Appendix 1: Materials used by Mr. Sack
(1) Treasury Yields
August 1, 2007 – June 19, 2009

Percent
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0
8/01/07 11/01/07 02/01/08 05/01/08 08/01/08 11/01/08 02/01/09 05/01/09

Source: Bloomberg

(2) Policy Expectations Implied by Futures Rates
August 1, 2008 – June 19, 2009

Percent
5
4
3
2
1
0
08/01/08 11/01/08 02/01/09 05/01/09

December 2009*
December 2010*

Source: Bloomberg

(3) Treasury Yield Curve

Percent
4
3
2
1
0
1Y 2Y 3Y 5Y 7Y 10Y

Source: Bloomberg

* Dec09 rate implied by Fed Funds contract, Dec10 rate implied by Eurodollar contract less 15-day moving average of forward Libor-Fed Funds Basis Swap

(4) Factors Driving 10-Year Yield Change Over Intermeeting Period*

Very Important
Important
Somewhat important

Improved economic outlook
Reduction in downside inflation risk
Increase in Treasury supply
Mortgage convexity hedging
Increase in upside inflation risk

*Dealer responses aggregated to create average level of importance

Source: Dealer Policy Survey
(5) Large-Scale Asset Purchase Programs
December 2008 – December 2009

(6) Large-Scale Asset Purchase Programs
As of June 19

<table>
<thead>
<tr>
<th></th>
<th>Treasury</th>
<th>Agency</th>
<th>Agency-MBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases to Date</td>
<td>170</td>
<td>90</td>
<td>577</td>
</tr>
<tr>
<td>Announced Limit</td>
<td>300</td>
<td>200</td>
<td>1250</td>
</tr>
<tr>
<td>Dealer Survey*:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009 Q4</td>
<td>363</td>
<td>200</td>
<td>1200</td>
</tr>
<tr>
<td>2010 Q2</td>
<td>363</td>
<td>200</td>
<td>1250</td>
</tr>
</tbody>
</table>

*Median response

(7) Supply of Treasury Debt
January 2007 – June 2009

(8) Mortgage and Treasury Rates
June 1, 2008 – June 19, 2009

*Treasury yield is blended 5- and 10-year yield

Source: Federal Reserve Bank of New York

Source: Dealer Survey

Source: Bloomberg, JP Morgan Chase
(9) Breakeven Inflation Rates
August 1, 2007 – June 19, 2009

Source: Barclays

(10) Probability Distribution of CPI Inflation Rate in 2014-2019

Source: Dealer Policy Survey

(11) Yield Curve Slope
January 1, 1982 – June 19, 2009

Source: Bloomberg
(12) Corporate Debt Spreads
June 1, 2008 – June 19, 2009

Source: Bank of America

(13) Equity Prices
June 1, 2008 – June 19, 2009

*Implied skew is based on 90-day 25 delta put minus call
Source: Optionmetrics

(14) US Trade-Weighted Dollar
June 1, 2008 – June 19, 2009

Source: Bloomberg
(15) Equity Indices for Financial Firms
December 31, 2008 – June 19, 2009
Indexed to 100 = 12/31/08

SCAP Banks Index
S&P 500

Apr24: SCAP white paper published
Feb25: SCAP announced
May7: SCAP results

Source: Bloomberg

(16) SCAP Capital

Capital Raised
Capital Required

Source: Federal Reserve Bank of New York Staff Estimates

(17) US Libor-OIS Spreads
January 1, 2007 – June 19, 2009

3-Month
12-Month

Apr29: FOMC

Source: Bloomberg
(18) Federal Reserve Short-Term Liquidity Facilities
August 1, 2008 – June 17, 2009

Source: Federal Reserve Bank of New York

(19) ABS Issuance
January 1, 2007 – June 10, 2009

*Data for Q209 includes issuance through June 10, 2009

Source: Federal Reserve Bank of New York, JP Morgan Chase

(20) AAA-Rated Asset-Backed Spreads
January 1, 2008 – June 19, 2009

Source: JPMorgan Chase
(21) Balance Sheet Assets by Category
August 1, 2008 – June 17, 2009

Source: Federal Reserve Bank of New York
Appendix 2: Materials used by Mr. Carpenter
Class I FOMC – Restricted Controlled (FR)

Material for
FOMC Briefing on Projections of the Balance Sheet, the Monetary Base, and Federal Reserve Income

Seth Carpenter
June 23, 2009
Exhibit 1: Individual Balance Sheet Item Profiles

Asset Purchases and Federal Reserve Liquidity and Credit Facilities

Temporary Holdings of Longer-term Treasuries

Agency Debt

Agency MBS

Primary and Secondary Credit

TAF

Foreign Central Bank Liquidity Swaps

Credit Extended to AIG

Maiden Lanes

*Corrected versions of these charts are available on page 248 of 261.*
Exhibit 1: Individual Balance Sheet Item Profiles, continued

Federal Reserve Liquidity and Credit Facilities, continued

**TALF v. 1.0**

**TALF v. 2.0/3.0**

**CPFF**

**AMLF**

Federal Reserve Liabilities and Capital

**Federal Reserve Notes**

**TGA and SFP**

**Capital**

**Reserve Balances**

*Corrected versions of these charts are available on page 249 of 261.*
Exhibit 2: Baseline Balance Sheet Projections

Federal Reserve Assets

Federal Reserve Liabilities and Capital
Exhibit 3: Expanded Balance Sheet Projections

Federal Reserve Assets

- Treasury securities
- Repurchase agreements
- TALF
- Agency debt
- TAF
- Other loans and facilities
- Agency MBS
- Central bank swaps
- Other assets

