

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

THOMAS C. BAXTER, JR.

GENERAL COUNSEL AND
EXECUTIVE VICE PRESIDENT

March 27, 2015

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

The Honorable Jeb Hensarling
Chairman
United States House of Representatives Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling:

I am responding to your letter to William Dudley dated March 10, 2015 regarding your November 6, 2013 request for information (the “November 2013 Request”) from the Federal Reserve Bank of New York (the “Bank”).

The November 2013 Request posed questions regarding the functionality of the Fedwire Securities Service and sought documents relating to any plan for whether or how to continue making principal and interest payments on Treasury debt if the nation’s debt limit were not raised. On December 5, 2013, we provided written answers to the questions, but informed you that because the requested documents related to functions performed by the Bank in its capacity as fiscal agent of the U.S. Department of the Treasury (“Treasury”), we had a legal duty to receive authorization from our fiscal principal, Treasury, before producing the documents.

Treasury advised the Bank that it would address the Committee’s Request on the Bank’s behalf. We conducted a search, and in April 2014, we provided to Treasury documents that are potentially responsive to the November 2013 Request, which sought (i) communications relating to the October 10, 2013 testimony of Secretary Jacob Lew before the Senate Finance Committee and (ii) documents relating to any plan for whether or how to continue making principal and interest payments on Treasury debt if the nation’s debt limit were not raised. We understand that Treasury made available to you and your staff documents from the Bank regarding Secretary Lew’s testimony to the Committee on April 8, 2014. We also understand that Committee staff reviewed documents from the Bank concerning the Fedwire Securities Service, including documents discussing the operational capabilities of the Fedwire Securities Service to refrain

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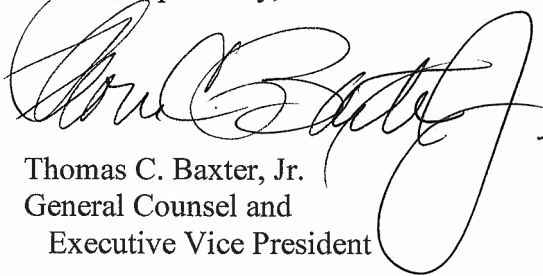
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from automatically making a scheduled principal or interest payment on Treasury debt, and we have reviewed correspondence from the Committee that references some of our documents that Treasury made available.¹ To the extent the Committee still has questions, we urge you to contact Treasury.

Please do not hesitate to contact me should you have further questions.

Yours Respectfully,

A handwritten signature in black ink, appearing to read "Tom Baxter, Jr.", written in a cursive style. The signature is positioned to the right of the typed name and title.

Thomas C. Baxter, Jr.
General Counsel and
Executive Vice President

cc: The Honorable Maxine Waters, Ranking Member

¹ See letter from Chairmen Hensarling and McHenry to Secretary Lew dated June 20, 2014 at 2-3 (discussing the substance of Bank presentations and emails).