RESTRICTED-FR

Primary Dealer Credit Facility Collateral Report
For Tuesday, September 16

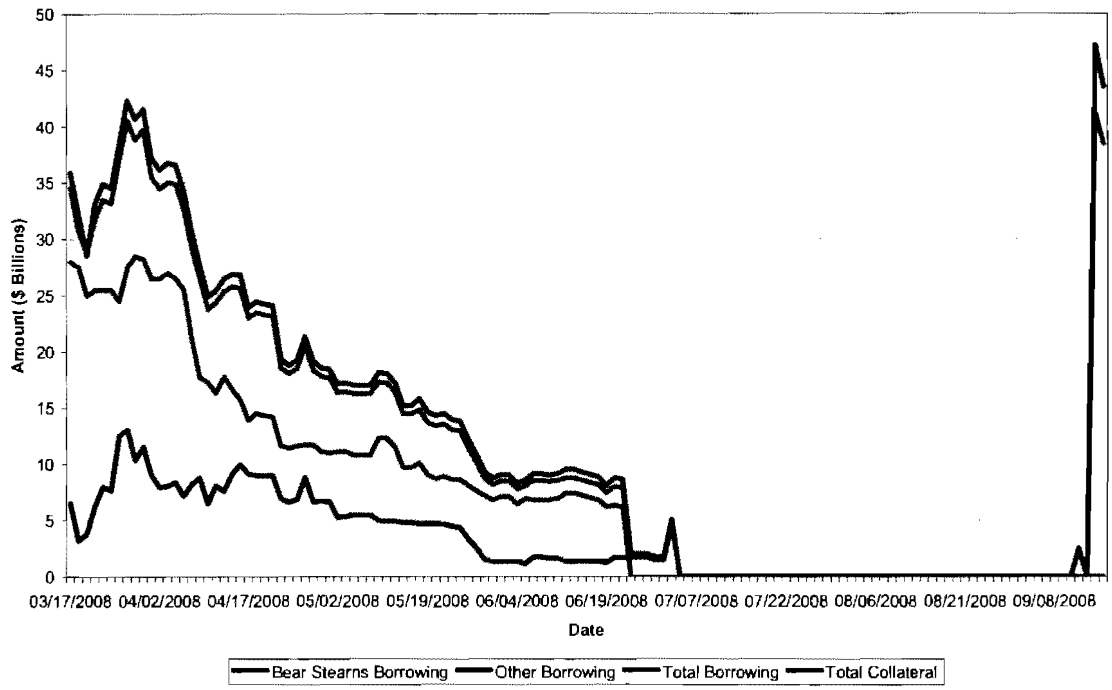
Highlights

- Total PDCF borrowing declined marginally to approximately $38.45 billion on Tuesday.
- While borrowing by Lehman Brothers declined from $28 billion to $19.7 billion, Morgan Stanley borrowing rose markedly from $4 billion to $13 billion.
- Approximately 53 percent of total collateral was investment grade, with 19 percent non-investment grade, 13 percent equity and 15 percent with either no rating or an unknown rating (principally convertible bonds).
- Lehman continued to pledge a wide array of collateral, with the largest concentrations in corporate bonds (26%), money market instruments (23%), ABS (15%) and MBS (10%).
- In contrast to other dealers, Morgan Stanley collateral consisted primarily of convertible bonds (66% to total).

Overnight Borrowings – in billions

Dealer	16SEP2008	15SEP2008	12SEP2008	11SEP2008	10SEP2008
	.	.	.	.	.
BNP Paribas	.	.	.	2.40	.
Citigroup	2.75	2.75	.	.	.
Credit Suisse	0.50	1.00	.	.	.
Goldman Sachs	2.50	2.50	.	.	.
JP Morgan Chase	.	3.00	.	.	.
Lehman Brothers	19.70	28.00	.	.	.
Morgan Stanley	13.00	4.00	.	.	.
Total Borrowings	**38.45**	**41.25**	.	**2.40**	.
Total Collateral	**43.46**	**47.15**	.	**2.54**	.
Collateral Cushion	**13.03%**	**14.30%**	**0.00%**	**5.83%**	**0.00%**