Federal Reserve Liabilities and Capital

- Federal Reserve notes
- Reverse repurchase agreements
- Deposits, other than reserve balances
- Reserve balances
- Other liabilities
- Capital


Exhibit 4

Growth Rates for Monetary Base

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Expanded Purchases</th>
<th>April Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent, annual rate</td>
<td>Monthly</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-09</td>
<td>-52.1</td>
<td>-52.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Jul-09</td>
<td>-0.4</td>
<td>-0.4</td>
<td>131.9</td>
</tr>
<tr>
<td>Aug-09</td>
<td>99.3</td>
<td>99.3</td>
<td>133.9</td>
</tr>
<tr>
<td>Sep-09</td>
<td>97.3</td>
<td>97.3</td>
<td>120.5</td>
</tr>
<tr>
<td>Oct-09</td>
<td>103.1</td>
<td>148.3</td>
<td>98.1</td>
</tr>
<tr>
<td>Nov-09</td>
<td>95.7</td>
<td>173.1</td>
<td>79.9</td>
</tr>
<tr>
<td>Dec-09</td>
<td>102.1</td>
<td>163.8</td>
<td>71.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarterly</td>
<td></td>
</tr>
<tr>
<td>Q2 2009</td>
<td>24.9</td>
<td>24.9</td>
<td>38.4</td>
</tr>
<tr>
<td>Q3 2009</td>
<td>22.7</td>
<td>22.7</td>
<td>111.9</td>
</tr>
<tr>
<td>Q4 2009</td>
<td>108.2</td>
<td>157.0</td>
<td>107.3</td>
</tr>
<tr>
<td>Q1 2010</td>
<td>48.0</td>
<td>78.6</td>
<td>26.2</td>
</tr>
<tr>
<td>Q2 2010</td>
<td>-7.1</td>
<td>-6.7</td>
<td>-17.2</td>
</tr>
<tr>
<td>Q3 2010</td>
<td>-15.6</td>
<td>-14.0</td>
<td>-17.9</td>
</tr>
<tr>
<td>Q4 2010</td>
<td>-19.0</td>
<td>-16.9</td>
<td>-18.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual - period average</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>92.5</td>
<td>98.2</td>
<td>120.3</td>
</tr>
<tr>
<td>2010</td>
<td>32.5</td>
<td>51.3</td>
<td>34.4</td>
</tr>
<tr>
<td>2011</td>
<td>-11.1</td>
<td>-10.0</td>
<td>-14.1</td>
</tr>
<tr>
<td>2012</td>
<td>-9.0</td>
<td>-10.0</td>
<td>-14.4</td>
</tr>
<tr>
<td>2013</td>
<td>-12.4</td>
<td>-14.2</td>
<td>-25.0</td>
</tr>
<tr>
<td>2014</td>
<td>-9.3</td>
<td>-11.2</td>
<td>-19.7</td>
</tr>
<tr>
<td>2015</td>
<td>-9.2</td>
<td>-10.3</td>
<td>-14.8</td>
</tr>
<tr>
<td>2016</td>
<td>-7.7</td>
<td>-10.2</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Note: Not seasonally adjusted
**Exhibit 5**

Projected Federal Reserve Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Baseline</th>
<th>Market based</th>
<th>High interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$170</td>
<td>$170</td>
<td>$170</td>
</tr>
<tr>
<td>2009</td>
<td>$150</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>2010</td>
<td>$130</td>
<td>$130</td>
<td>$130</td>
</tr>
<tr>
<td>2011</td>
<td>$110</td>
<td>$110</td>
<td>$110</td>
</tr>
<tr>
<td>2012</td>
<td>$90</td>
<td>$90</td>
<td>$90</td>
</tr>
<tr>
<td>2013</td>
<td>$70</td>
<td>$70</td>
<td>$70</td>
</tr>
<tr>
<td>2014</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
</tr>
<tr>
<td>2015</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>2016</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
</tr>
</tbody>
</table>

**Notes:**
- Net Income Prior to Dist. = Gross Income - Total Expenses
- Dividends, Transfers, etc. Remittance
- Net Income Prior to Dist.

**Baseline**
- Total Expenses
- Net Income Prior to Dist.
- Gross Income

**Market based**
- Total Expenses
- Net Income Prior to Dist.
- Gross Income

**High interest rate**
- Total Expenses
- Net Income Prior to Dist.
- Gross Income
Exhibit 6
Projected Mark-to-Market Losses on the SOMA Portfolio

- High interest rate
- Market-based
- Baseline
Appendix 3: Materials used by Mr. English
Material for
FOMC Briefing on Possible Effects of Very High Reserve Balances on Bank Balance Sheets

Bill English
June 23, 2009
Reserve Balances and Regulatory Leverage Ratios

**Leverage Ratio Projections**

**Projection assumptions**
- Reserve balances expand in line with Bluebook scenarios
- Other assets unchanged
- Tier 1 capital declines

**Baseline results**

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009:Q1</th>
<th>Projected 2010:Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 capital</td>
<td>836</td>
<td>790</td>
</tr>
<tr>
<td>Reserve balances</td>
<td>491</td>
<td>982</td>
</tr>
<tr>
<td>Average total assets</td>
<td>10,811</td>
<td>11,302</td>
</tr>
<tr>
<td>Leverage ratio (aggregate; percent)</td>
<td>7.73</td>
<td>6.99</td>
</tr>
</tbody>
</table>

Note. Baseline scenario without any capital downstreamed to banks after 2009:Q1. All commercial banks with reserve balances.

