

cleared for release

New York, January 9, 2009

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 12:00 p.m. this day.

PRESENT:

Mr. Hughes, Chairman,
Mr. Immelt and Mr. Wait,
Ms. Cumming, First Vice President,
Mr. Murphy, Executive Vice President,
Mr. Taub, Senior Vice President,
Mr. Gurba, Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Deputy Chief of Staff
and Assistant Corporate Secretary.

Ms. Cumming presented the Bank's "2008 Performance Evaluation" (#). She stated that the evaluation, if approved by the Committee, would be reviewed with the full Board at the January 15, 2009 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 March 3, 2009. Ms. Cumming stated that in addition to its core responsibilities, the Bank, in conjunction with the Board of Governors, the Treasury, other Reserve Banks, and other regulatory agencies, had played a leadership role in crafting and supporting financial stability initiatives. She noted that the Bank's contribution to these initiatives, which included liquidity provision and market functioning efforts, the monitoring and examination of institutions and markets, and longer-term market stability initiatives required a balancing of priorities and the engagement of resources from every

area of the Bank. Finally, Ms. Cumming stated that the Bank's primary challenges for the year related to the Fedline Advantage outage, talent development, staff retention, valuation and credit risk monitoring and capacity planning.

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

The meeting duly adjourned at 12:16 p.m.

Corporate Secretary

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New York, January 10, 2009

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 8:00 a.m. this day.

PRESENT:

Mr. Friedman, Chair,
Mr. Bollinger, Mr. Carrión, Mr. Dimon, Mr. Hughes,
Mr. Immelt, Mr. Wait, and Ms. Nooyi
Mr. Baxter, Executive Vice President
and General Counsel, and
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President
Mr. Geithner, President, attended a portion of the
meeting.

The Directors first interviewed a number of potential candidates for the position of President and Chief Executive Officer of the Federal Reserve Bank of New York. Mr. Geithner then entered the meeting and a discussion ensued regarding the candidates. Mr. Geithner and Mr. Baxter then exited the meeting. The discussion continued, at the end of which, the Directors agreed to defer their decision on this matter and instead to conduct additional interviews of the potential candidates.

The meeting duly adjourned at 3:15 p.m.

Corporate Secretary

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New York, January 15, 2009

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

PRESENT:

Mr. Friedman, Chair,
Mr. Carrión, Mr. Hughes and Mr. Wait,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Mr. Dudley, Executive Vice President, and
Mr. Tracy, Executive Vice President
and Director of Research,
Mr. Peach, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Deputy Chief of Staff
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.

The minutes of the meetings of (1) the Management and Budget Committee held October 14, 2008; (2) the Board held October 16, 2008; (3) the Board held October 30, 2008; (4) the Board held November 6, 2008; (5) the Board held November 7, 2008; (6) the Board held November 20, 2008; (7) the Board held November 24, 2008; (8) the Board held December 4, 2008; (9) the Board held December 18, 2008; and (10) the Board held December 31, 2008, were submitted and approved by consent.

The Directors, by consent

VOTED to adopt the following resolution to elect the Bank's representative on the FOMC:

"RESOLVED, That this Board does hereby vote to elect Christine M. Cumming, First Vice President of the Federal Reserve Bank of New York ("Bank") as the representative of the Bank on the Federal Open Market Committee ("FOMC") created by Section 12A of the Federal Reserve Act, as amended, for the period beginning on the date of the first regularly scheduled meeting of the FOMC in 2009 until such time as this Board appoints, subject to the approval of the Board of Governors of the Federal Reserve System, a new President of the Federal Reserve Bank of New York and votes to elect said President as the Bank's representative on the FOMC, or until the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2010, whichever is earlier."

VOTED to approve the Bylaws for the Federal Reserve Bank of New York (#13461) and the charter for the Audit and Operational Risk Committee (#13462).

VOTED to approve the Data Center Equipment Purchase Strategy (#13463).

The Report of Audit Activities (#13464) of the internal auditing activities of the Bank during December 2008 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 disclosed no issues which the Audit and Operational Risk Committee should bring to the attention of the full Board of Directors."

Ms. Cumming presented the Bank's "2008 Performance Evaluation" (#13460). She noted that senior management had conducted a self-assessment

of the Bank's 2008 performance in connection with the Board of Governors annual Reserve Bank Performance Evaluation process. Ms. Cumming reported that there had been a number of infrastructure and operational accomplishments related to the Bank's activities as well as efforts implemented for the System and the Treasury. Finally, Ms. Cumming noted that key challenges related to recruiting and retaining staff, strengthening controls and operations associated with new market facilities, and reviewing the capacity plans for infrastructure, particularly as it supports System lending activity.

Whereupon, it was duly and unanimously

VOTED to approve the performance evaluation of the Federal Reserve Bank of New York for 2008 as proposed.

Mr. Peach, referring to a series of charts (#13465), reported on the current economic outlook. He noted that economic activity had declined during the fourth quarter of 2008 at an annual rate of about 5 percent and that a comparable decline was expected for the first quarter of 2009. Mr. Peach stated that recent positive financial market indicators had been reversed but suggested that aggressive monetary and fiscal policy, combined with gradual increases in risk taking, could spur a recovery during the second half of 2009.

Mr. Dudley, referring to a graph (#13466), reported on recent financial market developments. Mr. Dudley reported recent improvements in those markets where the Fed had intervened but that efforts to date had not been enough to remove market dysfunction and that the banking system continued to be distressed as a result of undercapitalization, large losses, and the need to take additional large write-offs. Mr. Dudley stated that the size of the Bank's balance sheet had stabilized and that borrowing through

[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:

Advances to and discounts for depository institutions:

- (a) Primary credit rate--1/2 percent per annum.
- (b) Secondary credit rate--primary credit rate plus 50 basis points.
- (c) Seasonal credit rate--the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

At this point, the meeting went into Executive Session, and Messrs. Baxter, Checki, Dudley, Tracy and Peach, and Ms. Resele-Tiden left the meeting.

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Executive Session - Board of Directors
January 15, 2009

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

In attendance were Messrs. Friedman, Carrion, Hughes and Wait, and via teleconference Mr. Bollinger, and Ms. Nooyi. After a discussion, the Directors voted unanimously to appoint William C. Dudley as President and Chief Executive Officer of the Federal Reserve Bank of New York ("Bank"), for the remainder of the term ending February 28, 2011, effective as of the day immediately following the resignation of the Bank's current President, Timothy F. Geithner, and subject to the approval of the Board of Governors.

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

Corporate Secretary

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New York, January 23, 2009

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 11:30 a.m. this day.

PARTICIPANTS:

Mr. Friedman, Chair,
Mr. Bollinger, Mr. Dimon and Mr. Immelt,
Mr. Baxter, Executive Vice President
and General Counsel, and
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President.

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.

Mr. Baxter, referring to a memorandum (#) dated January 22, 2009 regarding William C. Dudley, presented to the Directors for their approval: (a) a temporary waiver of a potential conflict of interest relating to certain of Mr. Dudley's financial interests (b) a resolution appointing Mr. Dudley as the Bank's representative on the FOMC. Mr. Baxter explained that Mr. Dudley currently retained certain financial interests that could present a conflict of interest with Mr. Dudley's duties as president of the Bank, and that Mr. Dudley had agreed to expeditiously divest himself of these interests. Mr. Baxter opined that the Directors should consider issuing a waiver so as to allow Mr. Dudley to continue to serve as president until the divestiture was completed. A brief discussion ensued, in which the Directors expressed support for the proposal to grant Mr. Dudley a temporary

waiver with the understanding that Mr. Dudley would move as quickly as possible to divest himself of these otherwise prohibited financial interests.

