



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

August 21, 2009

Joyce M. Hansen
Deputy General Counsel and Senior Vice President
Federal Reserve Bank of New York
33 Liberty St.
New York, NY 10045-0001

Re: Term Asset-Backed Securities Loan Facility

Dear Ms. Hansen:

In your letter dated August 13, 2009, you requested that the Commission extend the exemption granted to Primary Dealers from the prohibitions on arranging for the extension or maintenance of credit contained in Section 11(d)(1) of the Securities Exchange Act of 1934 ("Exchange Act") solely with respect to any Primary Dealer's facilitation of extensions and maintenance of nonrecourse credit on behalf of the Federal Reserve Bank of New York ("FRBNY") to purchasers of asset-backed securities ("ABS") pursuant to the Term Asset-Backed Loan Facility ("TALF").¹ The Commission understands that the FRBNY is interested in generally expanding the pool of broker-dealers that may perform the administrative functions that are described in the Prior Letter and may act as agents for TALF borrowers.

Based on the facts and representations set forth in your letter, the Commission finds that it is appropriate in the public interest and consistent with the protection of investors to grant, and hereby grants, to any broker-dealer designated by the FRBNY as a TALF agent a limited exemption pursuant to Section 36 of the Exchange Act from the prohibitions on arranging for the extension or maintenance of credit contained in Section 11(d)(1) of the Exchange Act solely with respect to such broker-dealer's facilitation of extensions and maintenance of nonrecourse credit on behalf of the FRBNY to purchasers of ABS pursuant to the TALF. This exemption is subject to the same conditions and limitations expressed in the Current Relief, except that the FRBNY may designate any broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange

¹ Letter from James L. Eastman, Chief Counsel and Associate Director, Division of Trading and Markets, Securities and Exchange Commission, to Thomas C. Baxter, Executive Vice President and General Counsel, Federal Reserve Bank of New York (February 17, 2009) ("Prior Letter"). Capitalized terms in this letter have the same meaning as in your letter, unless otherwise noted.

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Act as a TALF agent, and any such TALF agent may rely on the exemption as though it were a Primary Dealer.²

The foregoing exemption is strictly limited to the application of the prohibitions on arranging for the extension or maintenance of credit under Section 11(d)(1) to activities involving TALF Agents under the circumstances described above and in your letter.³ In the event that any material change occurs with respect to any of those facts, representations, or circumstances, such activities should be discontinued, pending presentation of the facts for our consideration. The staff expresses no view with respect to any other questions the proposed activities may raise.

For the Commission,
by the Division of Trading and Markets
pursuant to delegated authority,⁴


Paula R. Jenson
Deputy Chief Counsel

² This limited exemption from the prohibitions on arranging for the extension or maintenance of credit contained in Section 11(d)(1) applies solely to such TALF agent's facilitation of extensions and maintenance of credit by the FRBNY pursuant to the TALF, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on new issues of ABS in the distribution of which such TALF agent participated as a member of a selling syndicate or group within the meaning of Section 11(d)(1) of the Exchange Act.

³ A TALF agent participating in the TALF program must create and preserve records with respect to that activity as required under the Commission's broker-dealer recordkeeping requirements. 17 CFR 240.17a-3 and 17a-4. Consequently, TALF agents must create and maintain records regarding this activity including, but not limited to, blotters, ledgers, written agreements, and correspondence.

⁴ 17 C.F.R. § 200.30-3(a)(62).

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JOYCE M. HANSEN
DEPUTY GENERAL COUNSEL
AND SENIOR VICE PRESIDENT

August 13, 2009

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request for Extension of Exemptive Relief from the Prohibition on Arranging Certain Credit Under Section 11(d)(1) of the Securities Exchange Act of 1934

Dear Ms. Murphy:

The Federal Reserve Bank of New York (the “**FRBNY**”) hereby requests an extension of the relief (the “**Current Relief**”) provided by the Securities and Exchange Commission (the “**SEC**”) under Section 36 of the Securities Exchange Act of 1934 (the “**Exchange Act**”) from the prohibition on arranging certain credit contained in Section 11(d)(1) of the Exchange Act.¹ Such relief originally was requested in a letter dated February 17, 2009 to you (the “**Prior Letter**”) to permit primary dealers in government securities (“**Primary Dealers**”) to participate in the Term Asset-Backed Securities Loan Facility (“**TALF**”) by facilitating extensions of nonrecourse credit on behalf of the FRBNY to purchasers of certain new issues of asset-backed securities in the distribution of which such Primary Dealers may have participated as a member of a selling syndicate or group within the meaning of Section 11(d)(1). The FRBNY wishes to expand the list of financial institutions that are eligible to perform the administrative functions that are described in the Prior Request beyond Primary Dealers, and requests that the Current Relief be extended to include all broker-dealers registered with the SEC and designated by the FRBNY as TALF agents.

The FRBNY is interested in generally expanding the pool of broker-dealers that may act as agents for TALF borrowers. These additional broker-dealers to whom the FRBNY may wish to expand participation in TALF could also potentially participate in selling syndicates

¹ Letter dated February 17, 2009 from Mr. James L. Eastman, Chief Counsel and Associate Director—Division of Trading and Markets.

Ms. Elizabeth M. Murphy
August 13, 2009

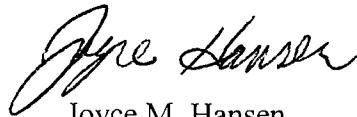
or groups within the meaning of Section 11(d)(1) for the distribution of securities with respect to which they are facilitating TALF loans. Therefore, extending the Current Relief to such broker-dealers will potentially enhance their participation in TALF.

Any additional broker-dealer permitted to perform the administrative functions under TALF that are referred to above would assume the same TALF-related responsibilities as Primary Dealers currently do, and we therefore believe that the same considerations that justify the Current Relief would also apply to any such broker-dealer.

The rationale motivating the request for an extension of the Current Relief is to increase participation in TALF, promote access to TALF by small businesses and minority and women-owned firms and diversify the participants obtaining credit through TALF. The FRBNY views this extension as promoting the success of TALF and the United States Government's efforts to restore the availability of credit in the national economy. For the reasons explained in the Prior Letter, we believe that the relief requested is necessary or appropriate in the public interest, consistent with the protection of investors and otherwise satisfies the criteria for the issuance of an exemptive order under Section 36 of the Exchange Act.

Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned at (212) 720-5024, or Janine Tramontana at (212) 720-5438.

Sincerely,



Joyce M. Hansen