Turnipseed, Executive Vice President,  
and Mr. Yorke, Executive Vice President,  
Mr. Mitchell, Senior Vice President, and  
Mr. Silva, Chief of Staff,  
Mr. Ambrose, Assistant General Auditor,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Markets Officer  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Mr. Angulo, Senior Vice President, and  
Mr. Clark, Assistant Vice President.

The minutes of the meetings of (1) the Audit Committee held December 21, 2006; (2) the Management and Budget Committee held January 16, 2007; (3) the Nominating and Corporate Governance Committee held January 18, 2007; (4) the Board held January 18, 2007; and (5) the Board held February 1, 2007, were submitted and approved by consent. The actions taken by the Audit Committee on December 21, 2006, as reported in the minutes of its meeting, were ratified and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making eight advances to depository institutions (# ), numbered 9 to 16, during the period January 17, 2007 - February 13, 2007, totaling \$1,866,605,000.

VOTED that the selection by the Federal Open Market Committee of William C. Dudley, Executive Vice President of this Bank, as Manager of the System Open Market Account, is satisfactory to this Bank it being understood that, in the event that he should cease to be an officer of this Bank, his service as Manager would likewise cease.

VOTED to approve the Audit Committee Charter, the Management and Budget Committee Charter, and the Nominating and Corporate Governance Committee Charter (# ).

Ms. Considine, Chair of the Audit Committee, reported that the Audit Committee had reviewed and approved the Reports of Audit Activities (# ) at the Bank during December 2006 and January 2007. Ms. Considine stated that the Committee had approved a request by the Bank's Chief Compliance Officer to maintain an existing contract with Deloitte & Touche to provide consulting services related to the establishment of the Bank's Compliance program after Deloitte & Touche becomes the Bank's external auditor. She observed that the Bank's control environment continued to be satisfactory, that no unfavorable audit opinions had been issued, and that the Bank's Sarbanes-Oxley work was on track. She reported that the qualifications of the Audit Committee members had been reviewed and that Mr. Wait was designated as the Committee's financial expert. Ms. Considine noted that the Committee also received presentations on the Bank's Quarterly Operations performance and the Bank's Ethics Program before going into a series of Executive Sessions, from which there were no issues that required the attention of the full Board of Directors.

Mr. Geithner reported on discussions that had occurred during the most recent Conference of Presidents' meeting. He noted that Conference members had agreed upon a modified framework for Information Technology governance which recognized divergent Reserve Bank needs and provided businesses with a forum to discuss common IT issues.

At this point, Messrs. Angulo and Clark entered the meeting.

Messrs. Angulo and Clark presented a report entitled "Financial Sector Developments and Issues" (# ). Mr. Angulo noted that the earnings performance of the largest banks and securities firms was strong as a result of benign credit conditions and strong trading revenue and that these institutions appeared to be less vulnerable to traditional forms of credit stress. He observed that the recent deterioration in subprime mortgages was unlikely to have a significant impact on banks and securities firms more broadly as subprime mortgages were concentrated in specialty mortgage lenders. Mr. Angulo suggested that recent changes in the subprime mortgage business, including the growth in market funding, financial innovation and new entrants in the credit markets, had placed a premium on strong risk management practices to manage exposures, counterparty risk and liquidity risk.

At this point, Messrs. Angulo and Clark left the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. Mr. Checki reported that confidence in the continued growth of the global economy remained strong. Europe, China and India continued to expand at a level above trend rates although conditions in Japan were not quite as firm as they had been previously. Mr. Checki observed that India showed incipient signs of overheating and that monetary authorities were using both interest rate hikes and adjustments to reserve



requirements to attempt to slow the rapid rate of growth. He also stated that in China, authorities seemed to be preparing to relax controls on capital outflows so as to reduce the need to accumulate reserves. Chinese authorities were also attempting to increase the yield on the reserves that the central bank does accumulate. Mr. Checki stated that emerging economies continued to perform well and that the global appetite for riskier assets remained strong. Finally, Mr. Checki remarked that economic growth in emerging Asia remained close to potential.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley observed that market expectations for an easing of monetary policy had declined over the near-term and that the consensus view was that the Fed would leave rates unchanged over the next 6 month period. He noted there was some inversion of the yield curve going into 2007 but that the economy was performing well and volatility remained low. Mr. Dudley explained that the recent turbulence in subprime mortgage activity was driven in part by the fact that the subprime mortgage sector was relatively new and untested and also by the deterioration in the housing market. He continued by stating that a large percentage of subprime loans included adjustable rate mortgages which would reset over the next several years suggesting that this sector could be an ongoing concern. He added that further deterioration in subprime lending could result in some market consolidation as institutions with stronger underwriting practices and more diversified portfolios rapidly gained market share. He also noted that at this point any decline was not expected to materially impact economic conditions more broadly.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. Mr. Tracy noted that the economy appeared to be

poised for a soft landing. He stated that fourth quarter 2006 growth would likely be revised downward from 3.5 percent to 2.0 percent but that full-year growth would remain close to potential. Mr. Tracy added that confidence in the soft economic landing scenario had increased with reduced downside risk and growing assurance of the inflation trajectory. He stated that unemployment remained low at 4.6 percent and suggested that this level was close to equilibrium based on the tightness of the labor market and lack of pressure on wages. Mr. Tracy stated that inflation remained higher than desired but with continued moderation on the core measures.

In their discussion, the Directors [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Ms. Cumming, Messrs. Baxter, Checki, Dudley, Murphy, Rutledge, Tracy,

Turnipseed, Yorke, Mitchell, Silva and Ambrose and Ms. Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
February 15, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner stated that, as part of the upcoming Reserve Bank performance evaluation on April 19, 2007, the Committee on Federal Reserve Bank Affairs would discuss the performance and 2007 merit increase for the First Vice President. Mr. Geithner reviewed Ms. Cumming's performance and discussed her salary history. [REDACTED]

[REDACTED]

[REDACTED]. He proposed that [REDACTED]

[REDACTED]

[REDACTED] she receive a salary increase that would place her within the middle tier as compared to her colleagues. Mr. Geithner said that he would follow up with Messrs. Speyer and Hughes regarding the specifics of Ms. Cumming's incentive pay and salary increase. The board members concurred with Mr. Geithner's approach.

The meeting duly adjourned at 11:45 a.m.

Corporate Secretary

cleared for release

New York, March 1, 2007

A meeting of the Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine  
and Mr. Fuld,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors

[REDACTED]

Ms. Cumming then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established  
without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:38 p.m.

Corporate Secretary



VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:50 p.m.

Corporate Secretary





Ms. Cumming then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:45 p.m.

Corporate Secretary

cleared for release

New York, April 5, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Hughes,  
Mr. Immelt and Mr. Wait,  
Mr. Geithner, President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In their discussion, the Directors [REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:35 p.m.

