

FEDERAL RESERVE SYSTEM**Federal Open Market Committee;
Domestic Policy Directive of December
15 and 16, 2009**

In accordance with § 271.25 of its rules regarding availability of information (12 CFR part 271), there is set forth below the domestic policy directive issued by the Federal Open Market Committee at its meeting held on December 15 and 16, 2009.¹

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee seeks conditions in reserve markets consistent with federal funds trading in a range from 0 to ¼ percent. The Committee directs the Desk to purchase agency debt agency and agency MBS during the intermeeting period with the aim of providing support to private credit markets and economic activity. The timing and pace of these purchases should depend on conditions in the markets for such securities and on a broader assessment of private credit market conditions. The Desk is expected to execute purchases of about \$175 billion in housing-related agency debt and about \$1.25 trillion of agency MBS by the end of the first quarter of 2010. The Desk is expected to gradually slow the pace of these purchases as they near completion. The Committee anticipates that outright purchases of securities will cause the size of the Federal Reserve's balance sheet to expand significantly in coming months. The System Open Market Account Manager and the Secretary will keep the Committee informed of ongoing developments regarding the System's balance sheet that could affect the attainment over time of the Committee's objectives of maximum employment and price stability.

By order of the Federal Open Market Committee, January 7, 2010.

Brian F. Madigan,

Secretary, Federal Open Market Committee.

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¹ Copies of the Minutes of the Federal Open Market Committee at its meeting held on December 15 and 16, 2009, which includes the domestic policy directive issued at the meeting, are available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The minutes are published in the Federal Reserve Bulletin and in the Board's annual report.

FEDERAL RESERVE SYSTEM**Formations of, Acquisitions by, and
Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The applications also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at www.ffiec.gov/nic/.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 12, 2010.

A. Federal Reserve Bank of New York (Ivan Hurwitz, Bank Applications Officer) 33 Liberty Street, New York, New York 10045-0001:

1. *First Niagara Financial Group, Inc.*, Buffalo, New York; to become a bank holding company by acquiring 100 percent of the voting shares of Harleysville National Corporation, and thereby acquire The Harleysville National Bank and Trust Company, both of Harleysville, Pennsylvania.

In connection with this application, Applicant also has applied retain First Niagara Bank, Buffalo, New York, and First Niagara Commercial Bank, Lockport, New York, and thereby engage in operating a savings association, pursuant to section 225.28(b)(4); in extending credit and servicing loans, pursuant to section 225.28(b)(1); in leasing personal and real property,

pursuant to section 225.28(b)(3); and in the sale of credit related insurance, pursuant to section 225.28(b)(11), all of Regulation Y. Applicant also has applied to retain First Niagara Bank upon its conversion to a National Bank.

B. Federal Reserve Bank of Atlanta (Steve Foley, Vice President) 1000 Peachtree Street, N.E., Atlanta, Georgia 30309:

1. *State Bank Financial Corporation*, Atlanta, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of State Bank and Trust Company, Macon (Pinehurst), Georgia.

C. Federal Reserve Bank of Minneapolis (Jacqueline G. King, Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *Lake Central Financial, Inc.*, Annandale, Minnesota; to become a bank holding company by acquiring 100 percent of the voting shares of Annandale State Bank, Annandale, Minnesota.

Board of Governors of the Federal Reserve System, January 12, 2010.

Robert deV. Frierson,

Deputy Secretary of the Board.

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FEDERAL RESERVE SYSTEM**Notice of Proposals to Engage in
Permissible Nonbanking Activities or
to Acquire Companies that are
Engaged in Permissible Nonbanking
Activities**

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act. Additional information on all