Source. Call Reports and staff estimates.

**Other results**
- Broadly similar results for BHCs
- Leverage ratios for some individual banks could fall to low levels relative to regulatory norms
  - Individual institutions can take steps to reduce unwanted reserves

* Assumes that all capital raised as a result of the SCAP is downstreamed to subsidiary banks.
Source. Call Reports and staff estimates.
Information from consultations with Federal Reserve System staff

- Banking organizations have not expressed material concerns about their reserve balances
- Some banks have maintained high levels of reserve balances as a liquidity buffer
- Some banks have profited by exploiting the spread between the rate paid on excess reserves and the cost of borrowing
- Banks thought that they could reduce their reserve balances if they chose
- Banking organizations have not discussed with System staff the possible effects of increased systemwide reserves

Summary

- Depository institutions should not be significantly adversely affected by the anticipated levels of reserve balances
- No policy response appears necessary at this time
- Considerable uncertainty remains
- Staff will continue to monitor the impact on depository institutions

Policy options

- Option 1: Drain reserves
- Option 2: Exclude reserve balances from leverage ratio for all banking institutions
- Option 3: Exclude reserve balances from leverage ratio for selected banking institutions
- Option 4: Issue supervisory guidance
Appendix 4: Materials used by Messrs. Clouse and Hilton
Class I FOMC– Restricted-Controlled (FR)

*Material for*
FOMC Briefing on Reserve Management Tools to
Target a Higher Policy Rate

Jim Clouse
Spence Hilton
June 23, 2009
Reserve Market

Funds Rate

Hypothetical Demand Curve

Actual Demand Curve

Reserve Balances

Funds Rate

IOER

Demand Side Tools

Demand “Shifting”
- Increase Reserve Requirements
- Voluntary Reserve Requirements

Demand “Flattening”
- Interest on GSE balances
- Collateralized Funds Transactions

Reserve Balances

Supply Side Tools

- Fed Bills
- Term Deposits
- Reverse RPs
- Supplementary Financing Program
- Asset Sales
- Scaled Back Liquidity Programs

Reserve Supply

Reserve Balances
Appendix 5: Materials used by Mr. Madigan
Class I FOMC – Restricted Controlled (FR)

Material for Briefing on
Staff Proposal Regarding Liquidity Facilities

Brian Madigan
June 23, 2009
Staff Proposal for Extension of and Modifications to Various Liquidity Facilities

<table>
<thead>
<tr>
<th>Depository institution facilities</th>
<th>13(3)</th>
<th>Extend</th>
<th>Near-term Modification</th>
<th>Longer-term Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Primary credit</td>
<td>NA</td>
<td>None</td>
<td></td>
<td>Increase spread, eliminate term loans</td>
</tr>
<tr>
<td>2. TAF</td>
<td>NA</td>
<td>1. Reduce auction amounts to $125 billion 2. Optionally, raise minimum bid rate</td>
<td>One small monthly or quarterly auction</td>
<td></td>
</tr>
<tr>
<td>3. Foreign currency swaps</td>
<td>✓</td>
<td>None</td>
<td></td>
<td>Allow to expire on 2/1/10, but study possible longer-term facility</td>
</tr>
</tbody>
</table>

Primary dealer facilities

| 4. PDCF                          | ✓     | ✓      | Increase haircuts for most types of investment-grade and noninvestment-grade collateral | 1. Later this year, restrict collateral to investment-grade 2. Allow to expire on 2/1/10 |
| 5. TSLF                          | ✓     | ✓      | 1. Suspend Schedule 1 auctions 2. Offer $75 billion of Schedule 2 monthly 3. Terminate TOP auctions | Allow to expire on 2/1/10 |

Specific market and institution facilities

| 6. AMLF                          | ✓     | ✓      | Require that ABCP pledged as collateral has been purchased from a money fund experiencing material redemptions. | Allow to expire on 2/1/10 |
| 7. CPFF                          | ✓     | ✓      | None | Allow to expire on 2/1/10 |
| 8. MMIFF                         | ✓     |        | None | Allow to expire on 10/30/09 |
| 9. TALF                          | ✓     |        | None |    |
| 10. GSE facility                 | NA    | None   |            | Rescind |

NA—not applicable.

i Relies on Section 13(3) authority.

ii Extend facility to February 1, 2010.

iii GSE facility was approved under Section 13(13) of the Federal Reserve Act.
Appendix 6: Materials used by Messrs. Kiley and Sheets
Recent Indicators

Change in Private Payroll Employment
Thousands of employees

Manufacturing IP
Percent change, annual rate

Real Personal Consumption Expenditures
Billions of chained (2000) dollars

Sales of Single-Family Homes
Millions

Orders and Shipments of Nondefense Capital Goods*
Billions of dollars

Real GDP Forecast
(Percent change, annual rate)

* Excluding aircraft.
Note: Three-month moving average.
Medium-Term Outlook

Factors Affecting GDP Forecast

- Inventory dynamics provide a lift in the second half of this year.
- Housing stabilizes and we expect construction to turn up next year.
- Risk premiums on corporate equity and debt decline further, contributing to gains in wealth and a lower cost of capital.

Contributions to Growth in Real GDP

- Change in business inventories
- Final sales

<table>
<thead>
<tr>
<th>Year</th>
<th>BFI share</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>23.5</td>
<td>-6.7</td>
</tr>
<tr>
<td>1995</td>
<td>21.1</td>
<td>-3.9</td>
</tr>
<tr>
<td>2000</td>
<td>20.0</td>
<td>-1.2</td>
</tr>
<tr>
<td>2005</td>
<td>21.2</td>
<td>3.5</td>
</tr>
<tr>
<td>2010</td>
<td>22.0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Note: BFI share equals nominal BFI divided by nominal nonfarm business (NFB) output. NFB output growth is measured as the percent change from four quarters earlier, lagged two quarters.

