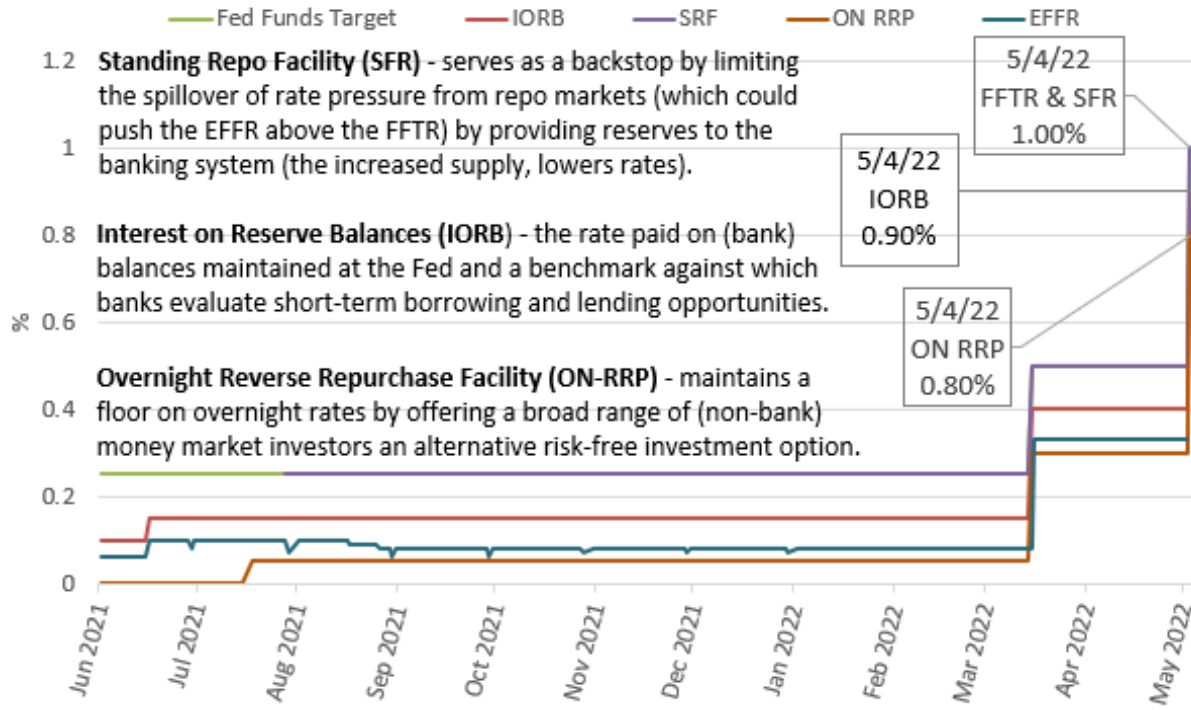


Fed's Tools to Manage EFR



1.2 **Standing Repo Facility (SRF)** - serves as a backstop by limiting the spillover of rate pressure from repo markets (which could push the EFFR above the FFTR) by providing reserves to the banking system (the increased supply, lowers rates).

0.8 **Interest on Reserve Balances (IORB)** - the rate paid on (bank) balances maintained at the Fed and a benchmark against which banks evaluate short-term borrowing and lending opportunities.

Overnight Reverse Repurchase Facility (ON-RRP) - maintains a floor on overnight rates by offering a broad range of (non-bank) money market investors an alternative risk-free investment option.