Corporate Secretary

cleared for release

New York, April 19, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:12 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Mr. Fuld, Mr. Hughes, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Laurito, Director of the Buffalo Branch  
of the Federal Reserve Bank of New York,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, and  
Mr. Yorke, Executive Vice President,  
Mr. Grant, Chief Compliance Officer  
and Senior Vice President,  
Ms. Irwin, Senior Vice President,  
Mr. Mitchell, Senior Vice President,  
Mr. Silva, Chief of Staff, and Mr. Smith,  
General Auditor and Senior Vice President,  
Ms. Hamdani, Vice President and Branch Manager,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Markets Officer  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Mr. Bucco, Assistant Vice President,  
Mr. Fressola, Assistant Vice President, and  
Mr. Isaacson, Assistant Vice President.

The minutes of the meetings of (1) the Audit Committee held February 15, 2007; (2) the Board held February 15, 2007; (3) the Executive Committee held March 1, 2007; (4) the Audit Committee held March 9, 2007; (5) the Board held March 15, 2007; (6) the Board held March 29, 2007; and

(7) the Board held April 5, 2007, were submitted and approved by consent. The actions taken by the Audit Committee on February 15, 2007 and March 9, 2007, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 18 advances to depository institutions (# ), numbered 17 to 35, during the period February 14, 2007 - April 17, 2007, totaling \$942,352,000.

VOTED to approve the following resolution:

"The Chief Compliance Officer's request to engage the external auditor, Deloitte & Touche, to provide consulting services to the Bank's Compliance Function is hereby approved."

Ms. Considine, Chair of the Audit Committee, reported that the Audit Committee had reviewed and approved the Reports of Audit Activities (# ) at the Bank during February 2007 and March 2007. Ms. Considine stated that the Bank's control environment remained satisfactory, that no unfavorable audit opinions had been issued, and that the 2007 Audit Program was on plan. Ms. Considine reported that the New Treasury Automated Auction Processing System (NTAAPS) implementation had been delayed from August to October due in part to the time required to address several issues in the infrastructure and software. She noted that these issues were being handled in an open and constructive manner. Ms. Considine also reported that the Audit Committee had reviewed the annual report on pending litigation and that there were no significant matters that posed a material or reputational risk to the Bank. Finally, she stated that no items were noted with respect to the Operations Report or in Executive Session that required the attention of the full Board.

Mr. Geithner remarked that Chairman Speyer, Vice Chairman Hughes, and senior Bank management would meet with the Bank Activities Committee later that day to discuss the Bank's annual evaluation as well as compensation issues and the Bank's real estate strategy.

At this point, Messrs. Bucco, Fressola and Isaacson entered the meeting.

Messrs. Bucco, Fressola and Isaacson presented a report entitled "Fedwire Migration Update" (# ). Mr. Fressola provided an update on the multi-year migration of Fedwire services to new technology platforms. He stated that over 6000 small and medium volume customers had been converted to FedLine Advantage and that 40 of the largest 300 customers had been migrated to FedLine Direct IP technology. Mr. Bucco stated that the Fedwire Funds and Securities businesses had recovered their costs in 2006, as required by the Monetary Control Act. He noted, however, that cost recovery would grow more difficult in upcoming years as a result of structural changes to other businesses, bubble costs associated with the temporary maintenance of legacy systems, and projected slower business volume growth. Finally, Mr. Isaacson reported that the WPO was working with the private sector to facilitate straight-through processing for business-to-business transactions which potentially could increase volume and revenue.

At this point, Messrs. Bucco, Fressola and Isaacson left the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. Mr. Checki reported that economic growth conditions outside the U.S. remained at or above potential and that unemployment rates had continued to decline while inflation remained contained. He stated that the outlook for Japan was generally favorable and

that the job market and exports were strong with both manufacturing and non-manufacturing indices near post-bubble highs. He reported that China continued to grow at a double digit pace and that its first quarter trade surplus of \$47 billion was nearly twice the size of the surplus during the first quarter of 2006. He remarked that China's stock market remained 14 percent above February levels despite government efforts to manage growth and a rise in the CPI to 3.3 percent in March. Finally, Mr. Checki stated that growth in Asia outside of China appeared more vulnerable to declines in manufacturing and capital expenditure conditions in the U.S.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley remarked that recent events in the subprime mortgage market were driven in part by a deterioration in underwriting standards. He noted that mortgage losses will occur over a multiyear period as adjustable rate mortgages reset. Mr. Dudley opined that losses would remain manageable provided that home prices did not experience a steep decline. Finally, Mr. Dudley remarked that equity markets had recovered from previous declines but that corporate earnings expectations had been revised downward as a result of slower productivity growth and tightness in the labor market.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. Mr. Tracy noted that growth expectations for 2007 had been revised downward as a result of the housing market downturn but that economic growth was expected to revert back to potential in 2008. He stated that employment remained solid and that the core CPI had moderated after a rising trend. Finally, Mr. Tracy discussed the potential growth rate, noting that it could be influenced by the assumptions about the labor force



participation rate and population growth, including the effects of immigration and the possibility of immigration reform.

In their discussion, the Directors [REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Baxter, Checki, Dudley, Murphy, Rutledge, Tracy, Yorke and Grant, Ms. Irwin, Messrs. Mitchell, Silva and Smith and Mses. Hamdani and Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
April 19, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner presented to the Directors a document, with resume attached, regarding officer personnel action (# ). He asked the Directors to approve the appointment, including a sign-on bonus, of [REDACTED] as Research Officer, Macroeconomic and Monetary Studies Function, Research and Statistics Group. Mr. Geithner noted that [REDACTED] is currently a Research Economist and Associate Policy Advisor, Research Department, Federal Reserve Bank of Atlanta and will join the Bank this summer.

Whereupon, it was duly and unanimously

VOTED to approve the appointment and fix the salary as set forth in the document before the Board of Directors.

The meeting duly adjourned at 12:10 a.m.

Corporate Secretary

cleared for release

New York, May 3, 2007

A meeting of the Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine  
and Ms. Nooyi,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors

[REDACTED]

[REDACTED]

Ms. Cumming then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:48 p.m.

Corporate Secretary



Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Ms. Resele-Tiden left the meeting.

cleared for release

Executive Session - Telephone Conference  
May 17, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner referred to a document entitled "Check Infrastructure Briefing" (# ). Mr. Geithner and Ms. Cumming briefed the Directors on the System's revised long-term plan for the check infrastructure.

Mr. Geithner then referred to a document, with resumes, regarding officer personnel actions (# ). He asked the Directors to approve the following: (1) the appointment, including a sign-on bonus, of [REDACTED] [REDACTED] who is currently President, [REDACTED] Consulting, who would join the Bank as Vice President, Human Resources, Corporate Group; and (2) the appointment, including a sign-on bonus, of [REDACTED] who is currently Director-Media Relations, Public Strategies, Inc., who would join the Bank as Assistant Vice President, Public Information Function, Executive Office. Mr. Geithner noted that both [REDACTED] and [REDACTED] will join the Bank this summer.

Whereupon, it was duly and unanimously

VOTED to approve the appointments and fix the salaries as set forth in the document sent to the Board of Directors.

The meeting duly adjourned at 5:00 p.m.

Corporate Secretary



cleared for release

New York, May 31, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Mr. Dimon, Mr. Fuld,  
Ms. Nooyi and Mr. Wait,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

Ms. Cumming then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:50 p.m.