Contribution of Wealth to PCE Growth

Real GDP Forecast (Percent change, annual rate)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Current</th>
<th>Apr. GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009:H1</td>
<td>-3.3</td>
<td>-3.9</td>
</tr>
<tr>
<td>2009:H2</td>
<td>1.1</td>
<td>0.8</td>
</tr>
<tr>
<td>2010</td>
<td>3.0</td>
<td>2.6</td>
</tr>
</tbody>
</table>
Inflation

**PCE Price Index**

<table>
<thead>
<tr>
<th>Percent change, a.r.:</th>
<th>Total</th>
<th>Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008:Q4</td>
<td>-4.9</td>
<td>0.9</td>
</tr>
<tr>
<td>2009:Q1</td>
<td>-1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Q2</td>
<td>1.5</td>
<td>2.3</td>
</tr>
</tbody>
</table>

**Monthly percent change:**
- 2009:March: 0.0, 0.2
- April: 0.1, 0.3
- May: 0.1, 0.1

**Unemployment Rate**

- NAIRU
- Apr. GB

**PCE Energy Prices**

- Four-quarter percent change
- Apr. GB

**Core Nonfuel Import Prices**

- Four-quarter percent change
- Apr. GB

**PCE Price Index**

- Total
- Core
Risk I: Uncertainty Regarding Resource Utilization

Output and Unemployment Gaps

- Output and unemployment gaps typically provide similar signals.
- Possible explanations for recent discrepancy:
  - GDP data understate contraction.
  - Participation boosted by EUC, wealth decline, or other factors.
  - Changes in NAIRU or other elements of potential.

Initial and Current Staff Estimate of the Output Gap (1987-2008)

- Different methods imply different estimates of potential.
- Consider three methods:
  - Staff estimate.
  - Trend/cycle Phillips curve model.
  - Estimated DSGE (EDO) model.

Alternative Estimates of the Output Gap with Confidence Intervals
Risk II: Inflation Dynamics

Expectations and Inflation

- Long-run inflation expectations have been reasonably well-anchored for some time.
- In our projection, this prevents a sharper deceleration in inflation.
- Un-mooring of expectations is a risk.

Long-Term Inflation Expectations

Resource Utilization and Inflation

- Inflation appears to be less sensitive to resource utilization than in the past.
- This reduced sensitivity contributed to our projection that inflation will decelerate by less than during similar earlier periods.
- If the effect of utilization on inflation were similar to that during the early 1980s, we could see deflation.

Slope of a Simple Phillips Curve

Note: From a Phillips curve for core PCE inflation using annual data and 20-year rolling estimation samples.

Alternative Simulations

Core PCE Prices

Federal Funds Rate

Four-quarter percent change

Percent
The Dollar and Financial Markets

### Broad Real Dollar
Index, Jan. 2002 = 100

### AFE Exchange Rates
Index, Mar. 2, 2009 = 100

### EME Exchange Rates
Index, Mar. 2, 2009 = 100

### BBB Corporate Spreads
Basis points

### Equity Prices
Index, Jun. 3, 2008 = 100

### Commodity Prices
Index, Jan. 2007 = 100

### Baltic Dry Index
Index, Jan. 2, 2007 = 100
Other Explanations for Recent Dollar Movements

10-Year Government Bonds

Weekly

United Kingdom

Germany

United States

Japan

2008 2009

Percent

Five-Year Sovereign CDS Premiums

Daily

United Kingdom

Germany

Japan

2009

Basis points

U.S. External Sector

Trade in Real Goods and Services

\[
\begin{array}{cccc}
\text{2008} & \text{2009} & \text{2010}^p \\
\text{Q1-Q3} & \text{Q4} & \text{Q1}^e & \text{Q2}^p & \text{H2}^p \\
\end{array}
\]

Contribution to Real GDP Growth (percentage points, a.r.*)

1. Net Exports

\[
\begin{array}{cccc}
1.6 & -0.1 & 2.1 & 1.1 & -0.6 & -0.3 \\
\end{array}
\]

Growth Rates (percent, a.r.*)

2. Imports

\[
\begin{array}{cccc}
-3.9 & -17.5 & -36.3 & -12.2 & 6.7 & 5.3 \\
\end{array}
\]

3. Exports

\[
\begin{array}{cccc}
6.7 & -23.6 & -30.6 & -5.4 & 3.0 & 4.0 \\
\end{array}
\]

* Change from final quarter of preceding period to final quarter of period indicated.

Real GDP

Percent change, a.r.*

\[
\begin{array}{cccc}
\text{2008} & \text{2009} & \text{2010}^p \\
\text{Q4} & \text{Q1}^e & \text{Q2}^p & \text{H2}^p \\
\end{array}
\]

Current Account

Billions of dollars

Percent of GDP

2006 2008 2010

Oil Import Balance

Billions of dollars

Percent of GDP

2006 2008 2010

* Change from final quarter of preceding period to final quarter of period indicated.
Class II FOMC - Restricted (FR)

Exhibit 8

Outlook for Growth in the Advanced Foreign Economies

<table>
<thead>
<tr>
<th>Real GDP*</th>
<th>Percent change, annual rate**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 Q4</td>
<td>2009 Q1*</td>
</tr>
<tr>
<td>1. Total Foreign</td>
<td>-7.3</td>
</tr>
<tr>
<td>2. April Greenbook</td>
<td>-7.3</td>
</tr>
<tr>
<td>3. Advanced Foreign Economies</td>
<td>-6.0</td>
</tr>
<tr>
<td>4. Japan</td>
<td>-13.5</td>
</tr>
<tr>
<td>5. Euro area</td>
<td>-6.8</td>
</tr>
<tr>
<td>6. United Kingdom</td>
<td>-6.1</td>
</tr>
<tr>
<td>7. Canada</td>
<td>-3.7</td>
</tr>
</tbody>
</table>

* GDP aggregates weighted by shares of U.S. merchandise exports.
** Change from final quarter of preceding period to final quarter of period indicated.

