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FEDERAL RESERVE SYSTEM

Board of Governors of the Federal Reserve System
Twentieth Street and Constitution Avenue NW., Washington, DC 20551
Phone, 202–452–3000. Internet, www.federalreserve.gov.

Board of Governors

Chairman	BEN S. BERNANKE
Vice Chair	(VACANCY)
Members	SUSAN SCHMIDT BIES, DONALD L. KOHN, RANDALL S. KROSZNER, MARK W. OLSON, KEVIN M. WARSH

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General Counsel	SCOTT G. ALVAREZ
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Boston, MA	BLENDA J. WILSON
New York, NY	JOHN E. SEXTON
Philadelphia, PA	DORIS M. DAMM
Cleveland, OH	CHARLES E. BUNCH
Richmond, VA	THOMAS J. MACKELL, JR.
Atlanta, GA	DAVID M. RATCLIFFE
Chicago, IL	MILES D. WHITE
St. Louis, MO	WALTER L. METCALFE, JR.
Minneapolis, MN	FRANK L. SIMS
Kansas City, MO	ROBERT A. FUNK
Dallas, TX	RAY L. HUNT
San Francisco, CA	DAVID K. TANG

Presidents:

Atlanta, GA	JACK GUYNN
Boston, MA	CATHY E. MINEHAN
Chicago, IL	MICHAEL H. MOSKOW
Cleveland, OH	SANDRA PIANALTO
Dallas, TX	RICHARD FISHER

Kansas City, MO	THOMAS M. HOENIG
Minneapolis, MN	GARY H. STERN
New York, NY	TIMOTHY F. GEITHNER
Philadelphia, PA	ANTHONY M. SANTOMERO
Richmond, VA	JEFFERY M. LACKER
St. Louis, MO	WILLIAM POOLE
San Francisco, CA	JANET L. YELLEN

Federal Open Market Committee

Chairman	BEN S. BERNANKE
Vice Chairman	TIMOTHY F. GEITHNER
Members	SUSAN SCHMIDT BIES, JACK GUYNN, DONALD L. KOHN, RANDALL S. KROSZNER, JEFFREY M. LACKER, MARK W. OLSON, SANDRA PIANALTO, KEVIN M. WARSH, JANET L. YELLEN
Staff:	
Secretary and Economist	VINCENT R. REINHART
Deputy Secretary	DEBORAH DANKER
Assistant Secretary	DAVID SKIDMORE
General Counsel	SCOTT G. ALVAREZ
Economists	KAREN H. JOHNSON, DAVID J. STOCKTON
Federal Advisory Councils:	
Secretary, Federal Advisory Council	THOMAS A. RENYI
Chairman, Consumer Advisory Council	LORI R. SWANSON
President, Thrift Institutions Advisory Council	ROY M. WHITEHEAD

The Federal Reserve System, the central bank of the United States, is charged with administering and formulating the Nation's credit and monetary policy. Through its supervisory and regulatory banking functions, the Federal Reserve maintains the safety and soundness of the Nation's economy, responding to the Nation's domestic and international financial needs and objectives.

The Federal Reserve System was established by the Federal Reserve Act (12 U.S.C. 221), approved December 23, 1913. The System serves as the Nation's central bank. As such, its major responsibility is in the execution of monetary policy. It also performs other functions, such as the transfer of funds, handling Government deposits and debt issues, supervising and regulating banks, and acting as lender of last resort.

It is the responsibility of the Federal Reserve System to contribute to the strength and vitality of the U.S. economy. By influencing the lending and investing activities of depository institutions and the cost and availability of money and credit, the Federal Reserve System helps promote the full use of human and capital resources, the growth of productivity, relatively stable prices, and equilibrium in the Nation's international balance of payments. Through its supervisory and regulatory banking functions, the Federal Reserve System helps maintain a commercial banking system that is responsive to the Nation's financial needs and objectives.

The System consists of the Board of Governors in Washington, DC; the 12 Federal Reserve Banks and their 25 branches and other facilities situated throughout the country; the Federal Open Market Committee; the Federal Advisory Council; the Consumer Advisory Council; the Thrift Institutions Advisory Council; and the Nation's financial institutions, including

commercial banks, savings and loan associations, mutual savings banks, and credit unions.

Board of Governors

The Board is composed of seven members appointed by the President with the advice and consent of the Senate. The Chairman of the Board of Governors is a member of the National Advisory Council on International Monetary and Financial Policies. The Board determines general monetary, credit, and operating policies for the System as a whole and formulates the rules and regulations necessary to carry out the purposes of the Federal Reserve Act. The Board's principal duties consist of monitoring credit conditions; supervising the Federal Reserve Banks, member banks, and bank holding companies; and regulating the implementation of certain consumer credit protection laws.

Power To Influence Credit Conditions

The Board has the power, within statutory limitations, to fix the requirements concerning reserves to be maintained by depository institutions on transaction accounts or nonpersonal time deposits. The Board of Governors reviews and determines the discount rate charged by the Federal Reserve Banks. For the purpose of preventing excessive use of credit for the purchase or carrying of securities, the Board is authorized to regulate the amount of credit that may be initially extended and subsequently maintained on any security (with certain exceptions).