Whereupon, it was duly and unanimously

VOTED to approve the following resolutions:

"VOTED, that the statutory waivers for William C. Dudley, in the form attached hereto, are hereby APPROVED."

"RESOLVED, that this Board does hereby vote to appoint William C. Dudley, as the representative of this Federal Reserve Bank on the Federal Open Market Committee ("FOMC"), effective as of the date Mr. Dudley assumes the position of President of this Federal Reserve Bank; and does hereby vote to appoint Christine M. Cumming, to serve as an alternate on the Federal Open Market Committee in the absence of the Bank's representative on the FOMC, effective immediately. These appointments shall expire on the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2010."

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

Corporate Secretary

cleared for release

New York, January 29, 2009

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. Friedman, Chair,
Mr. Bollinger, Mr. Carrión,
Mr. Hughes and Mr. Wait,
Mr. Dudley, President,
Mr. Peach, Senior Vice President,
Ms. Perelmuter, Senior Vice President,
and Mr. Potter, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Deputy Chief of Staff
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Dudley 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 4:56 p.m.

Corporate Secretary

[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 4:47 p.m.

Corporate Secretary

[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.

Assistant Corporate Secretary

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New York, March 19, 2009

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. Friedman, Chair,
Mr. Carrión (via telephone conference),
Mr. Dimon, Mr. Hughes, Mr. Immelt
and Mr. Wait,
Governor Duke, Member of the Board of
Governors of the Federal Reserve System,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Ms. Krieger, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Smith, Executive Vice President and
General Auditor, Mr. Tracy, Executive
Vice President and Director of Research, and
Mr. Turnipseed, Executive Vice President,
Ms. Mosser, Senior Vice President,
Mr. Peach, Senior Vice President,
and Mr. Silva, Chief of Staff,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Assistant Vice President
and Assistant Corporate Secretary,
and, attending a portion of the meeting,
Ms. Dahlgren, Senior Vice President.

The meeting opened in Executive Session with Messrs. Friedman, Carrión, Dimon, Hughes, Immelt and Wait, Governor Duke, Mr. Dudley, Ms. Cumming, Mr. Baxter, Ms. Dahlgren and Mr. Held participating. At the conclusion of executive session, Ms. Dahlgren left the meeting and the regular session began with the participants listed in attendance.

The minutes of the meetings of (1) the Audit and Operational Risk Committee held October 16, 2008; (2) the Audit and Operational Risk Committee held November 7, 2008; (3) the Audit and Operational Risk Committee held December 10, 2008; (4) the Audit and Operational Risk Committee held December 18, 2008; (5) the Management and Budget Committee held January 9, 2009; (6) the Board held January 15, 2009; (7) the Executive Committee held January 23, 2009; (8) the Board held January 29, 2009; (9) the Board held February 5, 2009; (10) the Board held February 19, 2009; and (11) the Executive Committee held March 5, 2009, were submitted and approved by consent. The actions taken by the Audit and Operational Risk Committee on October 16, 2008, November 7, 2008, December 10, 2008 and December 18, 2008, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, having received and reviewed a copy of the technical change to the standing resolution establishing the primary credit rate in a financial emergency, by consent,

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

Mr. Wait, Chair of the Audit and Operational Risk Committee, reported that the Audit and Operational Risk Committee (AORC) had reviewed and approved the Reports of Audit Activities (#) at the Bank during December 2008, January 2009 and February 2009. He noted that the AORC had met via conference call on March 12 during which time they received reports on AIG from Ms. Dahlgren and a briefing on the Term Asset-Backed Securities Lending Facility from Mr. Dzina. He reported that the AORC had convened that morning and that it had reviewed the Bank's Operations Report for March which

indicated that expenses were 16 percent higher than last year as a result of higher staffing and fees associated with financial stability initiatives. Mr. Wait reported that the AORC had reviewed AORC member qualifications and had designated a financial expert, as per the AORC charter. He stated that the AORC had reviewed the Bank's draft 2008 consolidated financial statements, including key business drivers, major accounting changes, statement footnotes and other significant balance sheet accounting matters. He reported that Deloitte & Touche had briefed the AORC on the status of their year-end 2008 audit and that they expected to finalize their work by March 31 and issue unqualified opinions. Finally, Mr. Wait noted that the AORC members held a series of executive sessions with Audit, senior Bank management, Deloitte & Touche, and the Bank's Chief Compliance Officer but that none of the matters discussed required the attention of the full Board of Directors.

Ms. Mosser, referring to a series of charts (#), reported on recent financial market developments. She noted that financial markets had reacted immediately and favorably to recent FOMC statements and actions, most notably the expansion of the Mortgage-Backed Securities purchase plan and that those financial markets which had received government support appeared to be functioning fairly well. She stated that refinancing activity would likely accelerate in the near-term as the interest rate environment had become more favorable and that the recently announced Term Asset-Backed Lending Facility was expected to ramp-up slowly as a result of a number of political issues that had surfaced. A discussion ensued regarding recent market activities.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. Mr. Checki noted that the global economy was

still reacting to massive economic shocks during the fourth quarter and that there had been no signs of recovery during the first quarter. He observed that much of Europe was working through the aftermath of a real estate boom which had led to significant deleveraging and credit market dysfunction. He stated that Japan's economy had contracted at a 12 percent pace during the fourth quarter and that first quarter 2009 results were expected to be similar or worse as a result of rapid export declines. Mr. Checki observed that the economic and financial deterioration in the advanced economies had dramatically and negatively impacted economies in the emerging markets and that growth in Korea, Taiwan and Thailand had contracted at rates of at least 21 percent during the fourth quarter, while growth in Brazil and Mexico had contracted at rates of 13.5 percent and 10 percent respectively during this same period. He also noted that Russia's GDP shrank at a rate of 27 percent during the three-month period which ended in January 2009. Finally, Mr. Checki noted that emerging market banking systems would likely face significant stress in the near term and that authorities from these countries would likely face complex choices related to reserve management and the use of fiscal stimulus to ease market conditions. A discussion regarding global economic conditions ensued.

Mr. Peach, referring to a series of charts (#), reported on the current economic outlook. He observed that the current economic downturn would likely be the most severe in the post-World War II period. He noted that data released over the past two months had led to a markdown in the growth forecast for 2009 to minus 3.9 percent from minus 3.6 percent, and that risks remained skewed to the downside. Mr. Peach stated that total headline inflation had stopped slowing as energy prices had stabilized after a period of decline, and that short-term inflation expectations had moved

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 a second Executive Session, and Ms. Cumming, Messrs. Baxter, Checki, Ms. Krieger, Messrs. Mitchell, Murphy, Rutledge, Smith, Tracy and Turnipseed, Ms. Mosser, Messrs. Peach and Silva and Ms. Resele-Tiden left the meeting.

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Executive Session - Board of Directors
March 19, 2009

Mr. Held was designated to keep the minutes of the two executive sessions held on this day.

At the first executive session, held immediately prior to the regular Board meeting, Ms. Dahlgren provided an update on AIG. Among other things, she noted that there were concerns at the company regarding the possibility of an increased rate of departures by employees. A brief discussion ensued, after which the first executive session adjourned at 10:45 and the regular Board meeting commenced.

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During the second executive session, held immediately after the regular Board meeting, Mr. Dudley reviewed Ms. Cumming's 2008 performance and compensation with the Board.

Whereupon, after discussion, it was duly and unanimously VOTED to approve the recommended increase to Ms. Cumming's compensation.

Mr. Friedman reviewed with the Directors the search for Director candidates, and asked that the Directors forward suggestions as to Director candidates to the Corporate Secretary.

The meeting duly adjourned at 12:05 p.m.

