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Alan Grayson
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July 30, 2009

Ben Bernanke
Chairman
Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551

Dear Chairman Bernanke,

Thank you for your testimony to the Financial Services Committee on July 21, 2009. I have some follow-up questions regarding the half-a-trillion dollars of foreign currency swaps between the Federal Reserve and foreign central banks.

- 1) What part of Section 14 of the Federal Reserve Act is the legal authority under which the Federal Reserve engages in such foreign currency swaps?
- 2) Who bore the currency risk for these swap lines? What affect did the currency movements during these swaps have on each party?
- 3) In these swap line arrangements, did the Federal Reserve pay interest to foreign central banks or anyone else, and if so, how much and to whom?

Thank you for your prompt reply.

Sincerely,

A handwritten signature in blue ink that reads "Alan Grayson".

Congressman Alan Grayson