Purchasing Managers Indexes*

![Graph showing purchasing managers indexes](image)

Retail Sales Volume

![Graph showing retail sales volume](image)

Contributions of Fiscal Stimulus

![Graph showing contributions of fiscal stimulus](image)

Unemployment Rate*

![Graph showing unemployment rate](image)

Output Gaps

![Graph showing output gaps](image)
Outlook for Growth in the Emerging Market Economies

### Real GDP*

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Market Economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>-8.8</td>
<td>-9.8</td>
<td>-0.4</td>
</tr>
<tr>
<td>Other Emerging Asia</td>
<td>-14.0</td>
<td>-6.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Mexico</td>
<td>-9.8</td>
<td>-21.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Other Latin America</td>
<td>-7.4</td>
<td>-5.0</td>
<td>-0.0</td>
</tr>
</tbody>
</table>

* GDP aggregates weighted by shares of U.S. merchandise exports.  
** Change from final quarter of preceding period to final quarter of period indicated.

### China

**Recent Indicators**

- **Diffusion index**
  - Investment:
  - Retail sales volume
  - PMI

**Imports and Electricity Production**

- **Quarterly**
  - Imports**
  - Electricity production

- * Average of April and May at annual rate.
- ** Source: Haver Analytics. In nominal U.S. dollars.

### Other Emerging Market Economies

**Purchasing Managers Indexes***

- **Diffusion index**
  - India
  - Brazil
  - Singapore

**Industrial Production**

- **Index, Jan. 2007 = 100**
  - Korea
  - Mexico
  - Taiwan

**Exports**

- **Index, Jan. 2007 = 100**
  - Korea
  - Mexico
  - Singapore

* Manufacturing sector.
Appendix 7: Materials used by Mr. Madigan
Class I FOMC – Restricted Controlled (FR)

Material for Briefing on
FOMC Participants’ Economic Projections

Brian Madigan
June 23-24, 2009
### Exhibit 1. Economic Projections of Federal Reserve Governors and Reserve Bank Presidents, June 2009

(Percent)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Central tendency</th>
<th></th>
<th>Range</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in real GDP (Q4/Q4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June projection.</td>
<td>-1.5</td>
<td>2.1</td>
<td>3.8</td>
<td>2.5 to 2.7</td>
</tr>
<tr>
<td>April projection.</td>
<td>-2.0</td>
<td>2.0</td>
<td>3.5</td>
<td>2.5 to 2.7</td>
</tr>
<tr>
<td>Memo: June Greenbook.</td>
<td>-1.1</td>
<td>3.0</td>
<td>4.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Unemployment rate (Q4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June projection.</td>
<td>9.8</td>
<td>9.5</td>
<td>8.4</td>
<td>4.8 to 5.0</td>
</tr>
<tr>
<td>April projection.</td>
<td>9.2</td>
<td>9.0</td>
<td>7.7</td>
<td>4.8 to 5.0</td>
</tr>
<tr>
<td>Memo: June Greenbook.</td>
<td>10.0</td>
<td>9.7</td>
<td>8.0</td>
<td>5.0</td>
</tr>
<tr>
<td>PCE inflation (Q4/Q4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCE inflation.</td>
<td>1.0</td>
<td>1.2</td>
<td>1.1</td>
<td>1.7 to 2.0</td>
</tr>
<tr>
<td>April projection.</td>
<td>0.6</td>
<td>1.0</td>
<td>0.7</td>
<td>1.7 to 2.0</td>
</tr>
<tr>
<td>Memo: June Greenbook.</td>
<td>1.4</td>
<td>1.1</td>
<td>1.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Core PCE inflation (Q4/Q4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core PCE inflation.</td>
<td>1.3</td>
<td>1.0</td>
<td>0.9</td>
<td>1.2 to 2.0</td>
</tr>
<tr>
<td>April projection.</td>
<td>1.0</td>
<td>0.7</td>
<td>0.8</td>
<td>0.7 to 1.6</td>
</tr>
<tr>
<td>Memo: June Greenbook.</td>
<td>1.4</td>
<td>0.8</td>
<td>0.7</td>
<td></td>
</tr>
</tbody>
</table>
Exhibit 2. Risks and Uncertainty in Economic Projections

**Uncertainty about GDP Growth**
- April projections
- June projections

**Risks to GDP Growth**
- June projections
- April projections

**Uncertainty about PCE Inflation**

**Risks to PCE Inflation**
Appendix 8: Materials used by Mr. Stockton
Orders and Shipments of Durable Goods
(Percent change from comparable previous period, seasonally adjusted)