Corporate Secretary

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New York, April 2, 2009

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. Friedman, Chair,
Mr. Bollinger, Mr. Carrión and Mr. Dimon,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Ms. Mosser, Senior Vice President, and
Mr. Peach, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Deputy Chief of Staff
and Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Dudley 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)

Ms. Cumming, referring to a memorandum (#) entitled "Request for Additional Funding for Build Out of Floors 5 & 9 in 33 Maiden Lane" requested the Directors to approve a capital budget increase of approximately \$1.9 million to (1) fund the build out, and ready the newly leased 5th and 9th floors in 33 Maiden Lane for immediate occupancy; and (2) provide a functional workspace solution for the 2009 budgeted incremental staffing increases associated with supporting the financial crisis.

Whereupon, it was duly and unanimously

VOTED to approve a capital budget increase of approximately \$1.9 million.

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

Corporate Secretary

cleared for release

New York, April 16, 2009

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. Friedman, Chair,
Mr. Carrión, Mr. Dimon, Mr. Hughes,
Mr. Immelt and Mr. Wait,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Mr. Christie, Executive Vice President,
Ms. Krieger, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Smith, Executive Vice President and
General Auditor, Mr. Tracy, Executive
Vice President and Director of Research, and
Mr. Turnipseed, Executive Vice President,
Ms. Mosser, Senior Vice President,
Mr. Peach, Senior Vice President,
and Mr. Silva, Chief of Staff,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Assistant Vice President
and Assistant Corporate Secretary.

The minutes of the meetings of (1) the Audit and Operational Risk Committee held February 12, 2009; (2) the Audit and Operational Risk Committee held February 27, 2009; (3) the Audit and Operational Risk Committee held March 12, 2009; and (4) the Board held April 2, 2009, were submitted and approved by consent. The actions taken by the Audit and Operational Risk Committee on February 12, 2009, February 27, 2009 and March 12, 2009, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, by consent,

VOTED to approve proceeding with the A-Level Security Enhancement Project, at a cost of approximately \$13.3 million, in the form submitted to them (#).

Mr. Wait, Chair of the Audit and Operational Risk Committee, reported that the Audit and Operational Risk Committee (AORC) had reviewed and approved the Report of Audit Activities (#) at the Bank during March 2009. Mr. Wait noted that the Bank's overall control environment remained strong, that no unfavorable audit opinions had been issued, and that the severity of risk events remained low though the number of open control issues had been high due mainly to identified information security vulnerabilities. He reported that permanent audit staff had been increased, that the 2009 Audit Program would focus on new and emerging credit and liquidity activities, and that a number of external review groups would soon be on-site and focused on reviewing new programs at the Bank. Mr. Wait also reported that the Committee had received updates on AIG from Ms. Dahlgren, pending litigation against the Bank from Tom Baxter, the Bank's Ethics Program from Mr. Grant, and the Bank's operating conditions from Ms. Irwin. He stated that Oliver Wyman had been engaged by senior Bank management to review the governance and risk management infrastructure for new market facilities and that they had made two primary recommendations related to the establishment of a senior-level risk oversight committee and the build-out of the Bank's financial risk management capabilities. He noted that the Bank's financial statements would be issued by Deloitte & Touche as part of a coordinated System release and that a management letter which contained a number of identified weaknesses, none of which were material, would be issued shortly. Finally, Mr. Wait stated that a series of Executive Sessions were held, but

that no substantive issues had been raised which required the attention of the full Board.

Mr. Dudley remarked that the Bank had established a regulatory reform task force and that outside specialists would be retained to assist with this initiative and that a financial stability task force would also be formed to consider the Bank's structure should it be given additional regulatory responsibilities.

Ms. Mosser, referring to a series of charts (#), reported on recent financial market developments. She noted that financial market conditions had improved somewhat as price volatility had declined, equity markets had moved upward and firms were generally able to better finance their operations. Ms. Mosser suggested that financial markets had stabilized somewhat as a result of aggressive global monetary policy actions by several central banks over the past few months. Ms. Mosser observed that the low interest rate environment had resulted in a wave of refinancing activity and that the Bank's Mortgage Backed Securities Purchase Program had improved liquidity in that market.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. Mr. Checki noted that aggressive policy stimulus was taking hold and that there had been modest indications that the rate of descent in the global economy had slowed as consumer spending had firmed and businesses had made progress addressing inventory overhangs. Mr. Checki suggested that a number of economic concerns remained and that the global economy had contracted as investment spending continued to decline and labor market conditions continued to worsen. He observed that Japan's economy had declined at a 12 percent pace during the final quarter of 2008, which was

[REDACTED]

[REDACTED]

Mr. Dudley 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 a second Executive Session, and Ms. Cumming, Mr. Baxter, Messrs. Checki and Christie, Ms. Krieger, Messrs. Mitchell, Murphy, Rutledge, Smith, Tracy and Turnipseed, Ms. Mosser, Messrs. Peach and Silva and Ms. Resele-Tiden left the meeting.

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Executive Session - Board of Directors
April 16, 2009

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

Mr. Dudley presented to the Directors a document, with resume and biography attached, regarding an officer personnel action (#). He asked the Directors to approve the appointment of [REDACTED] as Executive Vice President and Head of the Markets Group, effective June 1, 2009. Mr. Dudley noted that [REDACTED] is currently a Vice President at Macroeconomic Advisers and the Deputy Director of the Monetary Policy Insights service offered by that firm.

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 11:15 a.m.

Corporate Secretary

[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)

At this point, Mses. Cumming, Mosser and Stein and Mr. Peach left the meeting.

Mr. Baxter, referring to a memorandum (#) dated April 27, 2009 entitled "William C. Dudley" requested the Directors to approve a proposed waiver of potential conflict of interest presented by Williams C. Dudley's service as president of the Federal Reserve Bank of New York and a member of the Federal Open Market Committee.

Whereupon, after discussion, it was duly and unanimously, voted to adopt the following resolution:

"VOTED, that the statutory waiver for William C. Dudley, in the form attached hereto, is hereby APPROVED."

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

Corporate Secretary

[REDACTED]

[REDACTED]

Mr. Dudley 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

cleared for release

New York, May 21, 2009

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, Mr. Carrión,
Mr. Dimon and Mr. Wait,
Ms. Cumming, First Vice President,
Mr. Hilton, Senior Vice President,
and Mr. Steindel, Senior Vice President,
Ms. Resele-Tiden, Deputy Chief of Staff
and Assistant Corporate Secretary, and
Ms. Stein, Assistant Corporate Secretary
and Assistant Vice President.

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 4:41 p.m.

Assistant 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)

Ms. Cumming stated that, by notational vote, the Federal Open Market Committee selected Brian Sack to serve as Manager of the System Open Market Account, subject to his selection being satisfactory to the Board of Directors of the Bank. Accordingly, the Directors,

VOTED that the selection by the Federal Open Market Committee of Brian Sack, Executive Vice President of this Bank, as Manager of the System Open Market Account, is satisfactory to the Bank and is hereby approved, 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 meeting duly adjourned at 4:54 p.m.

Corporate Secretary

cleared for release

New York, June 18, 2009

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:35 a.m. this day.

PRESENT:

Mr. Hughes, Deputy Chair,
Mr. Bollinger, Mr. Immelt and Mr. Wait,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Christie, Executive Vice President,
Ms. Krieger, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Sack, Executive Vice President,
Mr. Smith, Executive Vice President and
General Auditor, and
Mr. Turnipseed, Executive Vice President,
Mr. Clark, Senior Vice President,
Mr. Peach, Senior Vice President,
and Mr. Silva, Chief of Staff,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Stein, Assistant Corporate Secretary
and Assistant Vice President.

The minutes of the meetings of (1) the Board held March 19, 2009; (2) the Board held April 16, 2009; (3) the Board held April 30, 2009; (4) the Board held May 7, 2009; and (5) the Board held May 21, 2009, were submitted and approved by consent.