PDCF Borrowing Trend

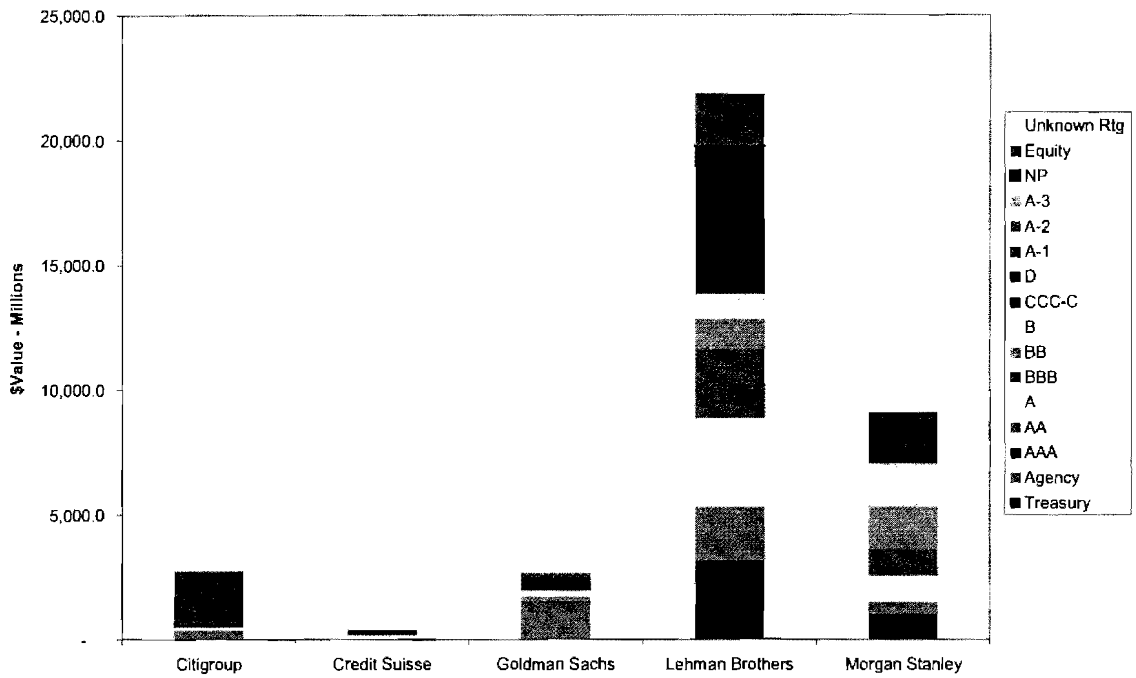


Composition of Collateral Pledged for September 16 Borrowings - in millions

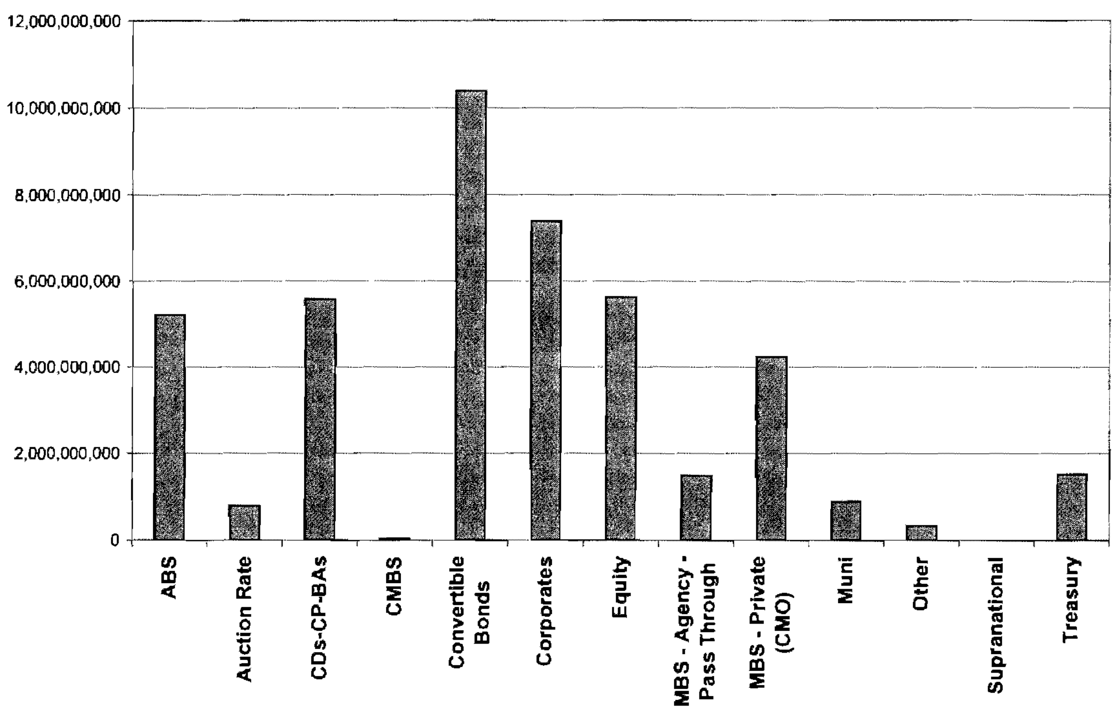
Rating[1]	Citigroup	Credit Suisse	Goldman Sachs	Lehman Brothers	Morgan Stanley	Total
Treasury	.	.	.	1,512.4	.	1,512.4
Agency	.	.	1,484.9	.	.	1,484.9
AAA	30.9	.	.	1,658.3	1,023.5	2,712.7
AA	346.2	.	.	2,162.4	489.2	2,997.8
A	141.9	.	.	3,535.0	1,037.6	4,714.5
BBB	.	.	45.1	2,759.1	1,069.6	3,873.9
BB	.	10.0	189.7	1,227.1	1,716.7	3,143.5
B	.	167.4	240.2	1,000.5	1,707.7	3,115.8
CCC-C	.	222.7	534.6	642.5	572.1	1,971.9
D	.	7.0	.	63.4	61.1	131.6
A-1	115.3	.	.	5,183.1	.	5,298.4