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2009</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Mar.</td>
<td>Apr.</td>
<td>May</td>
</tr>
<tr>
<td></td>
<td>Annual rate</td>
<td>Monthly rate</td>
<td></td>
</tr>
<tr>
<td>Nondefense capital goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>-14.0</td>
<td>-49.9</td>
<td>-49.1</td>
</tr>
<tr>
<td>Aircraft</td>
<td>-66.3</td>
<td>-99.5</td>
<td>-100.0</td>
</tr>
<tr>
<td>Excluding aircraft</td>
<td>-5.2</td>
<td>-36.5</td>
<td>-44.2</td>
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<tr>
<td>Computers and peripherals</td>
<td>-36.6</td>
<td>-20.8</td>
<td>-18.4</td>
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<tr>
<td>Communications equipment</td>
<td>16.7</td>
<td>-28.7</td>
<td>-58.7</td>
</tr>
<tr>
<td>All other</td>
<td>-3.5</td>
<td>-38.4</td>
<td>-44.7</td>
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<tr>
<td></td>
<td>-1.0</td>
<td>10.0</td>
<td>630.5</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Shipments</td>
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<td>-19.8</td>
<td>-28.1</td>
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<tr>
<td>Aircraft</td>
<td>-8.0</td>
<td>-65.3</td>
<td>233.3</td>
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<tr>
<td>Excluding aircraft</td>
<td>-3.3</td>
<td>-15.5</td>
<td>-35.4</td>
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<tr>
<td>Computers and peripherals</td>
<td>-28.7</td>
<td>-25.3</td>
<td>-8.4</td>
</tr>
<tr>
<td>Communications equipment</td>
<td>-10.7</td>
<td>-16.6</td>
<td>-47.3</td>
</tr>
<tr>
<td>All other</td>
<td>4.0</td>
<td>-14.4</td>
<td>-36.7</td>
</tr>
<tr>
<td></td>
<td>-1.9</td>
<td>-2.3</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>-2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-2.8</td>
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<td></td>
<td>-2.7</td>
<td></td>
<td>1.6</td>
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<tr>
<td></td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-2.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplementary orders series</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durable goods</td>
<td>-8.1</td>
<td>-45.2</td>
<td>-39.0</td>
</tr>
<tr>
<td>Real adjusted durable goods</td>
<td>-13.0</td>
<td>-45.2</td>
<td>-36.3</td>
</tr>
<tr>
<td>Capital goods</td>
<td>-10.3</td>
<td>-47.3</td>
<td>-47.2</td>
</tr>
<tr>
<td>Nondefense</td>
<td>-14.0</td>
<td>-49.9</td>
<td>-49.1</td>
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<tr>
<td>Defense</td>
<td>20.3</td>
<td>-26.7</td>
<td>-33.9</td>
</tr>
<tr>
<td></td>
<td>-11.1</td>
<td>28.5</td>
<td>7.4</td>
</tr>
</tbody>
</table>

r Revised.

a Advance.

Source: Census Bureau.
Durable Goods Manufacturing

Change in Inventories at Durable Goods Manufacturers
(book value, billions of dollars at annual rate)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Durable goods</td>
<td>24.2</td>
<td>26.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Lumber and wood prod.</td>
<td>-6</td>
<td>1.1</td>
<td>-1.3</td>
</tr>
<tr>
<td>Nonmetallic mineral prod.</td>
<td>-4</td>
<td>6</td>
<td>-4</td>
</tr>
<tr>
<td>Primary metals</td>
<td>7.3</td>
<td>6.6</td>
<td>-12.1</td>
</tr>
<tr>
<td>Fabricated metals</td>
<td>4.4</td>
<td>5.6</td>
<td>-2.8</td>
</tr>
<tr>
<td>Machinery</td>
<td>1.2</td>
<td>3.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Computer and electronic prod.</td>
<td>1.2</td>
<td>2.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Electrical equipment</td>
<td>.5</td>
<td>.5</td>
<td>-2.5</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>9.9</td>
<td>5.1</td>
<td>27.7</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>-1.3</td>
<td>-3.2</td>
<td>-4.7</td>
</tr>
<tr>
<td>Aircraft &amp; parts</td>
<td>10.9</td>
<td>9.0</td>
<td>31.1</td>
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<tr>
<td>Furniture</td>
<td>-.4</td>
<td>-.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Other durables</td>
<td>1.0</td>
<td>1.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Memo: Inventory-shipments ratio, durable goods 1.57 1.61 1.76 1.86 1.88 1.89 1.88 1.90

Source: Census Bureau.

Real Adjusted Durable Goods Orders
(3-month moving average)

Inventory-Shipments Ratio at Durable Goods Manufacturers
(Months’ supply)

Source: Calculated by FRB staff.
Source: Census Bureau.
Appendix 9: Materials used by Mr. Carpenter (corrected)*

*As indicated by Mr. Madigan on page 165 of 261
Class I FOMC – Restricted Controlled (FR)

Material for
FOMC Briefing on Projections of the Balance Sheet, the Monetary Base, and Federal Reserve Income

Seth Carpenter
June 23, 2009
CORRECTED

Exhibit 1: Individual Balance Sheet Item Profiles

Asset Purchases and Federal Reserve Liquidity and Credit Facilities

- Temporary Holdings of Longer-term Treasuries
- Agency Debt
- Agency MBS
- Primary and Secondary Credit
- TAF
- Foreign Central Bank Liquidity Swaps
- Credit Extended to AIG
- Maiden Lanes
CORRECTED

Exhibit 1: Individual Balance Sheet Item Profiles, continued

Federal Reserve Liquidity and Credit Facilities, continued

Federal Reserve Liabilities and Capital

Federal Reserve Notes

TGA and SFP

Capital

Reserve Balances
Exhibit 2: Baseline Balance Sheet Projections

Federal Reserve Assets

Federal Reserve Liabilities and Capital
Exhibit 3: Expanded Balance Sheet Projections