The Directors, by consent,

VOTED that a dividend at the rate of six percent per annum for the six-month period ending June 30, 2009, be declared on the paid-in capital of the Bank, payable on June 30, 2009 to stock-holders shown on the books of the Bank at the close of business on June 29, 2009.

VOTED to approve to contract with several key subcontractors performing critical security-related work associated with the A Level Security Enhancement Project without competitive bid, as presented in the memorandum (#) submitted to them.

The Reports of Audit Activities (#) of the internal auditing activities of the Bank during April 2009 and May 2009 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 disclosed no issues which the Audit and Operational Risk Committee should bring to the attention of the full Board of Directors."

Mr. Sack, referring to a series of charts (#), reported on recent financial market developments. He noted that financial markets continued to improve, with more optimism in the outlook for 2010 as a result of a renewed willingness for investments in riskier assets, a lower risk of deflation and a modest upturn in mortgage rates. Mr. Sack further suggested that the weakening in the dollar since the last meeting may be linked to investors' return to greater risk-taking. He also pointed to a strengthening in share prices of financial firms, noting that although money markets are still far from normal, the results of the Supervisory Capital Assessment Program appeared to have helped depository institutions to begin to raise private capital again. Finally, Mr. Sack highlighted the overall stability of the balance sheet since December, although he acknowledged that there was still churn underneath, with some shrinkage in the liquidity facilities balanced by growth in asset holdings. A discussion ensued regarding recent market activities.

Mr. Clark, referring to a series of charts (#), reported on global economic conditions. Mr. Clark noted that global economic indicators continued to improve, feeding expectations of positive global growth in the quarters ahead. He indicated that key supports for the global economy included prospects for firmer consumer spending, more supportive inventory cycle dynamics and continued aggressive policy stimulus across the globe. Nonetheless, he acknowledged that there were ongoing risks to the strength and durability of the global recovery primarily from the continued labor market retrenchment in many countries, the remaining recovery challenges in the US and Europe, and the ongoing dependency on the US consumer. Mr. Clark suggested that the recovery in Europe appeared to be lagging the global rebound, with questions remaining about the strength of its business and household sectors as well as about the vigor of the European policy response, particularly with respect to fiscal stimulus and banking sector support and recapitalization. He also stated that Japan's economy seemed to be rebounding after a very sharp decline but that concerns still existed due to continuing weakness in exports and investment as well as in labor market conditions. Mr. Clark observed that with the exception of parts of emerging Europe, the emerging economies were showing particular strength although there was some concern these countries cannot rely on demand from the US or Europe to fuel their recovery as they did in the aftermath of past crises. A discussion regarding global economic conditions ensued.

Mr. Peach, referring to a series of charts (#), reported on the current economic outlook. He stated that recent data supported the expectation that the US economy would emerge from the recession around mid-year although risks were still skewed to the downside and that the recovery probably would be sluggish at least through mid-2010 due to underlying

Mr. Dudley 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 Mr. Christie, Ms. Krieger, Messrs. Mitchell, Murphy, Rutledge, Sack, Smith, Turnipseed, Clark, Peach and Silva and Ms. Stein left the meeting.

cleared for release

Executive Session - Board of Directors
June 18, 2009

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

Mr. Dudley presented to the Directors a document, with a resume and resolution attached (#), regarding an officer personnel action. He asked the Directors to approve the appointment of ██████████ as Executive Vice President of the new Human Resources Group, effective July 13, 2009. Mr. Dudley noted that ██████████ most recently served as Managing Director and Head of Human Resources at BlackRock, Inc.

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. Baxter then discussed the process regarding Director waivers and the circumstances surrounding the Bank's request for a temporary waiver of certain investment restrictions for Mr. Friedman. In particular, he provided an assessment of the process regarding Mr. Friedman's waiver and discussed aspects of that process that were implemented in less than optimal fashion. He recommended that, going forward, a waiver such as the one sought for Mr. Friedman would fall within the purview of the Nominating and Corporate Governance Committee, and also that risk events involving Directors, including waivers, should be reported to the Audit and Operational Risk Committee. Mr. Baxter suggested that the charters for these respective committees be amended to clarify their roles. He also noted that while an issue such as the amendment of Committee charters would in ordinary

circumstances be first presented to the Nominating and Corporate Governance Committee, that in this case the matter be considered by the full Board.

Whereupon, it was duly and unanimously

VOTED to approve the recommendations of Mr. Baxter with respect to the amendments of the charters for the Audit and Operational Risk Committee and the Nominating and Corporate Governance Committee.

Referring to documentation, including biographies (#), Mr. Dudley and Mr. Hughes led a discussion of Director candidates. The Directors expressed their support for two proposed candidates to fill the Bank's Class B vacancies, Messrs. Tisch and Kindler, and also expressed support for the proposal to recommend to the Board of Governors that Mr. Hughes be appointed as Chairman of the Board and Mr. Bollinger as Deputy Chairman of the Board.

Mr. Baxter and Mr. Held reviewed with the Directors the Corporate Governance Audit recommendation (#) regarding meeting minutes and action items. The Directors agreed that the current format of the meeting minutes was appropriate and should not be changed.

At this point, Ms. Cumming and Mr. Dudley left the meeting.

Mr. Baxter, referring to a memorandum (#) dated June 12, 2009 entitled "Supplemental Retirement Plan for Selected Officers of the Federal Reserve System" discussed the recommendation that this Bank join the rest of the Reserve Banks in adopting this benefits plan for the Bank's President, First Vice President and the System Open Market Account Manager and Executive Vice President of the Markets Group.

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

"The Board of Directors hereby adopts the Supplemental Retirement Plan for Selected Officers of the Federal Reserve System ("SERP"), in the

form annexed hereto, as a formal benefits plan of the Federal Reserve Bank of New York, effective immediately for William C. Dudley, President, Christine M. Cumming, First Vice President, and Brian Sack, System Open Market Account Manager and Executive Vice President of the Markets Group."

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

Corporate Secretary

cleared for release

New York, July 2, 2009

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. Bollinger, Acting Chair,
Mr. Carrión and Mr. Wait,
Mr. Dudley, President,
Mr. Sack, Executive Vice President,
Mr. Steindel, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Deputy Chief of Staff
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]

Mr. Dudley 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, July 16, 2009

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:00 a.m. this day.

PRESENT:

Mr. Hughes, Deputy Chair,
Mr. Bollinger, Mr. Dimon, Mr. Immelt
and Mr. Wait,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Ms. Krieger, Executive Vice President,
Ms. Mink, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Sack, Executive Vice President,
Mr. Smith, Executive Vice President and
General Auditor, and
Mr. Turnipseed, Executive Vice President,
Mr. McAndrews, Senior Vice President,
Mr. Peach, Senior Vice President,
and Mr. Silva, Chief of Staff,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary,
and, attending a portion of the meeting,
Mr. Clark, Senior Vice President, and
Mr. Dawson, Senior Financial Analyst.

The minutes of the meetings of (1) the Audit and Operational Risk Committee held March 19, 2009; (2) the Audit and Operational Risk Committee held April 9, 2009; (3) the Audit and Operational Risk Committee held April 16, 2009; and (4) the Audit and Operational Risk Board held May 14, 2009, were submitted and approved by consent. The actions taken by the Audit and Operational Risk Committee on March 19, 2009, April 9, 2009, April 16,

2009 and May 14, 2009, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, by consent,

VOTED to approve the revised charters for the Audit and Operational Risk Committee and the Nominating and Corporate Governance Committee, as presented in the memorandum (#) submitted to them.