A-2	.	.	166.5	11.8	.	178.3
A-3	19.6	.	.	.	.	19.6
NP	.	.	.	25.0	.	25.0
Equity	2,092.6	.	.	2,102.4	1,434.3	5,629.2
Unknown Rtg	196.1	159.9	.	1,453.4	4,844.0	6,653.4
Total Collateral	**2,942.7**	**567.0**	**2,661.2**	**23,336.4**	**13,955.8**	**43,463.0**
Total Borrowings	**2,750.0**	**500.0**	**2,500.0**	**19,696.0**	**13,000.0**	**38,446.0**
Collateral Cushion	**7.01%**	**13.40%**	**6.45%**	**18.48%**	**7.35%**	**13.05%**

[1] As of May 30, reported ratings reflect the lowest of the available investment grade ratings of each security.

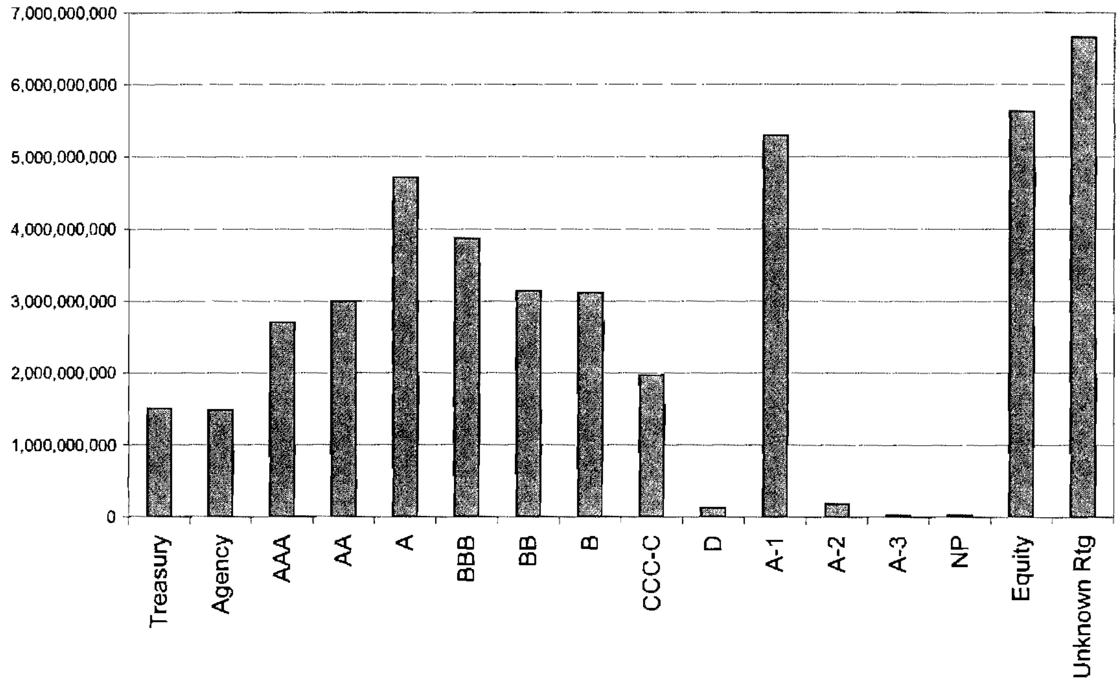
Collateral Value and Rating Distribution by Dealer



