Financial Turmoil Timeline (June 2007 - November 2007)

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Financial Turmoil Timeline  (March 2008-May 2008)

- **11-Mar**: Term Securities Lending Facility (TSLF) is introduced and swap lines with the ECB and SNB are increased
- **14-Mar** Fed approves purchase of Bear Stearns by JPMorgan
- **14-Mar** Bear Stearns receives emergency lending from the Fed via JPMorgan
- **16-Mar**: The spread between the primary credit rate and target fed funds rate is cut to 25 bp
- **16-Mar**: Primary Dealer Credit Facility (PDCF) is created
- **16-Mar**: Target fed funds rate is lowered 75 bp to 2.25%
- **16-Mar**: JPMorgan announces it will purchase Bear Stearns for $2 per share
- **16-Mar**: Fed approves purchase of Bear Stearns by JPMorgan
- **18-Mar** Target fed funds rate is lowered 25 bp to 2%
- **24-Mar**: JPMorgan’s purchase price for Bear Stearns increases to $10/share
- **2-May** TSLF eligible collateral expands to include AAA rated ABS
- **2-May** TAF and swap lines increase
- **30-Apr**: Target fed funds rate is lowered 25 bp to 2%
- **13-Mar**: Bear Stearns reports a $15b (88%) drop in liquid assets
- **16-Mar**: The spread between the primary credit rate and target fed funds rate is cut to 25 bp
- **16-Mar**: Primary Dealer Credit Facility (PDCF) is created
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- **24-Mar**: JPMorgan’s purchase price for Bear Stearns increases to $10/share
- **2-May**: TSLF eligible collateral expands to include AAA rated ABS
- **2-May**: TAF and swap lines increase
- **30-Apr**: Target fed funds rate is lowered 25 bp to 2%
- **7-Mar**: SEC proposes a ban on naked short selling
- **19-Mar**: Fannie Mae and Freddie Mac capital requirements are eased to allow for increases in lending

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Financial Turmoil Timeline (June 2008-August 2008)

5-Jun
Bank of America’s purchase of Countrywide is approved

13-Jul
Lending to Fannie Mae and Freddie Mac at the primary credit rate is authorized

30-Jul
84-day TAF auctions are introduced and the ECB swap line is increased

6-Jun
S&P downgrades the two largest monoline bond insurers from AAA to AA

11-Jun
Lehman reports a loss of $2.8b in the second quarter

6-Jun
Bank of America’s purchase of Countrywide is approved

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

11-Jul
The FDIC takes over IndyMac

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

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Financial Turmoil Timeline (September 2008 - November 2008)