VOTED to approve to negotiate a lease for office space at Three World Financial Center, provided that the Board of Governors grants the Bank's request for a waiver of the Board of Governors' policy prohibiting the Bank from leasing office space from a regulated institution, as presented in the memorandum (#) submitted to them.

Mr. Wait, Chair of the Audit and Operational Risk Committee, reported that the Audit and Operational Risk Committee had reviewed and approved the Report of Audit Activities (#) at the Bank during April 2009, May 2009 and June 2009. Mr. Wait stated that the Bank's overall control environment remained strong, albeit at the low end of the range. He noted that recent internal audit and Board of Governors reports reflected opportunities to enhance risk management and control of new activities which were being addressed by Bank management and that two significant risk events had been reporting during June which related to the erroneous disclosure of confidential or sensitive information. Mr. Wait stated that the 2009 Audit Program continued to track closer to plan, that nine audit opinions had been rendered to date which included seven in the "effective" and two in the "generally effective" categories, that 113 control issues remained open, down from 144 the prior month, and that there were no issues that required the attention of the full Board. Finally, Mr. Wait reported that the Committee had met monthly and had received updates on the Bank's various credit and

liquidity activities and that a troubled debt restructuring charge would likely be taken against the Bank's exposure to AIG.

Mr. Dudley welcomed Susan Mink to the meeting as the newest member of the Bank's Management Committee and thanked Mr. Hughes and Mr. Bollinger for agreeing to accept the Bank's recommendation to the Board of Governors that they be appointed as Chairman and Deputy Chairman, respectively, of the Board of Directors. Mr. Dudley also noted that remaining Board vacancies were expected to be filled in the third quarter. Mr. Dudley also reported that additional changes to the TALF program had been announced and that he had been appointed the Chair of the Committee on Payment and Settlement Systems of the G-10 Central Banks.

Mr. Sack, referring to a series of charts (#), reported on recent financial market developments. He noted that market sentiment had worsened most recently amid growing concerns about the strength of the economic recovery. He observed that financial markets had been focused on the release of second quarter earnings information and that larger banks had fared better than regional and mid-sized banks as a result of continued concerns about the latter's exposure to the commercial real estate market. Finally, Mr. Sack noted that higher inflation expectations had retraced as commodity prices had generally declined and that the System's liquidity facilities had been effective in addressing market dysfunction. A discussion ensued.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. Mr. Checki reported that global economic indicators had continued to strengthen and economies in Asia had returned to positive growth in the second quarter while other regions had shown signs of milder contractions. He explained that while tail risk had diminished,

questions remained about the strength and durability of the global recovery. Mr. Checki then informed the Directors that he had arranged for them to receive a presentation on China.

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

Mr. Clark and Mr. Dawson, referring to a series of charts (#), presented a special briefing on China. Mr. Clark reported that China's recent GDP growth rate had outpaced expectations as a result of increases in the labor supply, the mobilization of high savings and investment rates, and productivity gains, and that exports had played a key role in China's successful industrial strategy. He noted, however, that China had experienced rising income inequality, environmental degradation and large current account surpluses and that effort to rectify these conditions had been frequently stated as government leadership goals. Finally, Mr. Clark noted that China's response to the global crisis and efforts to support economic activity had included a large fiscal stimulus package, massive credit expansion, a hold on exchange rate changes and a reinstatement of export tax incentives. Mr. Dawson noted that financial sector reform in China has accelerated which had resulted in improvements in balance sheet condition, a reduction in net non-performing loans, and higher profitability. He noted that remaining challenges related to the continued importance of industrial policy and political support, excessive risk taking to achieve profit targets, difficulty reforming large institutions, lack of competition, and the limited influence of foreign board members. Finally, Mr. Dawson noted that challenges for banking reform related to the ongoing need to support government and policy-driven growth, and the lack of clarity related to the longer-term vision for the sector and the role of private and foreign banks. A discussion ensued.

[REDACTED]

Mr. Dudley 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 11:40 a.m.

Corporate Secretary

cleared for release

New York, July 30, 2009

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. Carrión, Mr. Dimon,
Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Mr. Baxter, Executive Vice President
and General Counsel,
Ms. Mosser, Senior Vice President, and
Mr. Peach, Senior Vice President,
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary, and
Ms. Stein, Assistant Corporate Secretary
and Assistant Vice President.

Mr. Dudley stated that the Board of Governors had drafted a document to consider the responsibilities of members of Reserve Bank Boards which would be discussed during the Conference of Chairmen's joint meeting with the Conference of Presidents and Board of Governors in September. Mr. Baxter explained that he would gather comments from the Directors and prepare a draft response which would be circulated to the Board members.

In their discussion, the Directors

[REDACTED]

[REDACTED]

Mr. Dudley 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 5:00 p.m.

Assistant Corporate Secretary

[REDACTED]

[REDACTED]

Mr. Dudley 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. Dudley, referring to documentation (#) which had been circulated to the members of the Board of Directors, discussed Governor Duke's paper on "The Responsibilities of Federal Reserve Bank Directors" and the draft response, which consisted of a letter from Mr. Hughes and a letter from Mr. Baxter. The Directors expressed their general agreement with the comments expressed in the document and Mr. Dudley noted that with the concurrence of the Board of Directors, the draft would be finalized, shared with other Reserve Banks, and discussed during the September 21, 2009 joint meeting of the Conference of Chairs, the Board of Governors and the Conference of Presidents. The Directors expressed their approval of this proposed course of action.

The meeting duly adjourned at 5:02 p.m.

Corporate Secretary

[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)

Ms. Cumming, referring to a memorandum (#) entitled "Request for Additional Funding Main Building Fire Alarm Upgrade" requested the Directors to approve a capital budget increase of \$2.2 million to fund the upgrade of the Main Building's Fire Alarm System.

Whereupon, it was duly and unanimously

VOTED to approve a capital budget increase of \$2.2 million.

Ms. Cumming, referring to a memorandum (#) entitled "Request for Additional Funding for NIRT Security Operations Center (SOC) Relocation" requested the Directors to approve a capital budget increase total of \$891,000, which consists of two requests: (1) \$506,000 to complete the build-out of the new National Incident Response Team Security (NIRT) Operational Center (SOC) space at EROC; and (2) \$385,000 to acquire and integrate the requisite audio/visual solution.

Whereupon, it was duly and unanimously

VOTED to approve a capital budget increase total of \$891,000.

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

Corporate Secretary

cleared for release

New York, September 3, 2009

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, Chair,
Mr. Bollinger, Mr. Carrión,
Mr. Wait and Ms. Wylde,
Ms. Cumming, First Vice President,
Mr. Sack, Executive Vice President,
Mr. Peach, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

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)

Ms. Cumming, referring to a memorandum (#) entitled "Request for Approval to Engage KPMG to Develop Vendor Compliance Review Program" requested the Directors approval to engage KPMG LLP to assist the Compliance Function in developing a conflict of interest inspection and fraud review program to be applied across a range of financial stability programs.

Whereupon, it was duly an unanimously

VOTED to approve the request to engage KPMG to develop Vendor Compliance Review Program.

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

Corporate Secretary

cleared for release

New York, September 17, 2009

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. Hughes, Deputy Chair,
Mr. Bollinger, Mr. Carrión, Mr. Dimon,
Mr. Immelt, Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive vice President,
Mr. Christie, Executive Vice President,
Ms. Krieger, Executive Vice President,
Ms. Mink, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Sack, Executive Vice President,
Mr. Smith, Executive Vice President
And General Auditor, and
Mr. Tracy, Executive Vice President
and Director of Research,
Mr. Narron, Senior Vice President,
Mr. Peach, Senior Vice President,
and Mr. Silva, Chief of Staff,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Assistant Vice President
and Assistant Corporate Secretary.