Distribution of Total Pledged Collateral by Asset Class



Distribution of Total Pledged Collateral by Rating



Collateral Composition across all PDCF Participating Dealers

Rating	Dollar Value	% Total
Treasury	1,512,366,867	3.48%
Agency	1,484,946,489	3.42%
AAA	2,712,670,082	6.24%
AA	2,997,832,695	6.90%
A	4,714,500,186	10.85%
BBB	3,873,881,111	8.91%
BB	3,143,540,944	7.23%
B	3,115,779,083	7.17%
CCC-C	1,971,935,817	4.54%
D	131,561,884	0.30%
A-1	5,298,402,341	12.19%
A-2	178,250,669	0.41%
A-3	19,649,971	0.05%
NP	25,000,000	0.06%
Equity	5,629,231,412	12.95%
Unknown Rtg	6,653,437,088	15.31%
Total	43,462,986,638	100.00%

Collateral Type	Dollar Value	% Total
ABS	5,214,351,575	12.00%
Auction Rate	783,548,188	1.80%
CDs-CP-BAs	5,575,047,312	12.83%
CMBS	31,298,427	0.07%
Convertible Bonds	10,389,335,662	23.90%
Corporates	7,393,492,861	17.01%
Equity	5,629,231,412	12.95%
MBS - Agency - Pass Through	1,484,946,489	3.42%
MBS - Private (CMO)	4,236,453,359	9.75%
Muni	879,920,145	2.02%
Other	331,448,179	0.76%
Supranational	1,546,162	0.00%
Treasury	1,512,366,867	3.48%
Total	43,462,986,638	100.00%

Collateral Composition by Dealer

Dealer	Collateral	Rating	Dollar Value	% Total
Citigroup	ABS	AA	138,571,415	4.71%
	CDs-CP-BAs	A-1	115,325,867	3.92%
		A-3	19,649,971	0.67%
	Corporates	A	141,933,971	4.82%
	Equity	Equity	2,092,586,852	71.11%
	Muni	AAA	30,890,491	1.05%
		AA	207,662,784	7.06%
		Unknown Rtg	196,060,038	6.66%
	Dealer Total		2,942,681,387	100.00%
Credit Suisse	ABS	BB	9,999,361	1.76%
		B	150,758,311	26.59%
		CCC-C	222,697,058	39.28%
		D	7,002,858	1.24%
		Unknown Rtg	93,046,831	16.41%
	MBS - Private (CMO)	B	16,612,838	2.93%
		Unknown Rtg	66,881,716	11.80%
	Dealer Total		566,998,973	100.00%
Goldman Sachs	CDs-CP-BAs	A-2	166,477,669	6.26%
	Corporates	BB	189,297,818	7.11%
		B	240,227,657	9.03%
		CCC-C	534,622,538	20.09%
	MBS - Agency - Pass Through	Agency	1,484,946,489	55.80%
	Muni	BBB	45,136,487	1.70%
		BB	447,312	0.02%
	Dealer Total		2,661,155,969	100.00%

Collateral Composition by Dealer (continued)

