

New York Fed announces the establishment of the Committee of Auditor Advisors on TALF

Since the inception of TALF, accounting firms have provided valuable advice to the New York Fed in the development of audit-related procedures to help ensure that assets posted as collateral are eligible under the terms of the program.

The Committee of Auditor Advisors on TALF of the Federal Reserve Bank of New York has been established in order to formalize the collaboration between the New York Fed and the auditing community and to continue to provide guidance and advice to the New York Fed. The duties of the Committee shall be solely advisory and shall extend only to the submission of advice or recommendations to the New York Fed. No determination of fact or policy shall be made by the Committee.



**Charter and By-Laws of the
Committee of Auditor Advisors on TALF of the Federal
Reserve Bank of New York**

As Amended and Effective June 8th, 2009

Introduction:

The Federal Reserve Bank of New York (“FRBNY”) designed the Term Asset-Backed Securities Loan Facility (“TALF”) to increase credit availability and support economic activity in part by facilitating renewed issuance of consumer and business asset-backed securities (“ABS”) and commercial mortgage-backed securities (“CMBS”).

As a condition to the disbursement of a TALF loan, a nationally recognized independent Public Company Accounting Oversight Board (“PCAOB”) registered accounting firm must provide FRBNY with certain assurances on the reasonableness of the sponsor’s management’s assertions that the collateral is TALF-eligible. Since the inception of TALF, accounting firms have assisted FRBNY in the development of this critically important national program and have provided valuable advice in building FRBNY’s assurance program.

Charter:

A. Official Title. The official title of the committee is the Committee of Auditor Advisors on TALF of the Federal Reserve Bank of New York (the “Committee”).

B. Objective and Scope. In order to formalize the collaboration between FRBNY and the auditing firm community, this Committee shall be established. The main goal of the Committee is to pursue collaboration with and continue providing guidance and advice to FRBNY in the development of audit-related TALF procedures. Upon the

execution of a nondisclosure agreement enabling the distribution of nonpublic information, FRBNY will meet periodically with the Committee to discuss accounting matters as they relate to TALF.

C. Period of Time Necessary to Carry Out Purpose. The Committee shall operate until the FRBNY determines that the Committee's continuance is no longer necessary.

D. Duties. The Duties of the Committee shall be to identify issues, analyze information, and provide recommendations regarding accounting matters as they relate to TALF. The members of the Committee shall offer constructive observations and suggested improvements for the role that the auditing professionals play in TALF. The duties of the Committee shall be solely advisory and shall extend only to the submission of advice or recommendations to FRBNY. No determination of fact or policy shall be made by the Committee.

E. Number and Frequency of Meetings. The Committee shall meet at such intervals as are necessary to carry out its duties.

F. Filing Date. The charter of the Committee is approved on this 22nd day of June 2009.

Approved by:
Federal Reserve Bank of New York

By: .

Title: SVP and Chief Compliance & Ethics Officer

Date: 6/30/09

By-Laws:

Whereas, the Chief Compliance and Ethics Officer of the Federal Reserve Bank of New York, _____ has requested certain individuals to serve on the Committee of Auditor Advisors on TALF of the Federal Reserve Bank of New York;

Whereas, the Committee has been directed to, among other things, serve as a resource to FRBNY in its development of the auditing policies, procedures and processes as they relate to TALF;

Whereas, the Committee has proposed to operate under the following set of by-laws;

Now therefore, the Chief Compliance and Ethics Officer of FRBNY approves these by-laws effective immediately as the official by-laws of the Committee.

1. Membership. Membership in the Committee is drawn from the pool of nationally recognized independent PCAOB registered accounting firms that are subject to annual inspection by the PCAOB.

Membership in the Committee shall consist of two (2) classes of members. Class (A) members will be comprised of representatives of the accounting firms. Class (B) members will be ex-officio members from certain FRBNY functions, namely: General Auditor, TALF Risk and Compliance, Legal, and Compliance.

To date, current Class (A) members of the Committee consist of no more than three (3) representatives from each of following firms: Deloitte & Touche, Ernst & Young, Grant Thornton, KPMG and PricewaterhouseCoopers. Representatives shall be selected by their respective firms and their membership in the Committee shall continue throughout the duration of TALF. Each of the firms reserves the right to replace one or more of its representatives upon notification to FRBNY.

The Class A Committee members shall not be considered employees, agents or fiduciaries of the Committee or the FRBNY and, by virtue of being a member of the Committee, shall not be subject to the FRBNY's policies, rules or regulations.