The minutes of the meetings of (1) the Board held June 4, 2009;
(2) the Board held June 18, 2009; (3) the Board held July 2, 2009; (4) the
Board held July 16, 2009; (5) the Board held July 30, 2009; and (6) the Board
held August 6, 2009, were submitted and approved by consent.

The Directors, by consent,

VOTED to approve a capital budget increase of \$356.7 thousand for the RSSD NARI (NIC Architecture Redesign Initiative) project, as presented in the memorandum (#) submitted to them.

The Report of Audit Activities (#) of the internal auditing activities of the Bank during July 2009 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 disclosed no issues which the Audit and Operational Risk Committee should bring to the attention of the full Board of Directors."

Mr. Dudley reported that key Bank priorities included work with the Financial Stability Board to coordinate and establish consistent international policy with respect to bank capital requirements and executive compensation guidance. He noted that the Board of Governors would review the Bank's budget, and that management had established a disciplined budget consistent with a normalization of operations. Finally, Mr. Dudley stated that there were a number of external entities which had begun or would shortly begin reviews of the Bank's operations with a particular focus on the management of new lending activities.

Mr. Sack, referring to a series of charts (#), reported on recent financial market developments. He noted that financial market conditions had improved as equity prices moved upward particularly for riskier assets. Mr. Sack observed that liquidity conditions had eased for higher quality larger corporate borrowers but remained restrained for smaller businesses and consumers, who had fewer credit alternatives. Finally, Mr. Sack noted that the Bank's balance sheet continued to shrink as a result of reduced demand for credit through its new lending facilities.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. Mr. Checki reported that the global economy had stopped contracting largely as a result of policy stimulus and a strong rebound from emerging Asian economies. He noted that since March, equity markets had rallied, commodity prices had firmed, and bond spreads had narrowed to levels at or below those from one year ago. Nevertheless, Mr. Checki stated that weak labor markets continued to constrain consumer demand particularly in advanced economies, and that spare capacity continued to hamper business investment. Finally, he observed that trade volume had stabilized after a recent declining trend and that emerging currencies had been under pressure to appreciate which had resulted in stepped-up government intervention.

Mr. Peach, referring to a series of charts (#), reported on the current economic outlook. He noted that the growth forecast for the second half of 2009 had increased substantially due to stronger than anticipated consumer spending and housing market conditions, a favorable turn in the inventory cycle, and a smaller than anticipated drag from trade. He stated that the peak unemployment rate would be lower than previously anticipated as a result of strong productivity growth and a decline in labor costs, that core inflation had trended lower, and that the outlook for 2010 was positive but reflected sluggish growth due to reduced consumer spending. Finally, Mr. Peach reported that home prices had firmed most recently but that it was unclear this represented a turning point for the real estate market.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Dudley 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 and Christie, Mses. Krieger and Mink, Messrs. Mitchell, Murphy, Rutledge, Sack, Smith, Tracy, Narron, Peach and Silva and Ms. Resele-Tiden left the meeting.

cleared for release

Executive Session - Board of Directors
September 17, 2009

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

Mr. Baxter discussed planning for Director candidates.

The meeting duly adjourned at 11:50 a.m.

Corporate Secretary

cleared for release

New York, October 1, 2009

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. Bollinger, Deputy Chair,
Mr. Dimon and Ms. Wylde,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Dzina, Senior Vice President, and
Mr. Peach, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President 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]

Mr. Held 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, October 8, 2009

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 2:00 p.m. this day.

PARTICIPANTS:

Mr. Hughes, Chair,
Mr. Immelt and Mr. Wait,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Ms. Krieger, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Sack, Executive Vice President, and
Mr. Smith, Executive Vice President
and General Auditor,
Mr. Taub, Senior Vice President,
Ms. Ambrosio, Vice President, and
and Mr. Gurba, Vice President,
Ms. Orman, Management Information Specialist,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

Mr. Dudley began the meeting by indicating that the Bank's budget would be reviewed with the Board of Governors if and after it was approved by the Management and Budget Committee.

Ms. Cumming reviewed with the Committee members the Bank's proposed 2010 budget (#). She stated that the Bank had reallocated and added substantial resources in order to respond to expanded activities associated with the financial crisis. She noted that while some of the Bank's activities associated with the crisis were projected to wind down in the intermediate term, resource needs were expected to remain high in 2010 as the Bank developed enhanced and more permanent tools to manage its complex

balance sheet and market risks, particularly in the areas of financial risk management and to address structural changes in the financial industry.

More specifically, Ms. Cumming remarked that the Bank's resource needs were expected to peak during 2010 and begin a gradual, partial unwinding thereafter. She explained that the Bank's 2009 expenses of \$776 million were expected to surpass the original 2009 budget by 20 percent or \$129 million, primarily as a result of additional fee and personnel expenses. She reported that 2010 expenses were expected to grow slightly (2 percent) from the 2009 estimate primarily as a result of higher compensation and depreciation expenses, as well as the full-year impact of additional hiring, in part offset by some efficiencies. Finally, Ms. Cumming remarked that the Bank did not anticipate that expenses would return to historical steady state levels but that the Bank would settle at a "new normal," principally due to the Bank's new permanent activities and responsibilities.

After a discussion, the Committee voted to approve the Bank's proposed 2010 budget and submit it to the full Board.

The meeting duly adjourned at 2:18 p.m.

Corporate Secretary

cleared for release

New York, October 15, 2009

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:35 a.m. this day.

PRESENT:

Mr. Hughes, Deputy Chair,
Mr. Bollinger, Mr. Carrión, Mr. Tisch,
Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Mr. Christie, Executive Vice President,
Ms. Krieger, Executive Vice President,
Ms. Mink, Executive Vice President,
Mr. Mitchell, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Sack, Executive Vice President,
Mr. Smith, Executive Vice President
and General Auditor,
Mr. Tracy, Executive Vice President
and Director of Research, and
Mr. Turnipseed, Executive Vice President,
Mr. Peach, Senior Vice President, and
Mr. Silva, Chief of Staff,
Mr. Gurba, Vice President, and
Mr. Schetzel, Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

The minutes of the meetings of (1) the Audit and Operational Risk Committee held June 11, 2009; (2) the Audit and Operational Risk Committee held July 9, 2009; and (3) the Audit and Operational Risk Committee held July 16, 2009, were submitted and approved by consent. The actions taken by the Audit and Operational Risk Committee on June 11, 2009, July 9, 2009 and

July 16, 2009, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, by consent,

VOTED to approve a capital budget increase of \$5.26 million to for the DORPS Rewrite project, as presented in the memorandum (#) submitted to them.

Mr. Wait, Chair of the Audit and Operational Risk Committee, reported that the Audit and Operational Risk Committee had reviewed and approved the Report of Audit Activities (#) at the Bank during July 2009, August 2009 and September 2009. Mr. Wait stated that the Bank's control environment remained strong albeit at the low end of the range, that no outstanding items required the attention of the full Board, and that the Bank's 2009 Audit program would be completed as planned, though final reports could be issued early in the new year. Mr. Wait explained that the Board of Governors had recently completed reviews of the Bank's operations and that a full report was expected shortly. Finally, Mr. Wait reported that procedures for granting waivers for AIG and the Maiden Lane facilities had been formalized, that the Compliance Function had been expanded to meet new business demands, that several vendor reviews associated with new facilities had been completed, and that management remained focused on addressing Bank governance and control issues.

Mr. Dudley formally welcomed Mr. Tisch to the Board. He reported that economic conditions had improved somewhat but that labor market conditions remained strained, which hampered a more robust recovery. He stated that credit conditions remained tight, particularly for small businesses and that credit losses were expected to rise. Finally, Mr. Dudley reported that management had conducted an extensive review of the bank

supervision area and that those results would be presented to the full Board in December, that the Management Committee members would attend an off-site meeting to focus on pressing Bank management issues, and that the Bank's budget had been reviewed with the Board and that an additional effort to review research and market group resources was near complete.