Corporate Secretary

cleared for release

New York, June 7, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Mr. Dimon, Mr. Fuld,  
Mr. Hughes and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Markets Officer and  
Assistant Corporate Secretary.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

At this point, Mr. Dimon left the meeting.

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:50 p.m.

Corporate Secretary

cleared for release

New York, June 21, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:30 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Dimon, Mr. Fuld, Mr. Hughes,  
Mr. Immelt, Ms. Nooyi and Mr. Wait,  
Mr. Ashton, Director of the Buffalo Branch  
of the Federal Reserve Bank of New York,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, Mr. Turnipseed,  
Executive Vice President, and  
Mr. Yorke, Executive Vice President,  
Ms. Dahlgren, Senior Vice President,  
Mr. Mitchell, Senior Vice President,  
Mr. Silva, Chief of Staff, Mr. Smith,  
General Auditor and Senior Vice President,  
and Ms. Stichnoth, Senior Vice President,  
Ms. Hamdani, Vice President and Branch Manager,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Markets Officer  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Mr. Whitney, Vice President.

The minutes of the meetings of (1) the Board held April 19, 2007;  
(2) the Board held May 3, 2007; (3) the Board held May 17, 2007; (4) the  
Board held May 31, 2007; and (5) the Board held June 7, 2007, were submitted  
and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 15 advances to depository institutions (# ), numbered 36 to 50, during the period April 18, 2007 - June 19, 2007, totaling \$738,960,000.

VOTED that a dividend at the rate of six percent per annum for the six-month period ending June 30, 2007, be declared on the paid-in capital of the Bank, payable on June 29, 2007 to shareholders shown on the books of the Bank at the close of business on June 28, 2007.

VOTED to approve the following resolution:

"The Board of Directors' responsibility to approve the Bank's engagement of the external auditor for non-auditing services is hereby delegated to the Audit Committee."

The Reports of Audit Activities (# ) of the internal auditing activities of the Bank during April 2007 and May 2007 were submitted by consent to the Board of Directors for its consideration. In his reports, the General Auditor stated that "the results of completed audits as well as work in progress have not, in my opinion, disclosed any issues which the Audit Committee should bring to the attention of the full Board of Directors."

Mr. Geithner informed the Directors that the Bank's data center strategy as well as plans for the next stage of the main building renovation were near completion and would be presented to the Directors at an upcoming meeting.

At this point, Ms. Nooyi and Mr. Whitney entered the meeting.

Messrs. Turnipseed and Whitney presented reports entitled "Proposal: Utica Office Consolidation" and "2007 Check Infrastructure Consolidation Proposal--A Multi-year View" (# ). Mr. Turnipseed stated that he was seeking approval from the Directors to close the Check processing and adjustments operations at the Utica Office in 2008 or early 2009. He

commented that the Retail Product Office (RPO) proposed the further consolidation of the remaining 22 Check operations to 4 full service sites by 2010 as a result of rapid declines in paper check volume. Mr. Turnipseed explained that final site selection had been made by the RPO based primarily on geographic location, the capacity of the site to accommodate a large scale operation and operating performance. He stated that the closing of the Utica Office was expected to result in System savings of \$6.4 million annually. Mr. Whitney stated that customers were aware of the ongoing infrastructure changes and had over the past few years increased their use of electronic alternatives. He commented that an employee transition plan would be rolled out and would include a comprehensive communication strategy, retention packages for critical employees as well as outplacement and retraining support services to employees. A discussion ensued regarding the proposal.

Whereupon, it was duly and unanimously

VOTED to approve the request to close the Check processing and adjustments operations at the Utica office as proposed.

At this point, Mr. Whitney left the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. Mr. Checki stated that global economic conditions remained healthy and that growth in the euro zone was relatively strong as spare capacity continued to decline and PMI readings were consistent with growth slightly above potential. He noted that unemployment continued to fall and was 60 basis points below its prior cyclical low while productivity growth had improved in certain sectors. Mr. Checki remarked that the Japanese economy had continued to advance and the current expansion was the longest in the postwar era but that exports were erratic and consumption growth had been spotty. Mr. Checki stated that the Chinese

economy remained strong, characterized by growth in energy usage of 16 percent while GDP had likely grown faster than the reported rate of 11 percent. He noted that strong global growth was generally expected to be accompanied by stable inflation.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley commented that long-term rates had risen over the past few weeks and that there had been a shift in monetary policy expectations. He remarked that market participants were less uncertain about the economic outlook and that there was growing market confidence that the Fed Funds rate would remain unchanged through 2008. Mr. Dudley suggested that any upward shift in domestic rates was the result of a global rise in rates rather than the result of US economic conditions.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. Mr. Tracy commented that the economic outlook for 2008 had not substantially changed and continued to reflect moderating inflation as well as a pattern of slowing growth which began during the second half of 2006. He stated that the labor market had continued to grow at a healthy pace and that unemployment remained low, while the housing market adjustment had moderated somewhat with no evidence of spillover to consumption and business investment.

Mr. Immelt entered the meeting during the presentation.

In their discussion, the Directors [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]



[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Baxter, Checki, Dudley, Murphy, Rutledge, Tracy, Turnipseed and Yorke, Ms. Dahlgren, Messrs. Mitchell, Silva and Smith and Mses. Stichnoth, Hamdani and Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
June 21, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner presented to the Directors a document, with attachments and biographies, regarding officer personnel actions (# ). He asked the Directors to approve eight appointments, including one new hire and thirteen promotions. Mr. Geithner noted that [REDACTED], who is currently a Senior Vice President and Director, Citigroup Supplier Diversity, Citigroup, will join the Bank in July as Vice President and Diversity Officer, Human Resources, Corporate Group.

Whereupon, it was duly and unanimously

VOTED to approve the appointments and promotions and fix the salaries as set forth in the document before the Board of Directors.

The meeting duly adjourned at 11:39 a.m.

Corporate Secretary

cleared for release

New York, July 5, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Bollinger, Acting Chair,  
Ms. Considine, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:42 p.m.

Corporate Secretary

cleared for release

New York, July 19, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:43 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Mr. Hughes, Mr. Immelt and Mr. Wait,  
Mr. Zuber, Director of the Buffalo Branch  
of the Federal Reserve Bank of New York,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, and  
Mr. Turnipseed, Executive Vice President,  
Mr. Mitchell, Senior Vice President,  
Ms. Perelmuter, Senior Vice President,  
Mr. Silva, Chief of Staff, and Mr. Smith,  
General Auditor and Senior Vice President,  
Ms. Hamdani, Vice President and Branch Manager,  
Mr. Myrie, Vice President,  
Ms. McConnell, Assistant Vice President,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Mr. Reilly, Assistant Vice President.

The minutes of the meetings of (1) the Audit Committee held April 19, 2007; (2) the Board held June 21, 2007; and (3) the Board held July 5, 2007, were submitted and approved by consent. The actions taken by the Audit Committee on April 19, 2007, as reported in the minutes of its meeting, were ratified and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 21 advances to depository institutions (# ), numbered 51 to 71, during the period June 20, 2007 - July 17, 2007, totaling \$1,687,850,000.