Supervision of Federal Reserve Banks

The Board is authorized to make examinations of the Federal Reserve Banks, to require statements and reports from such Banks, to supervise the issue and retirement of Federal Reserve notes, to require the establishment or discontinuance of branches of Reserve Banks, and to exercise supervision over all relationships and transactions of those Banks with foreign branches.

Supervision of Bank Holding Companies

The Federal Reserve has primary responsibility for supervising and regulating the activities of bank holding companies. The main objectives of this activity are to control the expansion of bank holding companies by avoiding the creation of monopoly or restraining trade in banking, and to limit the expansion of bank holding companies to those nonbanking activities that are closely related to banking, thus maintaining a separation between banking and commerce. A company that seeks to become a bank holding company must obtain the prior approval of the Federal Reserve. Any company that qualifies as a bank holding company must register with the Federal Reserve System and file reports with the System.

Supervision of Banking Organizations

The Federal Reserve is responsible for the supervision and regulation of domestic and international activities of U.S. banking organizations. It supervises State-chartered banks that are members of the System, all bank holding companies, and Edge Act and agreement corporations (corporations chartered to engage in international banking).

The Board has jurisdiction over the admission of State banks and trust companies to membership in the Federal Reserve System, the termination of membership of such banks, the establishment of branches by such banks, and the approval of bank mergers and consolidations where the resulting institution will be a State member bank. It receives copies of condition reports submitted to the Federal Reserve Banks. It has power to examine all member banks and the affiliates of member banks and to require condition reports from them. It has authority to require periodic and other public disclosure of information with respect to an equity security of a State member bank that is held by 500 or more persons. It establishes minimum standards with respect to installation, maintenance, and operation of security devices and procedures by State member banks. Also, it has authority to issue cease-and-desist orders in connection with violations of law or unsafe or unsound banking practices by State member banks and to remove directors or officers of such banks in certain circumstances, and it may suspend member banks from

the use of the credit facilities of the Federal Reserve System for making undue use of bank credit for speculative purposes or for any other purpose inconsistent with the maintenance of sound credit conditions.

The Board may grant authority to member banks to establish branches in foreign countries or dependencies or insular possessions of the United States, to invest in the stocks of banks or corporations engaged in international or foreign banking, or to invest in foreign banks. It also charters, regulates, and supervises certain corporations that engage in foreign or international banking and financial activities.

The Board is authorized to issue general regulations permitting interlocking relationships in certain circumstances between member banks and organizations dealing in securities or between member banks and other banks.

Other Activities The Board reviews other bank stock acquisitions, as listed below.

The Board prescribes regulations to ensure a meaningful disclosure by lenders of credit terms so that consumers will be able to compare more readily the various credit terms available and will be informed about rules governing credit cards, including their potential liability for unauthorized use.

The Board has authority to impose reserve requirements and interest rate ceilings on branches and agencies of foreign banks in the United States, to grant loans to them, to provide them access to Federal Reserve services, and to limit their interstate banking activities.

Federal Open Market Committee

The Federal Open Market Committee is comprised of the Board of Governors and five of the presidents of the Reserve Banks. The Chairman of the Board of Governors is traditionally the Chairman of the Committee. The president of the Federal Reserve Bank of New York serves as a permanent member of the Committee. Four of the twelve Reserve Bank presidents rotate annually as members of the Committee.

Open market operations of the Reserve Banks are conducted under regulations adopted by the Committee and pursuant to specific policy directives issued by the Committee, which meets in Washington at frequent intervals. Purchases and sales of securities in the open market are undertaken to supply bank reserves to support the credit and money needed for long-term economic growth, to offset cyclical economic swings, and to accommodate seasonal demands of businesses and consumers for money and credit. These operations are carried out principally in U.S. Government obligations, but they also include purchases and sales of Federal agency obligations. All operations are conducted in New York, where the primary markets for these securities are located; the Federal Reserve Bank of New York executes transactions for the Federal Reserve System Open Market Account in carrying out these operations.

Under the Committee's direction, the Federal Reserve Bank of New York also undertakes transactions in foreign currencies for the Federal Reserve System Open Market Account. The purposes of these operations include helping to safeguard the value of the dollar in international exchange markets and facilitating growth in international liquidity in accordance with the needs of an expanding world economy.

Federal Reserve Banks

The 12 Federal Reserve Banks are located in Atlanta, GA; Boston, MA; Chicago, IL; Cleveland, OH; Dallas, TX; Kansas City, MO; Minneapolis, MN; New York, NY; Philadelphia, PA; Richmond, VA; San Francisco, CA; and St. Louis, MO. Branch banks are located in Baltimore, MD; Birmingham, AL; Buffalo, NY; Charlotte, NC; Cincinnati, OH; Denver, CO; Detroit, MI; El Paso, TX; Helena, MT; Houston, TX; Jacksonville, FL; Little Rock, AR; Los Angeles, CA; Louisville, KY; Memphis, TN; Miami, FL; Nashville, TN; New Orleans, LA; Oklahoma City, OK; Omaha, NE; Pittsburgh, PA; Portland, OR; Salt Lake City, UT; San Antonio, TX; and Seattle, WA.