- **16-Sep**: Swap lines increased by $180b
- **16-Sep**: Fed funds rate maintained at 2%
- **16-Sep**: Lehman announces $3.9b loss
- **17-Sep**: Eligible collateral for TSLF expanded
- **18-Sep**: Swap lines increased by $180b
- **19-Sep**: AMLF established
- **20-Sep**: Lehman files for bankruptcy
- **21-Sep**: GS and MS approved as bank holding companies
- **22-Sep**: New swap lines opened with Bank of Australia, Sveriges Riksbank, Danmarks Nationalbank, and Norges Bank
- **24-Sep**: Fed agrees to provide Citigroup with liquidity to aid in Wachovia purchase
- **25-Sep**: Fed uncaps ECB, BoE, and SNB swap lines
- **26-Sep**: ECB and SNB swap lines are increased by $10b and $3b, bringing total swap line to $290b
- **29-Sep**: 64-day TAF allotments increased to $75b, two forward TAF auctions totalling $15b introduced, and total swap line doubled to $620b
- **8-Oct**: In conjunction with cuts by other central banks, target rate lowered to 1.5%
- **10-Oct**: Tier I capital definition changed to include stock purchased by Treasury
- **11-Oct**: Federal Reserve purchase of GSE direct obligations begins
- **12-Oct**: Wells Fargo’s purchase of Wachovia is approved
- **12-Oct**: Lehman announces a $4 trillion statement on its financial condition
- **13-Oct**: Fed Funds rate cut 50 bp to 1%
- **13-Oct**: Bank of Japan swap line is uncapped
- **14-Oct**: Money Market Investor Funding Facility (MMIFF) is established
- **14-Oct**: FDIC insures all senior debt of regulated institutions
- **15-Oct**: AIG debt counteroffers for Wachovia
- **16-Oct**: Payment of interest on reserves begins
- **17-Oct**: Tier I capital definition changed to include stock purchased by Treasury
- **18-Oct**: Interest on reserve rate increases
- **19-Oct**: JPMorgan agrees to extend nonrecourse loan to Citigroup
- **20-Oct**: Rate paid on excess reserves increases by 40 bp
- **21-Oct**: SEC bans short-selling
- **22-Oct**: New swap lines approved as bank holding companies
- **23-Oct**: Moody’s and S&P threaten to downgrade Lehman
- **24-Oct**: Lehman announces $3.9b loss in third quarter
- **25-Oct**: WalMart to join the Fed
- **26-Oct**: WalMart approved as bank holding companies
- **27-Oct**: Commercial Paper Funding Facility (CPFF) established
- **28-Oct**: Systemic risk exception allows open bank assistance to Wachovia
- **29-Oct**: Federal Reserve purchase of GSE direct obligations begins
- **30-Oct**: Fed agrees to extend non-recourse loan to Citigroup
- **31-Oct**: Fed Funds rate cut 50 bp to 1%
- **3-Nov**: Treasury statement on assistance to consumer ABS
- **4-Nov**: U.S. Swap lines established with Brazil, Mexico, Korea, and Singapore for $30b each
- **5-Nov**: AIG loan is restructured in coordination with US Treasury
- **6-Nov**: European central banks make coordinated rate cuts
- **7-Nov**: Chinese government announces a 4 trillion yuan ($586b) fiscal stimulus package
- **8-Nov**: SEC bans short selling on 799 financial stocks
- **9-Nov**: Ireland guarantees the deposits of the 6 largest Irish banks
- **10-Nov**: FDIC insures all senior debt of regulated institutions
- **11-Nov**: Treasury statement on assistance to consumer ABS
- **12-Nov**: Fannie Mae and Freddie Mac are placed in Federal conservatorship
- **13-Nov**: Treasury establishes the money market guarantee program
- **14-Nov**: SEC bans short selling on 799 financial stocks
- **15-Nov**: OTS and FDIC acquire Wachovia
- **16-Nov**: TALF established to provide loans collateralized by ABS
- **17-Nov**: FDIC insures all senior debt of regulated institutions
- **18-Nov**: Fed agrees to extend non-recourse loan to Citigroup
- **19-Nov**: Fannie Mae and Freddie Mac are placed in Federal conservatorship
- **20-Nov**: Treasury statement on assistance to consumer ABS
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- **29-Nov**: Fannie Mae and Freddie Mac are placed in Federal conservatorship
- **30-Nov**: Treasury statement on assistance to consumer ABS

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Financial Turmoil Timeline (June 2009 - August 2009)

Fed Policy Actions

1-Jun Fed outlines guidelines for SCAP participants to return Treasury capital

10-Jun First issue of new monthly report on the credit and liquidity facilities is released

24-Jun FOMC keeps target rate at 0-25 bp and calls for further securities purchases

25-Jun Changes to many Fed liquidity facilities announced

8-Jul Joint statement issued, establishing the Legacy Securities Public-Private Investment Program

17-Jun Obama proposes a comprehensive regulatory reform plan

26-Jun Treasury releases CPP warrant repurchase rules

Market Events

1-Jun General Motors declares bankruptcy

8-Jun Ireland's credit rating is cut for the second time in three months

16-Jul Talks between CIT and government agencies fail to yield a support package

20-Jul CIT announces $3 bn bond deal and restructuring

24-Jun FOMC keeps target rate at 0-25 bp and calls for further securities purchases

24-Jul TAF offer amount reduced to $100bn

27-Jul Bernanke appears on PBS News-Hour

Other Policy Actions

17-Jun Obama proposes a comprehensive regulatory reform plan

26-Jun Treasury releases CPP warrant repurchase rules

8-Jul Joint statement between Fed, Treasury, and FDIC issued, establishing the Legacy Securities Public-Private Investment Program

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