Ms. Considine, Chair of the Audit Committee, reported that the Audit Committee had reviewed and approved the Reports of Audit Activities (# ) at the Bank during April 2007, May 2007 and June 2007. She stated that the Bank's control environment remained satisfactory, that there had been no unfavorable audit findings, and that the 2007 Audit Program had progressed as planned. She remarked that several new technology projects had encountered implementation issues but that none of these issues had any impact on the day-to-day operations of the Bank. Ms. Considine noted that budget and staffing levels were tracking close to plan but that two actuarial errors by Towers Perrin had resulted in understatements of the System's pension liability and expenses which were under review by the Office of Employee Benefits, and that efforts had been made to remediate tools to maintain effective information security measures. Ms. Considine reported that Deloitte & Touche had provided a comprehensive report regarding the proposed 2007 audit of the Bank. Finally, Ms. Considine noted that a series of Executive Sessions were held and that no matters were raised which required the attention of the full Board.

Mr. Geithner informed the Directors that three separate initiatives would be presented to the Directors at upcoming meetings: the final phase of the floor-by-floor modernization project, a proposed change to compensation based on geographic differentials, and a proposed Data Center Strategy.

At this point, Mr. Reilly entered the meeting.

Mr. Murphy and Mr. Reilly presented a report entitled "Restoration/Renovation of the Main Building's 10<sup>th</sup> and 11<sup>th</sup> Floors" (# ). Mr. Murphy

stated that the Bank was finalizing plans to embark upon an extensive final stage of the multi-year floor-by-floor modernization project which encompassed the restoration and renovation of the executive floors in the Main building. He stated that the primary objectives of this renovation were to restore and rehabilitate the historical and architectural significance of the 10<sup>th</sup> and 11<sup>th</sup> floor space while introducing modern technology which would increase efficiency and redirect visitor traffic to enhance security. Mr. Reilly added that the preliminary cost of this project was \$54 million which included \$13.4 million for infrastructure upgrades. He stated that the Bank would seek approval to proceed with this project from the Directors once the design plan and cost projections were finalized in August and prior to seeking approval from the Board of Governors later this year.

At this point, Mr. Reilly left the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. He stated that the global economy continued on a healthy growth trajectory and that conditions in Europe remained positive, as indices for manufacturing and services strengthened, spare capacity eroded, and unemployment fell to a 25 year low. Mr. Checki stated that business confidence remained firm in Japan. In China 2nd quarter GDP reached 11.9 percent, the trade surplus grew at a pace twice that of the prior year, and reserves were growing by a half trillion dollars annually, although inflation was a growing concern. He stated that emerging market spreads remained close to historical lows and that aggregate export growth remained strong. Mr. Checki commented that aggregate emerging market current account surpluses grew significantly. He stated that reserve gains in the first half of the year had nearly matched the gains for the full-year 2006 and were expected to

reach \$4.5 trillion by the end of the year, up from \$1 trillion at the start of the decade. Mr. Checki suggested that this trend indicated the early stages of a shift in the center of global economic gravity.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley stated that the market remained stable and that most participants expected the current monetary policy stance would hold for a considerable amount of time, although inflation expectations had shifted up slightly. He remarked that turmoil in the subprime market had continued and recent data suggested that losses of recent vintages were greater than earlier vintages since home prices had not appreciated most recently. Mr. Dudley suggested that low-rated subprime credit would likely sustain significant losses over time but that contagion appeared to be limited as the corporate market remained strong, defaults were at an all time low, and earning expectations had stabilized subsequent to earlier declines.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. He stated that second quarter real GDP had been revised downward to 3.2 percent but that this was expected to be a temporary decline as the labor market and wages remained steady and unemployment was constant. Mr. Tracy noted that headline CPI was 2.7 percent and that core CPI was 2.2 percent, which was within the target range.

In their discussion, the Directors [REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED]



[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Baxter, Checki, Dudley, Murphy, Rutledge, Tracy, Turnipseed, Mitchell and Myrie, Ms. Perelmuter, Messrs. Silva and Smith, and Mses. Hamdani, McConnell and Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
July 19, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner presented to the Directors a document, with resume attached, regarding an officer personnel action (# ). He asked the Directors to approve the appointment, including a sign-on bonus, of [REDACTED] as Vice President, Capital Markets Analysis and Foreign Exchange, Markets Group. Mr. Geithner noted that [REDACTED], who was employed as a Director of Relative Value and Derivatives, Moore Capital Management, will join the Bank this fall.

Whereupon, it was duly and unanimously

VOTED to approve the appointment and fix the salary as set forth in the document before the Board of Directors.

Mr. Geithner presented to the Directors a calendar (# ) entitled "Topics for Upcoming Directors Meetings." He encouraged the Directors to contact him with suggestions and feedback for other topics that should be presented to the Directors.

Mr. Geithner then discussed the potential candidates to fill the anticipated Director vacancies on the Board as set forth in the "Director Succession Chart" (# ). He noted that Jill Considine's term as a Class A Director would expire on December 31, 2007 and he informed the Directors that Richard L. Carrion, Chairman, President and Chief Executive Officer, Popular, Inc., had agreed to fill the vacancy. Mr. Geithner suggested that Richard Fuld, whose term as a Class B Director would also expire at year-end, be

asked to continue as a Class B Director. He also recommended that Stephen Friedman, Chairman of Stone Point Capital, be considered as a Class C Director. Mr. Geithner also recommended that Mr. Friedman serve as Chair and Mr. Hughes serve as Deputy Chair for 2008. A discussion followed.

Whereupon, it was duly and unanimously

VOTED by the Nominating and Corporate Governance Committee, and then by the full Board of Directors, to recommend the nominations of Mr. Carrion and Mr. Fuld, the appointment of Mr. Friedman, and the designation of Mr. Friedman as Chair and Mr. Hughes as Deputy Chair.

The meeting duly adjourned at 11:41 a.m.

Corporate Secretary

cleared for release

New York, August 2, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Mr. Immelt and Ms. Nooyi,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Peach, Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]



cleared for release

New York, August 16, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:34 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Mr. Fuld, Mr. Immelt and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Ms. Krieger, Senior Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In a meeting today, the Directors re-affirmed their delegation of authority to establish a primary credit rate to President Geithner, who informed the Board that he might exercise such authority as circumstances warrant. Following the meeting, Mr. Geithner exercised his delegated authority and established, subject to review and determination by the Board of Governors, a primary credit rate of 5.75 percent. No action was taken with respect to the secondary credit rate or the seasonal credit rate.

The meeting duly adjourned at 4:56 p.m.

Corporate Secretary

cleared for release

New York, August 29, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:00 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Hughes, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Ms. McConnell, Assistant Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

The Directors agreed that

[REDACTED]

Consequently, the Directors reaffirmed their delegation of authority to President Geithner to establish a primary credit rate, and today the Bank determined to leave the primary credit rate unchanged.

The meeting duly adjourned at 5:30 p.m.