Ms. Cumming presented the Bank's "2010 Budget Summary" (#) and the "2009-2010 Total Cash Compensation Programs" (#). Ms. Cumming explained that the Bank had reallocated and added substantial resources to sufficiently support expanded activities related to the financial crisis. She observed that some of the Bank's extraordinary measures were beginning to wind down and that the Bank's resource needs were expected to remain elevated in 2010 as the Bank developed enhanced and permanent tools to manage its complex balance sheet and risk exposures. Ms. Cumming stated that in order to effectively manage and report costs associated with the market crisis, expenses had been separated into two categories, expanded responsibilities and steady state costs, and that efforts had been made to ensure that expenses associated with expanded responsibilities were as variable as possible. She remarked that the Bank's 2009 estimate expenses were expected to total \$776 million, surpassing the budget by 20 percent (\$129 million) largely as a result of higher fees (71 percent) and personnel expenses (23 percent), and that 2010 expenses were expected to grow slightly (2 percent) from the 2009 estimate due to compensation increases, higher depreciation expenses and the full-year impact of 2009 staffing adds, offset in part by some efficiencies. Mr. Gurba added that efforts continued to further reduce planned staffing in the markets and research groups, and that fees for mortgage-backed securities would likely be lower as a result of ongoing efforts to consolidate vendors.

Ms. Mink remarked that as a result of the financial crisis, the Bank's competitive position with respect to compensation had improved which had enabled the Bank to attract high caliber talent. She reported that the Bank's 2010 Compensation Program included a 2.0 percent merit program for officers and staff, funding for promotions (0.5 percent for officers, 1.5 percent for staff) and a variable pay program (15 percent for officers, 7.0 percent for exempt and 1.7 percent for nonexempt employees). Finally, Ms. Mink stated that management was focused on efforts to ensure that staff remained engaged to improve staff retention.

Whereupon, it was duly and unanimously

VOTED to approve the Bank's 2010 proposed budget and 2010 compensation programs.

Ms. Krieger explained that the Bank was in the process of building-out its financial risk management infrastructure and that management was interested in better understanding how different institutions incented business areas to be forthcoming about risks, what can be expected from a strong Chief Risk Officer, how to consider the inherent tension risk managers have to balance between business area partnerships and their watch-dog role, and any advice on financial risk management practices. Mr. Tisch noted that the culture of the organization needed to support the escalation of risk matters and that the tone set by senior leaders was important. Ms. Wylde added that clear and proactive policies were essential to guide decision making and to ensure that all staff understood the risk vulnerabilities and how they should be addressed. Mr. Carrión stated that investments in effective information systems were essential to ensure the appropriate escalation and timely reporting of risk matters. The Directors agreed that

obtaining risk expertise was essential to establishing effective risk management.

Mr. Sack, referring to a series of charts (#), reported on recent financial market developments. Mr. Sack stated that market participants had recently focused their attention on a host of FOMC communications, swings in the economic outlook which were largely negative, recent earnings releases which had surprised to the upside, an increased appetite for riskier assets, and concerns about the U.S. dollar. Mr. Sack reported that the Board of Governors had announced changes to procedures for evaluating securities pledged to the TALF which included an expansion of TALF eligible Nationally Recognized Statistical Rating Organizations and that the Bank would conduct formal risk assessments of all proposed collateral. Finally, he noted that the size of the Bank's balance sheet remained largely unchanged but that short-term liquidity facilities represented a smaller percentage of the total balance sheet.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. He observed that overall global economic conditions had continued to improve as evidenced by a rebound in business confidence and economic performance indicators, growth in global trade, stability in equity and commodity gains, and strong bond issuances. Nevertheless, Mr. Checki noted a number of factors which suggested the need for caution, including higher unemployment which could dampen consumption and investment, the prospect of continued asset quality deterioration which could cause tighter credit conditions, and the dependency of the global economy on stimulus from a low interest rate environment, central bank liquidity programs, and large fiscal deficits.

cleared for release

New York, October 29, 2009

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. Hughes, Chair,
Mr. Carrión, Mr. Wait, and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Sack, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary, and
Ms. Stein, Assistant Vice President
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]

[REDACTED]

Mr. Dudley 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 5:00 p.m.

Assistant Corporate Secretary

cleared for release

New York, November 5, 2009

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, Chair,
Mr. Bollinger, Mr. Carrión, Mr. Dimon,
Mr. Kindler, Mr. Tisch, Mr. Wait
and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Sack, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary, and
Ms. Stein, Assistant Vice President
and Assistant Corporate Secretary.

Mr. Dudley recommended that, in connection with Mr. Mitchell'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. Mitchell:

"Whereas, the Directors of the Federal Reserve Bank of New York pay tribute to Calvin A. Mitchell III on the occasion of his departure from the Bank on November 13, 2009;

"Whereas, during his distinguished career with the Bank, Mr. Mitchell has demonstrated unflinching judgment and dedication, contributing greatly to improvements in the areas of communications and regional and community outreach and analysis as well as consistently fostering an environment of openness and

[REDACTED]

At this point, Mr. Bollinger left the meeting.

Mr. Dudley 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 5:05 p.m.

Assistant Corporate Secretary

cleared for release

New York, November 19, 2009

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, Chair,
Mr. Bollinger, Mr. Carrión,
Mr. Immelt, Mr. Kindler, Mr. Tisch,
Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Sack, Executive Vice President,
Mr. Peach, Senior Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

At the start of the conference call, Mr. Hughes stated that he had recently returned from a Conference of Chairmen meeting and that members had expressed interest in taking a more active role in any regulatory reform debate which could affect the Federal Reserve System and Banks. Mr. Dudley also noted that the Special Inspector General for TARP (SIGTARP) had issued a report (#) on certain matters related to the Bank's handling of the AIG loan.

In their discussion of the state of the economy, the Directors

[REDACTED]

[REDACTED]

Mr. Dudley 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 5:03 p.m.

Corporate Secretary

[REDACTED]

Mr. Dudley 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 5:05 p.m.

Corporate Secretary

cleared for release

New York, December 17, 2009

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. Hughes, Chair,
Mr. Bollinger, Mr. Carrión, Mr. Dimon,
Mr. Immelt, Mr. Kindler, Mr. Tisch,
Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Baxter, Executive Vice President
and General Counsel,
Mr. Checki, Executive Vice President,
Mr. Christie, Executive Vice President,
Ms. Krieger, Executive Vice President,
Ms. Mink, Executive Vice President,
Mr. Murphy, Executive Vice President,
Mr. Rutledge, Executive Vice President,
Mr. Sack, Executive Vice President,
Mr. Smith, Executive Vice President
and General Auditor,
Mr. Tracy, Executive Vice President
and Director of Research, and
Mr. Turnipseed, Executive Vice President,
Mr. Peach, Senior Vice President, and
Mr. Silva, Chief of Staff,
Ms. Kilroe, Assistant Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

The minutes of the meetings of (1) the Board held August 20, 2009;
(2) the Board held September 3, 2009; (3) the Audit and Operational Risk
Committee held September 10, 2009; (4) the Board held September 17, 2009;
(5) the Executive Committee held October 1, 2009; (6) the Management and
Budget Committee held October 8, 2009; (7) the Audit and Operational Risk
Committee held October 8, 2009; (8) the Board held October 15, 2009; (9) the

Executive Committee held October 29, 2009; (10) the Board held November 5, 2009; and (11) the Board held November 19, 2009, were submitted and approved by consent. The actions taken by the Audit and Operational Risk Committee on September 10, 2009 and October 8, 2009, as reported in the minutes of its meetings, were ratified and approved by consent.