2. Secretary. The position of Secretary of the Committee shall be filled by the TALF Compliance Director, _____; or his designee.

3. Meetings. The Committee will meet at such intervals as are necessary to carry out its duties. Meetings will be called by the Secretary. The Secretary will preside at all meetings of the Committee, unless the Secretary (or his designee) directs a delegate in his/her absence.

The Committee shall meet periodically initially. Attendance at meetings may be in person, by telephone, by videoconference, or through other similar electronic media, provided that all members have a full opportunity to participate in the meeting. As the TALF program further develops, meetings may occur more or less frequently. Between meetings, the Secretary may need to contact individual Committee members to address issues that require immediate attention.

4. Notice. FRBNY will send a notice of each meeting to all members at least two (2) business days prior to the meeting date. The notice will include (i) the name of the Committee; (ii) the time, date, place, and purpose of the meeting; (iii) a copy or summary of the agenda; (iv) the name and telephone number of the FRBNY contact person who may be contacted for additional information concerning the meeting.

5. Agenda. The Secretary of the Committee will draft an agenda for each meeting of the Committee sufficiently in advance of the meeting. FRBNY will distribute the approved agenda to the Members before each meeting. Items for the agenda may be submitted to the Secretary by any Member of the Committee.

6. Quorum. A quorum will consist of at least one representative from at least four (4) of the five (5) firms comprising the Class (A) membership then serving on the Committee. Any firm that abstains on a matter shall continue to be considered present for purposes of maintaining a quorum.

7. Actions and Authority. The Committee is authorized to:

- Discuss the appropriate qualifications for accounting firms to provide attestations within the TALF program;
- Discuss the structure and format of proposed attestations for new classes of TALF-eligible ABS;
- Discuss and propose edits to existing attestations;
- Any other topics as deemed appropriate by the Secretary of the Committee.

Any Class A Committee member may abstain from participating in any discussion or other activity of the Committee (or portions thereof).

8. Advisors. At the direction of the Secretary, the Committee may obtain advice and support as necessary from other employees within FRBNY or from external advisors.

9. Minutes. The Secretary will prepare minutes of each meeting of the Committee that will be distributed to each Member. The minutes will include a record of persons present (including the names of Committee Members and names of FRBNY and Committee staff providing support services to the Committee); a complete and accurate description of the matters discussed and conclusions reached; and copies of all reports or other documents received, issued or approved by the Committee at the meeting.

10. Amendments: The charter and supporting by-laws may only be amended by an action of FRBNY's Chief Compliance and Ethics Officer accepted by each of the firms comprising the Class (A) membership then serving on the Committee.

The forgoing amended by-laws were approved this 22nd day of June, 2009.

Accepted by:
Federal Reserve Bank of New York

By:

Title: SVP and Chief Compliance and Ethics Officer

Date: 6/30/09

Accepted by:
Deloitte & Touche

[Insert Name]

By:

Title:

Date:

Accepted by:
Ernst & Young

By:

Title: Partner

Date: June 19, 2009

Accepted by:
Grant Thornton

[Insert Name]

By:

Title:

Date:

Accepted by:
KPMG

[Insert Name]

By:

Title:

Date:

Accepted by:
PricewaterhouseCoopers

[Insert Name]

By:

Title:

Date:

Accepted by:
Federal Reserve Bank of New York

By:

Title: SVP and Chief Compliance and Ethics Officer

Date:

Accepted by:
Deloitte & Touche *LLP*

[Insert Name]

By:

Title: *Partner*

Date: *June 26, 2009*

Accepted by:
Ernst & Young

[Insert Name]

By:

Title:

Date:

Accepted by:
Grant Thornton *LLP*

[Insert Name]

By

Title: *PARTNER*

Date: *June 22, 2009*

Accepted by:
KPMG

[Insert Name]

By:

Title:

Date:

Accepted by:
PricewaterhouseCoopers

[Insert Name]

By:

Title:

Date:

Accepted by:
Grant Thornton

[Insert Name]

By:

Title:

Date:

Accepted by:
KPMG LLP

By:

Title: Partner

Date: 6/23/2009

Accepted by:
PricewaterhouseCoopers

[Insert Name]

By:

Title:

Date:

Accepted by:
Grant Thornton

[Insert Name]

By:

Title:

Date:

Accepted by:
KPMG

[Insert Name]

By:

Title:

Date:

Accepted by:
PricewaterhouseCoopers

[Insert Name]

By:

Title: *PARTNER*

Date: *JUNE 30, 2009*