Reserves on Deposit The Reserve Banks receive and hold on deposit the

reserve or clearing account deposits of depository institutions. These banks are permitted to count their vault cash as part of their required reserve.

Extensions of Credit The Federal Reserve is required to open its discount window to any depository institution that is subject to Federal Reserve reserve requirements on transaction accounts or nonpersonal time deposits. Discount window credit provides for Federal Reserve lending to eligible depository institutions under two basic programs. One is the adjustment credit program; the other supplies more extended credit for certain limited purposes.

Short-term adjustment credit is the primary type of Federal Reserve credit. It is available to help borrowers meet temporary requirements for funds. Borrowers are not permitted to use adjustment credit to take advantage of any spread between the discount rate and market rates.

Extended credit is provided through three programs designed to assist depository institutions in meeting longer term needs for funds. One provides seasonal credit—for periods running up to 9 months—to smaller depository institutions that lack access to market funds. A second program assists institutions that experience special difficulties arising from exceptional circumstances or practices involving only that institution. Finally, in cases where more general liquidity strains are affecting a broad range of depository institutions—such as those whose portfolios consist primarily of longer term assets—credit may be provided to address the problems of particular institutions being affected by the general situation.

Currency Issue The Reserve Banks issue Federal Reserve notes, which constitute the bulk of money in circulation. These notes are obligations of the United States and are a prior lien upon the assets of the issuing Federal Reserve Bank. They are issued against a pledge by the Reserve Bank with the Federal Reserve agent of collateral security including gold certificates, paper discounted or purchased by the Bank, and direct obligations of the United States.

Other Powers The Reserve Banks are empowered to act as clearinghouses and as collecting agents for depository institutions in the collection of checks and other instruments. They are also authorized to act as depositories and fiscal agents of the United States and to exercise other banking functions specified in the Federal Reserve Act. They perform a number of important functions in connection with the issue and redemption of United States Government securities.

Sources of Information

Employment Written inquiries regarding employment should be addressed to the Director, Division of Personnel, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Procurement Firms seeking business with the Board should address their inquiries to the Director, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Publications Among the publications issued by the Board are *The Federal Reserve System—Purposes and Functions,* and a series of pamphlets including *Guide to Business Credit and the Equal Credit Opportunity Act; Consumer Handbook; Making Deposits: When Will Your Money Be Available;* and *When Your Home Is On the Line: What You Should Know About Home Equity Lines of Credit.* Copies of these pamphlets are available free of charge. Information regarding publications may be obtained in Room MP–510 (Martin Building) of the Board's headquarters. Phone, 202–452–3244.

Reading Room A reading room where persons may inspect records that are available to the public is located in Room B–1122 at the Board's headquarters, Twentieth Street and Constitution Avenue NW., Washington, DC. Information regarding the availability of records may be obtained by calling 202–452–3684.

For further information, contact the Office of Public Affairs, Board of Governors, Federal Reserve System, Washington, DC 20551. Phone, 202–452–3204 or 202–452–3215. Internet, www.federalreserve.gov.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

1250 H Street NW., Washington, DC 20005
Phone, 202–942–1600. Fax, 202–942–1676. Internet, www.tsp.gov.

Chairman	ANDREW M. SAUL
Members	TERRENCE A. DUFFY, THOMAS A. FINK, ALEJANDRO M. SANCHEZ, GORDON J. WHITING
Officials:	
Executive Director	GARY A. AMELIO
Chief Investment Officer	TRACEY A. RAY
Participant Services Director	PAMELA-JEANNE MORAN
Director of External Affairs	THOMAS J. TRABUCCO
General Counsel	(VACANCY)
Chief Information Officer	MARK A. HAGERTY
Chief Financial Officer	JAMES B. PETRICK
Product Development Director	GREGORY T. LONG

The Federal Retirement Thrift Investment Board administers the Thrift Savings Plan, which provides Federal employees the opportunity to save for additional retirement security.

The Federal Retirement Thrift Investment Board was established as an independent agency by the Federal Employees' Retirement System Act of 1986 (5 U.S.C. 8351 and 8401–79). The act vests responsibility for the agency in six named fiduciaries: the five Board members and the Executive Director. The five members of the Board, one of whom is designated as Chairman, are appointed by the President with the advice and consent of the Senate and serve on the Board on a part-time basis. The members appoint the Executive Director, who is responsible for the management of the agency and the Plan.

Activities

The Thrift Savings Plan is a tax-deferred, defined contribution plan that was established as one of the three parts of the Federal Employees' Retirement System. For employees covered under the System, savings accumulated through the Plan make an important addition to the retirement benefits provided by Social Security and the System's Basic Annuity. Civil Service Retirement System employees and members of the Uniformed Services may also take advantage of the Plan to supplement their annuities.

The Board operates the Thrift Savings Plan and manages the investments of the Thrift Savings Fund solely for the benefit of participants and their beneficiaries. As part of these responsibilities, the Board maintains an account for each Plan participant, makes loans, purchases annuity contracts, and provides for the payment of benefits.