Dealer	Collateral	Rating	Dollar Value	% Total
Lehman Brothers	ABS	AAA	420,736,941	1.80%
		AA	195,894,360	0.84%
		A	1,041,677,404	4.46%
		BBB	495,810,331	2.12%
		BB	542,978,303	2.33%
		B	321,540,450	1.38%
		CCC-C	312,174,810	1.34%
		D	42,083,490	0.18%
		Unknown Rtg	108,616,293	0.47%
	Auction Rate	AAA	269,525,000	1.15%
		AA	299,909,322	1.29%
		A	60,072,873	0.26%
		BBB	84,323,440	0.36%
		B	7,920,000	0.03%
		CCC-C	936,004	0.00%
		Unknown Rtg	60,861,550	0.26%
	CDs-CP-BAs	A-1	5,183,076,474	22.21%
		A-2	11,773,000	0.05%
		NP	25,000,000	0.11%
		Unknown Rtg	53,744,331	0.23%
	Convertible Bonds	AAA	128,021	0.00%
		AA	46,825,343	0.20%
		A	49,671,291	0.21%
		BBB	259,191,686	1.11%
		BB	164,211,241	0.70%
		B	265,458,813	1.14%
		CCC-C	193,811,730	0.83%
		D	3,700,317	0.02%
		Unknown Rtg	253,801,060	1.09%
	Corporates	AAA	42,906,309	0.18%
		AA	1,204,057,328	5.16%
		A	1,988,165,885	8.52%
		BBB	1,769,979,608	7.58%
		BB	326,640,212	1.40%
		B	273,294,173	1.17%
		CCC-C	96,785,169	0.41%
		D	2,761,708	0.01%
		Unknown Rtg	361,083,639	1.55%
	Equity	Equity	2,102,387,562	9.01%
	MBS - Private (CMO)	AAA	817,373,231	3.50%
		AA	356,602,430	1.53%
		A	161,528,742	0.69%
		BBB	141,759,864	0.61%
		BB	178,914,811	0.77%
		B	127,446,261	0.55%
		CCC-C	38,786,907	0.17%
		D	14,896,247	0.06%
		Unknown Rtg	392,377,524	1.68%
	Muni	AAA	106,041,953	0.45%
		AA	59,106,805	0.25%
		A	233,874,277	1.00%
		B	700,000	0.00%
	Other	BBB	8,075,115	0.03%
		BB	14,354,143	0.06%
		B	4,162,439	0.02%
		Unknown Rtg	222,947,101	0.96%
	Supranational	AAA	1,546,162	0.01%
	Treasury	Treasury	1,512,366,867	6.48%
	Dealer Total		23,336,376,351	100.00%

Collateral Composition by Dealer (continued)

Dealer	Collateral	Rating	Dollar Value	% Total
Morgan Stanley	ABS	AAA	19,530,221	0.14%
		AA	158,497,791	1.14%
		A	203,058,804	1.46%
		BBB	447,284,516	3.21%
		BB	141,327,553	1.01%
		B	96,553,258	0.69%
		CCC-C	34,869,054	0.25%
		D	9,642,163	0.07%
	CMBS	BB	1,766,842	0.01%
		Unknown Rtg	29,531,585	0.21%
	Convertible Bonds	A	586,562,287	4.20%
		BBB	461,524,341	3.31%
		BB	1,305,652,193	9.36%
		B	1,435,876,456	10.29%
		CCC-C	532,161,885	3.81%
		D	16,375,625	0.12%
		Unknown Rtg	4,814,383,371	34.50%
	Corporates	BB	62,820,646	0.45%
		B	123,816,724	0.89%
		D	35,099,476	0.25%
	Equity	Equity	1,434,256,998	10.28%
	MBS - Private (CMO)	AAA	1,003,991,752	7.19%
		AA	248,897,787	1.78%
		A	247,954,651	1.78%
		BBB	160,795,724	1.15%
		BB	205,130,510	1.47%
		B	51,411,702	0.37%
		CCC-C	5,090,662	0.04%
	Other	AA	81,807,332	0.59%
		Unknown Rtg	102,049	0.00%
	Dealer Total		13,955,773,958	100.00%

Notes

1. The market value of the overnight PDCF collateral is the market value reported by the clearing banks.
2. As of May 30, the classification of securities has been slightly adjusted to more closely align securities with their descriptive category.