Corporate Secretary

cleared for release

New York, September 6, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Mr. Dimon,  
Mr. Fuld and Mr. Hughes,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In a meeting of the Board of Directors on September 6, 2007, the Directors were [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] Consequently, the Directors reaffirmed their delegation of authority to President Geithner to establish a primary credit rate and to take other actions related to monetary policy and liquidity as appropriate. After the meeting, Mr. Geithner recommended to lower the schedule of rates at this Bank by fifty basis points.

The meeting duly adjourned at 4:57 p.m.

Corporate Secretary



cleared for release

New York, September 20, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:30 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Mr. Dimon, Mr. Fuld,  
Mr. Hughes, Mr. Immelt and Ms. Nooyi,  
Mr. Laurito, Director of the Buffalo Branch  
of the Federal Reserve Bank of New York,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, and  
Mr. Turnipseed, Executive Vice President,  
Mr. Mitchell, Senior Vice President,  
Mr. Silva, Chief of Staff, Mr. Smith,  
General Auditor and Senior Vice President,  
and Mr. Taub, Senior Vice President,  
Ms. Judge, Vice President,  
Ms. Stein, Assistant Corporate Secretary  
and Assistant Vice President,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Mr. Angulo, Senior Vice President.

Stephen Friedman, Chairman, Stone Point  
Capital, attended the meeting by invitation.

The minutes of the meetings of (1) the Board held July 19, 2007;  
(2) the Board held August 2, 2007; (3) the Board held August 16, 2007;  
(4) the Board held August 29, 2007; and (5) the Board held September 6, 2007,  
were submitted and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 43 advances to depository institutions (# ), numbered 72 to 116, during the period July 18, 2007 - September 18, 2007, totaling \$9,764,582,000.

The Reports of Audit Activities (# ) of the internal auditing activities of the Bank during July 2007 and August 2007 were submitted by consent to the Board of Directors for its consideration. In his reports, the General Auditor stated that "the results of completed audits as well as work in progress have not, in my opinion, disclosed any issues which the Audit Committee should bring to the attention of the full Board of Directors."

Ms. Cumming, referring to a document (# ) entitled "Contingency Strategy" gave a brief progress report on the development of the Bank's contingency strategy. She noted that the Bank had reassessed its business resiliency plans related to critical operations and the distributed computing applications and infrastructure that support those and other operations. Ms. Cumming stated that a formal plan would be submitted to the Board for their approval during their meeting in October.

At this point, Ms. Nooyi and Mr. Speyer entered the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. He noted that the global economy had entered a period of greater uncertainty. He observed that growth projections had been marked down but the magnitude of decline would depend on the duration and intensity of ongoing credit market dislocations. Mr. Checki stated that Europe's financial markets had also been affected by recent market turmoil. He noted that European growth of 1.4 percent during the second quarter was lower than expected and that the European Central Bank and the Bank of England had taken extraordinary actions to provide liquidity to the

marketplace. Turning to Asia, Mr. Checki commented that Japanese economic growth and investment were lower in the second quarter but that employment trends and profits remained steady. Mr. Checki observed that China grew at a pace of 12 percent during the first half of the year and that most other economies were also performing reasonably well. Finally, Mr. Checki noted that emerging markets had rallied most recently as equities had returned to mid-July peak levels and debt issuance grew past last year's levels.

At this point, Mr. Angulo entered the meeting.

Mr. Dudley and Mr. Angulo, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley explained that recent problems in the subprime market had triggered confidence issues and a contraction in the securitization of nonconforming mortgages and a halt in the LBO financing pipeline. He noted that the asset-backed commercial paper market had recently shown signs of improvement after sharp volume declines in July and August primarily as market participants have become better at assessing the underlying assets supporting specific commercial paper issuances. Mr. Dudley observed that the Libor-Fed Funds spread, which had widened to as much as 100 basis points, had declined more recently to 35 basis points. He stated that many market participants expected a further 50 basis point reduction in the Fed Funds rate and that the decline in the U.S. dollar this year had been gradual, tracking close to expectations about the interest rate differential. Mr. Angulo stated that bank examiners were engaged in assessing a number of risk management issues associated with credit conditions and evaluating the impact of recent events on bank balance sheets. He noted that bank earnings were expected to be lower but that capital ratios were not expected to be adversely impacted.

At this point, Mr. Angulo, left the meeting.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Friedman, Baxter, Checki, Dudley, Murphy, Rutledge, Tracy, Turnipseed, Mitchell, Silva, Smith and Taub and Meses. Judge, Stein and Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
September 20, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Geithner presented to the Directors a document, with resume attached, regarding an officer personnel action (# ). He asked the Directors to approve the appointment of [REDACTED] as Assistant Vice President, Markets Group. Mr. Geithner noted that [REDACTED], who will rejoin the Bank the beginning of October, is currently employed at Medley Global Advisors.

Whereupon, it was duly and unanimously

VOTED to approve the appointment and fix the salary as set forth in the document before the Board of Directors.

Mr. Geithner recommended that, in connection with Mr. Kos's departure from the Bank, the Directors consider adopting a resolution paying tribute to him.

Whereupon, it was duly and unanimously

VOTED to adopt the following resolution paying tribute to Mr. Kos:

"Whereas, the Directors of the Federal Reserve Bank of New York pay tribute to Dino Kos on the occasion of his departure from the Bank on August 03, 2007;

"Whereas, during his distinguished 22 year career with the Bank, Mr. Kos held positions of increasing responsibility, culminating with his appointment as Executive Vice President in 2001;

"Whereas, throughout his career, Mr. Kos has demonstrated strong judgment and dedication, contributing greatly to the development of monetary policy and improvements in the Markets area while consistently fostering an environment of innovation and change in support of this Bank's quest for excellence. He also contributed greatly to the management of this Bank by virtue of his active participation as a member of the Management Committee; and

"Whereas, through his tireless efforts, Mr. Kos has earned the confidence, affection and respect of his colleagues while promoting the best interests of the Bank and the Federal Reserve System.

"Now, therefore, in that spirit, the Directors of the Federal Reserve Bank of New York pay him tribute and wish him good fortune and continued success in all his future endeavors."

At this point, Mr. Geithner, Ms. Cumming and Mr. Held left the meeting and the Directors continued in a Director-Only Executive Session.

Corporate Secretary

cleared for release

Director-Only Executive Session -  
Board of Directors  
September 20, 2007

Mr. Speyer was designated to keep the minutes of the Director-Only Executive Session.

Mr. Speyer noted that the completion of Peter Humphrey's service on the Board of Directors of the Buffalo Branch at year-end had created a vacancy. Accordingly, he recommended that the Directors appoint Jonathan J. Judge, President and Chief Executive Officer, Paychex, Inc., Rochester, New York, for a three-year term ending December 31, 2009.

Whereupon, it was duly and unanimously

VOTED to recommend to appoint Mr. Judge a Director of the Buffalo Branch.

The meeting duly adjourned at 11:46 a.m.

Chairman



cleared for release

New York, October 4, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Fuld,  
Mr. Immelt and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:50 p.m.

Corporate Secretary

cleared for release

New York, October 15, 2007

A meeting of the Directors' Management and Budget Committee of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:00 a.m. this day.