The Directors, by consent

VOTED to select Robert P. Kelly, Chairman and 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 2010 and to select Gerald L. Hassell, President, The Bank of New York Mellon, and Thomas P. Gibbons, Chief Financial Officer, the Bank of New York Mellon, as the alternate members of the FAC for 2010.

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, 2010, 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 that a dividend at the rate of six percent per annum for the six-month period ending December 31, 2009, be declared on the paid-in capital of the Bank, payable on December 31, 2009 to stockholders shown on the books of the Bank at the close of business on December 30, 2009.

Mr. Wait, Chair of the Audit and Operational Risk Committee, reported that the Audit and Operational Risk Committee had reviewed and approved the Report of Audit Activities (#) at the Bank during October 2009 and November 2009. Mr. Wait stated that the overall control environment within the Bank remained at the low end of the strong range, that the 2009 internal and external Audit Programs were progressing as planned, and that as of November 30, 127 control issues remained open, compared to 105 the prior month-end. He remarked that operational risk conditions continued to receive focused management attention and that a recent examination of the Bank's operations by the Board of Governors had rendered the control environment as "generally effective" though several risk and control issues had been identified which management would address expeditiously through a number of efforts including enhancements to centralized risk governance. Mr. Wait reported that a "not effective" opinion had been rendered as part of a special internal audit review of the Bank's automation development charges to the Wholesale Product Office, and that an "effective" opinion of the Bank's Internal Audit Function had been rendered by the Board of Governors. Finally, Mr. Wait complimented Internal Audit on its shift in focus to end-to-end processing and the general upgrade in quality of Internal Audit services and staff.

Mr. Dudley emphasized the commitment that the Bank's management team had made to addressing open audit concerns. He stated that there had been a gradual normalization of the Bank's activities, that the Bank's contingent lending arrangement to CitiGroup was likely to be eliminated in the near future, and that impending legislation under consideration could impact the future supervisory authority of the Federal Reserve System.

Mr. Rutledge referred to a document (#) entitled "Response to Report on Systemic Risk and Bank Supervision". Mr. Rutledge explained that reviews of the global supervisory response to the financial crisis and possible follow up actions had been coordinated internationally the Senior Supervisors Group, the Basel Committee and the Financial Stability Board, and that the Federal Reserve System was addressing governance issues and lessons learned within its own supervisory framework. He noted that an internal lessons learned review sought to identify improvement opportunities with respect to the Bank's understanding of the external and systemic risk drivers and how they could be applied to the supervision of financial institutions. In addition, he noted that the Bank would seek to better leverage expertise from throughout the Bank to inform financial stability perspectives and supervisory processes, to make more effective use of horizontal peer perspectives in institutional supervision and policy development, and to enhance the culture and communication processes within the Bank Supervision Group. Finally, Mr. Rutledge stated that next steps included the formation of an oversight group composed of senior management from the Bank Supervision Group and the establishment of three workstreams to 1) engage staff on culture, communication and process issues, 2) begin work on policy issues, and 3) engage Bank and System staff on the design of an approach to financial stability. A discussion ensued.

Mr. Baxter referred to a memorandum (#) entitled "Revised Directors' Eligibility, Qualifications, and Rotation Policy." Mr. Baxter explained that the Board of Governors had revised the Directors' Eligibility, Qualifications, and Rotational Policy to address those instances where a Class B or Class C Director has an affiliation with or owns shares in a firm that converts to a bank holding company. He explained that those Class B and

Class C Directors who have an affiliation with a company that becomes a bank holding company must either sever that affiliation or resign from the Reserve Bank Board of Directors and Class C Directors who own stock in such an institution must divest his or her stock or resign from the Reserve Bank Board of Directors. Mr. Baxter noted that a director will have 30 days from either the date that the Bank is notified by the Board of Governors that a firm has converted to a bank holding company or the date that the Director becomes aware of the impermissible affiliation/holding to notify the Bank of their intention and another 30 days to implement his/her decision. Finally, Mr. Baxter noted that periodically a list of new bank holding companies would be provided to Directors for their review and that an annual certification process would be implemented to guard against impermissible affiliations or stock holdings. A discussion ensued.

Mr. Sack, referring to a series of charts (#), reported on recent financial market developments. Mr. Sack noted that recent economic data had been better than anticipated which had generated some optimism among market participants about the recovery. He remarked that spreads had generally widened and that there had been greater differentiation between risk assets but that banks remained cautious and credit conditions continued to be tight. Mr. Sack noted that the yield on two-year Treasuries remained low while longer-term rates remained higher due to concerns about fiscal prospects and sovereign risk. Finally, Mr. Sack reported that use of Federal Reserve short-term liquidity facilities had continued to decline and balance sheet lending was being replaced by securities holdings. A discussion ensued.

Mr. Checki, referring to a series of charts (#), reported on global economic conditions. Mr. Checki noted that over the past year, global

equity volatility had moderated considerably, equities had strengthened, and spreads had largely reversed earlier widening trends. He explained that trade volume had expanded and that the global economy had returned to a growth trend but that high unemployment continued to constrain consumer demand while low capacity utilization deterred investment. Mr. Checki observed that recent growth had been supported by fiscal stimulus which had resulted in large deficits and had led to significant increases in public debt in some countries. A discussion ensued.

Mr. Peach, referring to a series of charts (#), reported on the current economic outlook. Mr. Peach provided an updated forecast, noting that consumer spending and inventory cycles had been stronger than anticipated, that trend inflation had slowed, and that growth was expected to slow during the first half of 2010. He reported that employment by small firms, those with less than 50 employees, represented 30 percent of all employment but that job losses in these firms constituted 45 percent of all job losses during this economic downturn. Mr. Peach observed that, controlling for the age of the firm, the net job creation of small firms was not statistically different from that of medium or large firms and that new firms were the main source of net job creation and these firms tended to start out small. A discussion ensued.

In their discussion, the Directors [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The meeting duly adjourned at 11:43 a.m.

Corporate Secretary

cleared for release

Executive Session - Board of Directors
December 17, 2009

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

Mr. Dudley presented to the Directors a document, with biographies attached (#), regarding officer personnel actions. He asked the Directors to approve the promotions of three new executive vice presidents, effective January 1, 2010, as follows: Sarah J. Dalhgren, Senior Vice President, AIG Relationship Monitoring Function in the Credit, Investment and Payment Risk Group; James J. McAndrews, Senior Vice President, Money and Payment Studies Function, Research and Statistics Group; and Simon M. Potter, Senior Vice President, Macroeconomic and Monetary Studies Function, Research and Statistics Group. Sarah will lead a new Group, the Special Investments Management Group. James and Simon will both lead Research and Statistics as co-heads of the Group.

Whereupon, it was duly and unanimously

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

The meeting duly adjourned at 11:50 a.m.

Corporate Secretary

cleared for release

New York, December 31, 2009

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 10:00 a.m. this day.

PARTICIPANTS:

Mr. Bollinger, Deputy Chair,
Mr. Carrión, Mr. Dimon, Mr. Immelt,
Mr. Tisch, Mr. Wait and Ms. Wylde,
Mr. Dudley, President,
Ms. Cumming, First Vice President,
Mr. Dzina, Senior Vice President,
Mr. McCarthy, Assistant Vice President,
Mr. Held, Deputy General Counsel, Corporate
Secretary, and Senior Vice President, and
Ms. Resele-Tiden, Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors

[REDACTED]

Mr. Dudley 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. Dudley presented a schedule (#) of the proposed standing committee assignments for the Directors, effective January 1, 2010.

Whereupon, it was duly and unanimously

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

The meeting duly adjourned at 10:29 a.m.

Corporate Secretary