

## Key Elements of the U.S. Response

**Use of the Fed's lender-of-last-resort authorities** beyond the banking system, for investment banks and funding markets.

**An expansive use of guarantees** to prevent runs on money market funds and a broad array of financial institutions.

**An aggressive recapitalization of the financial system,** in two stages, backed by expanded FDIC guarantees.

**A powerful use of monetary and fiscal policy** to limit the severity of the recession and restore economic growth.

**A broad mix of housing policies** to prevent the failure of the GSEs, slow the fall of home values, lower mortgage rates, and aid in refinancings.

**An extension of dollar liquidity** to the global financial system, combined with international cooperation and Keynesian stimulus.