PARTICIPANTS:

Mr. Hughes, Chair,  
Ms. Considine, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel, and Mr. Murphy,  
Executive Vice President,  
Ms. Mauriello, Senior Vice President,  
and Mr. Smith, General Auditor  
and Senior Vice President, and  
Mr. Taub, Senior Vice President,  
Mr. Gurba, Vice President,  
Ms. Judge, Vice President, and  
Mr. Whynott, Vice President,  
Mr. Reilly, Assistant Vice President,  
Mr. Higgins, Manager, and  
Mr. Narron, Deputy Chief of Staff,  
Mr. Held, Corporate Secretary and Counsel,  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary, and  
Ms. Stein, Assistant Corporate Secretary  
and Assistant Vice President.

Ms. Cumming reviewed the proposed 2008 budget for the Bank's Audit Function with the Committee members and Ms. Considine. Ms. Cumming noted that Audit's 2008 budgeted expenses were expected to be flat against 2007 spending and that no staffing increases had been anticipated for the next year. She explained that salary increases would be mostly funded by efforts to replace anticipated retirements with staff at lower salaries. A brief discussion with Ms. Considine and the members of the Audit Committee ensued,

after which it was generally agreed that the 2008 budget for the Audit Function was sufficient.

Ms. Cumming then reviewed with the Committee members the Bank's proposed 2008 budget (# ). She stated that the Bank's 2008 budget reflected total expense growth of 4.7 percent over the 2007 budget, and that this was somewhat higher than the historical growth rate of 3.3 percent. Ms. Cumming observed that the Bank had directed additional resources towards staffing in core business areas such as the Bank Supervision and Markets Groups. Additionally, she noted that the proposed 2008 compensation program incorporated geographically-based salary realignments and provided Bank management with greater flexibility to recognize stronger performers, particularly in business areas where the Bank's compensation significantly lags the market. Ms. Cumming explained that there were also a number of HR-related initiatives underway which would provide a realignment of staff skill sets and increased focus on talent management and diversity initiatives.

Ms. Cumming then stated that plans to restore the executive floors in the Bank's main building had been revised and now carried a total budget of \$44 million, down from the \$54 million budget which had been presented to the Board of Directors last month. Ms. Cumming observed that lower projected expenses had been achieved through a number of value engineering efforts which had reduced the scope of work and that further reductions were likely to be identified during the upcoming construction drawing phase.

Ms. Cumming then explained that the Bank's 2008 budget also included costs related to a new contingency strategy designed to improve the resiliency of certain critical operations, which would increase annual expenses by \$16 million. She remarked that most of the costs of the contingency strategy were attributable to three main components:

(a) additional office space obtained and shared with FRB Philadelphia which would be used by open market staff to direct operations that would be executed from FRB Richmond; (b) a back-up operation established in Richmond for the Bank's \$2 trillion central bank services activities; and (c) the relocation of the Bank's primary data center operations to EROC from New York with a new back-up center established at FRB Dallas.

Ms. Nooyi entered the meeting during the presentation of the budget.

After a discussion, the Committee voted to approve the Bank's proposed 2008 budget and submit it to the full Board.

Mr. Baxter then presented the Management and Budget Committee's charter (# ). He explained that the Committee was required to assess the adequacy of the committee charter annually. Mr. Baxter noted that the current charter had been adopted in February and recommended that the current charter continue in its current form through 2008.

After a discussion, the Committee voted to approve the Management and Budget Committee Charter.

The meeting duly adjourned at 9:51 a.m.

Corporate Secretary

cleared for release

New York, October 18, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:45 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Mr. Fuld, Mr. Hughes, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, Mr. Turnipseed,  
Executive Vice President, and  
Mr. Yorke, Executive Vice President,  
Mr. Mitchell, Senior Vice President, and  
Mr. Smith, General Auditor and  
Senior Vice President,  
Mr. Narron, Deputy Chief of Staff,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary,  
and, attending a portion of the meeting,  
Ms. Mauriello, Senior Vice President, and  
Mr. Taub, Senior Vice President,  
Mr. Gurba, Vice President,  
Ms. Judge, Vice President, and  
Mr. Whynott, Vice President, and  
Mr. Reilly, Assistant Vice President.

Stephen Friedman, Chairman, Stone Point  
Capital, attended the meeting by invitation.

The minutes of the meetings of (1) the Audit Committee held July 19, 2007; (2) the Board held September 20, 2007; and (3) the Board held October 4, 2007, were submitted and approved by consent. The actions taken

by the Audit Committee on July 19, 2007, as reported in the minutes of its meeting, were ratified and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 10 advances to depository institutions (# ), numbered 117 to 126, during the period September 19, 2007 - October 16, 2007, totaling \$661,865,000.

VOTED to approve the "2007-2008 Diversity and Inclusion Program" (# ).

Ms. Considine, Chair of the Audit Committee, reported that the Audit Committee had reviewed and approved the Reports of Audit Activities (# ) at the Bank during July 2007, August 2007 and September 2007 as well as the minutes from the meeting held in July 2007. She reported that the Bank's internal control environment had been raised to strong from satisfactory largely as a result of the implementation of a comprehensive risk management program and management's engagement in risk issues. She noted that the 2007 Audit Program was on-track, that two audits had been cancelled, one audit had been accelerated from 2008, and that management testing of SOX had not identified any material weaknesses, although data integrity issues had been noted with respect to certain OEB-related activities which were in the process of being reviewed. Ms. Considine remarked that the Audit Function's budget had been approved as had the Audit Committee Charter after minor changes were made. She noted that the Bank's third quarter expenses were tracking close to plan and that the Committee had reviewed the Bank's operational risk profile and portfolio of major automation projects. She reported that the Committee received a briefing on the Bank's Contingency Strategy which would create greater geographic dispersion and establish back-

up processes for critical open market, central banking, and data center operations.

Whereupon, it was duly and unanimously  
VOTED to approve the Audit Committee Charter.

Mr. Geithner reported that the Conference of Presidents had been considering a broad range of strategic issues which included a review of the existing monetary policy framework and the possibility of inflation targeting, the future evolution of payments, changes to the Fed's role with respect to the regulatory framework, further evolution of risk management and business resiliency issues and further opportunities for outreach. He reported that there were a number of efforts underway to develop lessons learned from the recent financial crisis, to better understand the role that the Fed played, and to seek opportunities to address weaknesses in the system more broadly.

Ms. Cumming presented for approval the following documents: the Bank's "2008 Budget" (# ), the "2008 Compensation Program Recommendations" (# ), the "10<sup>th</sup> and 11<sup>th</sup> Floor Restoration" (# ), and the Bank's "Contingency Strategy" (# ). Ms. Cumming stated that the Bank's proposed 2008 operating budget was 4.7 percent over planned 2007 spending largely as a result of a new strategy designed to increase the resiliency of critical open market, central bank and data center operations, and the impact of 2008 salary programs which included a 4.6 percent merit plan and efforts to address certain officer compensation gaps relative to the marketplace. She stated that these expenses would be partially offset by staff reductions associated with the closing of check operations, newly-realized efficiencies in Cash, and shifting resources in Bank Supervision. Ms. Cumming stated that the 2008 Budget also included a proposal to restore



the 10<sup>th</sup> and 11<sup>th</sup> floors and consolidate kitchen operations in the main building as part of the final phase of the Bank's floor-by-floor modernization project. She noted that revised project costs of \$44.4 million were \$9.5 million lower than originally planned as a result of a number of value engineering efforts which had yielded opportunities to reduce the scope of work with minimal adverse impact to the design or functionality of the space.