Federal Reserve Assets

Federal Reserve Liabilities and Capital
### Exhibit 4

#### Growth Rates for Monetary Base

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Expanded Purchases</th>
<th>April Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent, annual rate</td>
<td>Monthly</td>
<td></td>
</tr>
<tr>
<td>Jun-09</td>
<td>-52.1</td>
<td>-52.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Jul-09</td>
<td>-0.4</td>
<td>-0.4</td>
<td>131.9</td>
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<tr>
<td>Aug-09</td>
<td>99.3</td>
<td>99.3</td>
<td>133.9</td>
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<tr>
<td>Sep-09</td>
<td>97.3</td>
<td>97.3</td>
<td>120.5</td>
</tr>
<tr>
<td>Oct-09</td>
<td>103.1</td>
<td>148.3</td>
<td>98.1</td>
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<td>Nov-09</td>
<td>95.7</td>
<td>173.1</td>
<td>79.9</td>
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<td>Dec-09</td>
<td>102.1</td>
<td>163.8</td>
<td>71.1</td>
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<td>Q2 2009</td>
<td>24.9</td>
<td>24.9</td>
<td>38.4</td>
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<td>Q3 2009</td>
<td>22.7</td>
<td>22.7</td>
<td>111.9</td>
</tr>
<tr>
<td>Q4 2009</td>
<td>108.2</td>
<td>157.0</td>
<td>107.3</td>
</tr>
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<td>Q1 2010</td>
<td>48.0</td>
<td>78.6</td>
<td>26.2</td>
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<td>Q2 2010</td>
<td>-7.1</td>
<td>-6.7</td>
<td>-17.2</td>
</tr>
<tr>
<td>Q3 2010</td>
<td>-15.6</td>
<td>-14.0</td>
<td>-17.9</td>
</tr>
<tr>
<td>Q4 2010</td>
<td>-19.0</td>
<td>-16.9</td>
<td>-18.8</td>
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<tr>
<td></td>
<td>92.5</td>
<td>32.5</td>
<td>-11.1</td>
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<td></td>
<td>98.2</td>
<td>51.3</td>
<td>-10.0</td>
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<tr>
<td></td>
<td>120.3</td>
<td>34.4</td>
<td>-14.1</td>
</tr>
</tbody>
</table>

Note: Not seasonally adjusted
Exhibit 6
Projected Mark-to-Market Losses on the SOMA Portfolio

- High interest rate
- Market based
- Baseline

Annual


$Billions

200 150 100 50 0 -50 50 100 150 200 250 300 350 400

June 23–24, 2009
Authorized for Public Release
Appendix 10: Materials used by Mr. Madigan
Class I FOMC – Restricted Controlled (FR)

Material for Briefing on
Monetary Policy Alternatives

Brian Madigan
June 24, 2009
April FOMC Statement

Information received since the Federal Open Market Committee met in March indicates that the economy has continued to contract, though the pace of contraction appears to be somewhat slower. Household spending has shown signs of stabilizing but remains constrained by ongoing job losses, lower housing wealth, and tight credit. Weak sales prospects and difficulties in obtaining credit have led businesses to cut back on inventories, fixed investment, and staffing. Although the economic outlook has improved modestly since the March meeting, partly reflecting some easing of financial market conditions, economic activity is likely to remain weak for a time. Nonetheless, the Committee continues to anticipate that policy actions to stabilize financial markets and institutions, fiscal and monetary stimulus, and market forces will contribute to a gradual resumption of sustainable economic growth in a context of price stability.

In light of increasing economic slack here and abroad, the Committee expects that inflation will remain subdued. Moreover, the Committee sees some risk that inflation could persist for a time below rates that best foster economic growth and price stability in the longer term.

In these circumstances, the Federal Reserve will employ all available tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and anticipates that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. As previously announced, to provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt by the end of the year. In addition, the Federal Reserve will buy up to $300 billion of Treasury securities by autumn. The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets. The Federal Reserve is facilitating the extension of credit to households and businesses and supporting the functioning of financial markets through a range of liquidity programs. The Committee will continue to carefully monitor the size and composition of the Federal Reserve’s balance sheet in light of financial and economic developments.
June FOMC Statement — Alternative A

1. Information received since the Federal Open Market Committee met in April suggests that the pace of economic contraction is slowing. Indicators of consumer and business sentiment have risen, and household expenditures have shown further signs of stabilizing; nonetheless, spending remains constrained by ongoing job losses, lower housing wealth, and tight credit. Businesses continue to cut back on fixed investment and staffing but are making progress in bringing inventory stocks into better alignment with sales. Although conditions in financial markets have generally improved, the Committee judges that further monetary policy stimulus is warranted to help ensure that the sharp rise in some longer-term interest rates over recent months does not undermine a recovery in overall economic activity.

2. Substantial resource slack is likely to persist here and abroad, and the Committee expects that inflation will remain subdued. Moreover, the Committee still sees some risk that inflation could persist for a time below rates that best foster economic growth and price stability in the longer term.

