

# FEDERAL RESERVE BANK of NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

WILLIAM C. DUDLEY  
PRESIDENT

March 17, 2010

Representative Darrell E. Issa  
Ranking Member  
Committee on Oversight and Government Reform  
Congress of the United States  
House of Representatives  
2157 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Issa:

Thank you for your letter of March 3, 2010, regarding assets held in the Maiden Lane LLC (“ML LLC”). The Federal Reserve Bank of New York (“New York Fed”) created and extended credit to ML LLC in order to facilitate the acquisition of the Bear Stearns Companies, Inc. by JPMorgan Chase & Co. ML LLC is a limited liability company formed to acquire certain assets of Bear Stearns and to manage those assets through time to maximize the repayment of credit extended to the LLC and to minimize disruption to financial markets. Because the ML LLC is not a public company, it does not make filings to the Securities and Exchange Commission.

The Federal Reserve has made public an extensive amount of information that describes the formation of the ML LLC, and the nature, quality, and valuation of the assets acquired by it. We have also made public the terms of the contracts between us and our service providers, including BlackRock, our investment advisor. The information available to the public on the New York Fed’s website and in the Federal Reserve’s weekly H41 release includes full audited annual financial statements with detailed financial footnotes, a quarterly fair market value breakdown of assets by type and, where applicable, the industry breakdown, geographic distribution and credit rating. Additional information regarding the ML LLC has been annexed to the congressional testimony of Federal Reserve officials. All of this information provides a clear and up-to-date view of the quality of the assets held by the LLC. As previously reported publicly, approximately two-thirds of the Maiden Lane portfolio is composed of government agency securities. Individual assets within the LLC’s portfolio, however, are not disclosed because doing so would compromise the New York Fed’s ability to maximize value for the taxpayer in the long-run and, in the case of the residential holdings, would violate individuals’ privacy.

Please let me know if you would like us to provide you with copies of any of the documents referenced above, all of which are available on our website or on the Board of Governors’ website. If you have any further questions, please do not hesitate to contact me.

Sincerely,