Whereupon, it was duly and unanimously

VOTED to approve the Bank's 2008 Budget, the 2008 Compensation Program Recommendations, the 10<sup>th</sup> and 11<sup>th</sup> Floor Restoration, and the Bank's Contingency Strategy.

At this point, Ms. Mauriello, Mr. Taub, Mr. Gurba, Ms. Judge, Mr. Whynott and Mr. Reilly left the meeting.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. Mr. Checki noted that there had been some modest evolution in the outlook for the global economy and that there was a heightened risk of price increases in Europe. He reported that economic conditions in Japan were fairly strong as exports continued to grow and business sentiment remained positive but he noted that the current favorable environment was fragile and vulnerable to shifts in global conditions. Mr. Checki also observed that China had continued on a path of robust growth, with equities up 40 percent in the last month and 400 percent over the last two years. Mr. Checki reported that in general emerging markets had continued to demonstrate strong performance with spreads at historical lows, rising equity levels, and strengthening currencies.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. He noted that the economy had



[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Friedman, Geithner, Ms. Cumming, Messrs. Baxter, Checki, Dudley, Murphy, Tracy, Turnipseed, Yorke, Mitchell, Smith and Narron and Ms. Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Director-Only Executive Session -  
Board of Directors  
October 18, 2007

Mr. Held was designated to keep the minutes of the Executive Session.

Mr. Speyer noted that with respect to the Board of Directors of the Buffalo Branch, the terms of office of James P. Laurito and Michele D. Trolli will expire December 31, 2007. Accordingly, he made the following recommendations for filling the vacancies on the Branch Board: (1) that the Directors recommend to the Board of Governors the reappointment of James P. Laurito, President and Chief Executive Officer, Rochester Gas and Electric Corporation and New York State Electric and Gas Corporation, for a three-year term ending December 31, 2010; (2) that the Directors reappoint Michele D. Trolli, Executive Vice President and Chief Information Officer, M&T Bank, for a three-year term ending December 31, 2010; and (3) that the Directors designate Alphonso O'Neil-White as Chair of the Board of Directors of the Buffalo Branch for 2008.

Whereupon, it was duly and unanimously

VOTED with respect to the Board of Directors of the Buffalo Branch, to (1) recommend to the Board of Governors the reappointment of Mr. Laurito; (2) reappoint Ms. Trolli; and (3) designate Mr. O'Neil-White as Chair.

The meeting duly adjourned at 11:45 a.m.

Corporate Secretary

cleared for release

New York, November 1, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Fuld,  
Mr. Hughes, Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary, and  
Ms. Stein, Assistant Corporate Secretary  
and Assistant Vice President.

In their discussion, the Directors [REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established  
without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:55 p.m.

Assistant Corporate Secretary

cleared for release

New York, November 15, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF  
NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine, Mr. Dimon,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

The meeting duly adjourned at 4:54 p.m.

Corporate Secretary



cleared for release

New York, November 29, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Fuld, Mr. Immelt,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Silva, Chief of Staff,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

Mr. Geithner then informed the Directors that Michael Yorke, Executive Vice President, Automation Group, would be turning 65 years old on December 15, 2007 and therefore would be required to retire as per the Bank's mandatory retirement policy unless the Directors approved a waiver of the policy. Mr. Geithner noted that the Bank had not yet identified a successor to Mr. Yorke and that therefore there was a compelling need for the Bank to retain Mr. Yorke until July 31, 2008 to give the Bank sufficient time to identify a successor and ensure a smooth transition of Mr. Yorke's duties.

Whereupon, it was duly and unanimously

VOTED to grant Mr. Yorke a waiver of the Bank's mandatory retirement policy so that he could continue his employment until July 31, 2008.

The meeting duly adjourned at 5:11 p.m.

Corporate Secretary

cleared for release

New York, December 6, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:45 p.m. this day.

PARTICIPANTS:

Mr. Speyer, Chair,  
Mr. Bollinger, Mr. Dimon, Mr. Fuld,  
Ms. Nooyi and Mr. Wait,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Held, Corporate Secretary  
and Counsel, and  
Ms. Stein, Assistant Corporate Secretary  
and Assistant Vice President.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that the current primary credit rate be decreased by one-quarter percentage point and that the current formulas for the secondary credit rate and the seasonal credit rate be renewed.

Whereupon, it was duly and unanimously

VOTED, subject to review and determination of the Board of Governors of the Federal Reserve System, that the current primary credit rate of 5 percent be decreased by one-quarter percentage point to 4 3/4 percent,

and that the current formulas for the secondary credit rate and the seasonal credit rate be renewed.

The meeting duly adjourned at 6:00 p.m.

Corporate Secretary

cleared for release

New York, December 20, 2007

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:41 a.m. this day.

PRESENT:

Mr. Speyer, Chair,  
Mr. Bollinger, Ms. Considine,  
Mr. Dimon, Mr. Fuld, Mr. Hughes,  
Mr. Immelt and Mr. Wait,  
Mr. O'Neil-White, Chair, Mr. Laurito,  
Ms. Trolli and Mr. Zuber,  
Directors of the Buffalo Branch of  
the Federal Reserve Bank of New York,  
Mr. Geithner, President,  
Ms. Cumming, First Vice President,  
Mr. Baxter, Executive Vice President  
and General Counsel,  
Mr. Checki, Executive Vice President,  
Mr. Dudley, Executive Vice President,  
Mr. Murphy, Executive Vice President,  
Mr. Rutledge, Executive Vice President,  
Mr. Tracy, Executive Vice President  
and Director of Research, Mr. Turnipseed,  
Executive Vice President, and  
Mr. Yorke, Executive Vice President,  
Mr. Mitchell, Senior Vice President, and  
Mr. Silva, Chief of Staff, and Mr. Smith,  
General Auditor and Senior Vice President,  
Ms. Hamdani, Vice President, Mr. Hilton,  
Vice President, Ms. McLaughlin, Vice  
President, Mr. Peach, Vice President,  
and Mr. Potter, Vice President,  
Mr. Held, Corporate Secretary and Counsel, and  
Ms. Resele-Tiden, Assistant Vice President  
and Assistant Corporate Secretary.

Stephen Friedman, Chairman, Stone Point  
Capital, attended the meeting by invitation.

The minutes of the meetings of (1) the Management and Budget  
Committee held October 15, 2007; (2) the Audit Committee held October 18,  
2007; (3) the Board held October 18, 2007; (4) the Board held November 1,

2007; (5) the Board held November 15, 2007; (6) the Board held November 29, 2007; and (7) the Board held December 6, 2007, were submitted and approved by consent. The actions taken by the Audit Committee on October 18, 2007, as reported in the minutes of its meeting, were ratified and approved by consent.