3. In these circumstances, the Federal Reserve is employing a wide array of tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and anticipates that economic conditions are likely to warrant exceptionally low levels of the federal funds rate [for an extended period | at least through mid-2010 |]. To provide additional support to mortgage lending and housing markets and to facilitate further improvement in private credit market conditions, the Committee decided to increase the total amount of its large-scale securities purchases. The Committee now anticipates that over the course of this year the Federal Reserve will purchase up to $1.25 trillion of agency mortgage-backed securities, up to $200 billion of agency debt, and up to $750 billion of Treasury securities. The Committee will evaluate the timing, composition, and amounts of any additional purchases of securities in view of market conditions, the evolving economic outlook, and the necessity of ensuring that policy accommodation can ultimately be withdrawn smoothly and at the appropriate time. The Federal Reserve will also be monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted in light of financial and economic developments.
June FOMC Statement — Alternative B

1. Information received since the Federal Open Market Committee met in April suggests that the pace of economic contraction is slowing. Conditions in financial markets have generally improved in recent months, and indicators of consumer and business sentiment have risen. Household spending has shown further signs of stabilizing but remains constrained by ongoing job losses, lower housing wealth, and tight credit. Businesses are cutting back on fixed investment and staffing but appear to be making progress in bringing inventory stocks into better alignment with sales. Although economic activity is likely to remain weak for a time, the Committee continues to anticipate that policy actions to stabilize financial markets and institutions, fiscal and monetary stimulus, and market forces will contribute to a gradual resumption of sustainable economic growth in a context of price stability.

2. The prices of energy and other commodities have risen of late. However, substantial resource slack is likely to dampen cost pressures, and the Committee expects that inflation will remain subdued for some time.

3. In these circumstances, the Federal Reserve will employ all available tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. As previously announced, to provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt by the end of the year. In addition, the Federal Reserve will buy up to $300 billion of Treasury securities by autumn. The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets. The Federal Reserve is monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted. [Of course, the Committee will continue to take careful account of the necessity of ensuring that policy accommodation can ultimately be withdrawn smoothly and at the appropriate time.]
June FOMC Statement — Alternative C

1. Information received since the Federal Open Market Committee met in April suggests that the pace of economic contraction is slowing. Conditions in financial markets have improved in recent months, and indicators of consumer and business sentiment have risen. Household spending has shown further signs of stabilizing but remains constrained by ongoing job losses, lower housing wealth, and tight credit. Businesses have continued to cut back on fixed investment and staffing but appear to be making progress in bringing inventory stocks into better alignment with sales. The Committee anticipates that policy actions to stabilize financial markets and institutions, fiscal and monetary stimulus, and market forces will contribute to a gradual recovery in economic activity that is expected to begin later this year.

2. Although the prices of energy and other commodities have risen of late, core inflation has remained moderate, and the Committee expects that overall inflation will remain subdued.

3. In these circumstances, the Federal Reserve is employing a wide array of tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and anticipates that economic conditions are likely to warrant exceptionally low levels of the federal funds rate until late this year. As previously announced, to provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt by the end of the year. In addition, the Federal Reserve will buy up to $300 billion of Treasury securities by autumn. The Committee anticipates that the pace of purchases of such securities will taper off gradually by the end of this year. The Committee will continue to evaluate the timing, composition, and overall amounts of its securities purchases and to carefully monitor the Federal Reserve’s balance sheet. The Federal Reserve will make adjustments to its credit and liquidity programs as warranted in light of the evolving economic outlook and conditions in financial markets.
### Table 1: Overview of Alternative Language for the June 23-24, 2009 FOMC Announcement

<table>
<thead>
<tr>
<th>Outlook</th>
<th>April FOMC</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Economic Activity</strong></td>
<td>“likely to remain weak for a time”</td>
<td>“likely to remain weak for a time”</td>
<td>recovery “expected to begin later this year”</td>
<td></td>
</tr>
<tr>
<td><strong>Pace of Recovery</strong></td>
<td>gradual</td>
<td>-----</td>
<td>gradual</td>
<td>gradual</td>
</tr>
<tr>
<td><strong>Risk Assessment</strong></td>
<td>-----</td>
<td>Recovery could be undermined by higher long rates, absent further monetary stimulus</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td><strong>2. Inflation</strong></td>
<td>“will remain subdued”</td>
<td>“will remain subdued”</td>
<td>“will remain subdued for a time”</td>
<td>“will remain subdued”</td>
</tr>
<tr>
<td><strong>Rationale</strong></td>
<td>increasing slack here and abroad</td>
<td>substantial slack “likely to persist here and abroad”</td>
<td>recent rise in energy prices; substantial slack “likely to dampen cost pressures”</td>
<td></td>
</tr>
<tr>
<td><strong>Risk Assessment</strong></td>
<td>some downside risk</td>
<td>still some downside risk</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td><strong>3. Policy Decision</strong></td>
<td>“all available tools”</td>
<td>“a wide array of tools”</td>
<td>“all available tools”</td>
<td>“a wide array of tools”</td>
</tr>
<tr>
<td><strong>Forward Guidance on Funds Rate</strong></td>
<td>“anticipates... for an extended period”</td>
<td>“anticipates... for an extended period” or “at least through mid-2010”</td>
<td>“continues to anticipate... for an extended period”</td>
<td>“anticipates... until late this year”</td>
</tr>
<tr>
<td><strong>Changes in LSAPs</strong></td>
<td>-----</td>
<td>$750 billion in Treasuries by end of year</td>
<td>-----</td>
<td>“will taper off gradually” by end of year</td>
</tr>
<tr>
<td><strong>Evaluation of LSAPs</strong></td>
<td>“timing and overall amounts”</td>
<td>“timing, composition, and amounts”, subject to exit strategy</td>
<td>“timing and overall amounts”</td>
<td>“timing, composition, and overall amounts”</td>
</tr>
<tr>
<td><strong>Adjustments to Programs</strong></td>
<td>-----</td>
<td>“as warranted” [carefully reflecting the exit strategy]</td>
<td>“as warranted”</td>
<td>“as warranted”</td>
</tr>
</tbody>
</table>