The Directors, by consent,

VOTED to ratify the action of the officers in making 33 advances to depository institutions (# ), numbered 127 to 161, during the period October 17, 2007 - December 18, 2007, totaling \$10,356,338,000.

VOTED that a dividend at the rate of six percent per annum for the six-month period ending December 31, 2007, be declared on the paid-in capital stock of the Bank, payable December 31, 2007, to stockholders of record as of the close of business on December 30, 2007.

The Directors, having received and reviewed a copy of the resolution to elect the Bank's representative and alternate representative on the FOMC for a new term beginning on the date of the first FOMC meeting in 2008 and ending on the conclusion of the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2009, by consent,

VOTED to adopt the resolution in the form submitted to them (# ).

VOTED to select Robert P. Kelly, Chief Executive Officer, The Bank of New York Mellon, as the member of the Federal Advisory Council (FAC) representing the Second Federal Reserve District for 2008 and to select Gerald L. Hassell, President, The Bank of New York Mellon, and Thomas P. Gibbons, Chief Risk Officer, the Bank of New York Mellon, as the alternate members of the FAC for 2008.

The Directors, having received and reviewed a copy of the general resolution conferring authority on the officers to conduct the regular business of the Bank, by consent,

VOTED to adopt such general resolution in the form submitted to them (# ).

The Directors, having received and reviewed a copy of the resolution establishing the primary credit rate in a financial emergency, the resolution expiring on December 31, 2008, unless the Board of Directors renews the resolution for an additional period, by consent,

VOTED to adopt such resolution in the form submitted to them (# ).

VOTED to approve the Bylaws for the Federal Reserve Bank of New York and the Buffalo Branch; the charter for the (renamed) Audit and Operational Risk Committee; the charter for the Management and Budget Committee; and the charter for the Nominating and Corporate Governance Committee (# ).

VOTED to approve the procurement for the Office of Debt Management Project. Messrs. Speyer and Fuld abstained from the vote due to a conflict of interest.

VOTED to approve the additional expenditure for New Treasury Automated Auction Processing System.

Mr. Geithner then observed that this was the final Board meeting for Ms. Considine and Mr. Speyer and he thanked them for their service as Directors.

Ms. Considine, Chair of the Audit Committee, reported that the Audit Committee had reviewed and approved the Reports of Audit Activities (# ) at the Bank during October 2007 and November 2007 as well as the minutes from

the meeting held in October 2007. She reported that the Bank's control environment was strong, the 2007 audit program was expected to be completed as planned, and the New York Internal Audit Function's performance continued to exceed System audit metrics. Ms. Considine noted that the Committee had approved the Treasury Audit Reporting Communication Protocol for another year as well as the sharing with FRIT of audit findings related to information security. Ms. Considine stated that the Committee had received an update on the operating performance of the Bank, a presentation on the state of the Bank's Compliance Program, and a report on the Bank's Operational Risk Management Program. She reported that no significant findings had been identified as a result of either the Bank's SOX efforts or Deloitte & Touche's national and local audits. Ms. Considine also reported that a series of executive sessions were held, none of which identified issues that required action by the Committee or the full Board of Directors.

Mr. Dudley, referring to a series of charts (# ), reported on recent financial market developments. Mr. Dudley stated that the housing market had continued to deteriorate as the subprime market had worsened. He stated that foreclosures and delinquencies were above the rate experienced during the last economic downturn and losses in underlying assets had risen, resulting in significant losses associated with collateralized debt obligations. Mr. Dudley noted that term funding spreads had widened and balance sheet pressures had intensified. He stated that the recently implemented Term Auction Facility was designed to address funding pressures by lending to a larger number of counterparties against a wide range of collateral.

Mr. Tracy, referring to a series of charts (# ), reported on the current economic outlook. He stated that GDP growth projections had been



revised downward to reflect increased uncertainty regarding the depth and breadth of the economic slowdown. Mr. Tracy suggested that the pace of the recent housing decline was expected to slow during the first half of 2008 but that price activity differed tremendously based on geographic conditions. He remarked that there had been strong increases in energy prices and that core measures of inflation had moved toward the upward band of the target range.

Mr. Checki, referring to a series of charts (# ), reported on global economic conditions. Mr. Checki noted that overall growth in emerging economies remained remarkably strong in 2007 and was expected to slow slightly but remain robust in 2008. He stated that while emerging markets had been impacted by recent market conditions, the scale of recent declines was well below past notable periods of stress. He observed that improved macro management in emerging countries had led to declining public debt, flexible monetary frameworks and unprecedented levels of reserves. Mr. Checki opined that in contrast to their historical role as a channel for contagion, these markets had functioned more as a financial stabilizer by supplying capital and revenue to core institutions.

In their discussion, the Directors [REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

At this point, Mr. Fuld left the meeting.

Mr. Geithner then presented the schedule of rates in effect at this Bank, with the recommendation that they be established without change.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

(to be spread here when the minutes are written in final form)

At this point, the meeting went into Executive Session, and Messrs. Checki, Dudley, Murphy, Rutledge, Tracy, Turnipseed, Yorke, Mitchell, Silva and Smith, Ms. Hamdani, Mr. Hilton, Ms. McLaughlin, Messrs. Peach and Potter and Ms. Resele-Tiden left the meeting.

Corporate Secretary

cleared for release

Executive Session - Board of Directors  
December 20, 2007

Mr. Held was designated to keep the minutes of the executive session.

Mr. Geithner referred to tables and schedules (#        ), which were before the members of the Board of Directors, regarding the 2008 salaries for all officers other than the President and the First Vice President.

Mr. Geithner recommended that the Directors approve the merit and special merit increases, alignment increases, and cash awards of the Executive Vice Presidents and the recommendation of the Audit Committee regarding the merit increase and cash award of the General Auditor.

Whereupon, after consideration, it was duly and unanimously VOTED to fix the salaries of the Executive Vice Presidents and the General Auditor for the period January 1, 2008 to December 31, 2008, and approve their cash awards, in accordance with the recommendations contained in the tables and schedules presented at the meeting.

Mr. Geithner then recommended that the Directors approve the official appointments, promotions, and salaries as set forth in the schedules that were before the Board of Directors.

Whereupon, it was duly and unanimously VOTED effective January 1, 2008 to make the official changes and fix the salaries as set forth in the schedules as presented.

Mr. Geithner noted that documentation regarding all other changes in compensation was being provided for informational purposes only.

Mr. Speyer presented a schedule (# ) of the proposed standing committee assignments for the Directors, effective January 1, 2008.

Whereupon, it was duly and unanimously

VOTED to adopt the committee assignments set forth in the schedule.

At this point, Messrs. Friedman, Laurito and O'Neil-White, Ms. Trolli, Messrs. Zuber and Geithner and Ms. Cumming left the meeting.

Mr. Baxter presented documents (# ) relating to the Supplemental Retirement Plan for Selected Officers of the Federal Reserve Banks (the "SERP"). He reviewed the history and changes to the SERP.

Whereupon, it was duly and unanimously

VOTED to approve the New York Fed's participation in the System-wide SERP benefits plan.

The meeting duly adjourned at 11:40 a.m.

Corporate Secretary