The Federal Reserve System serves as the lender of last resort, a place where banks with good collateral can turn when they can't obtain credit elsewhere. Overnight reverse repurchase agreements are part of this role. Banks can participate in these agreements if they are members of the Federal Reserve System.

The Federal Open Market Committee (FOMC) includes 12 members from the Federal Reserve System, with five members from the Board of Governors and the remaining members from the 12 Federal Reserve Banks. The FOMC meets eight times a year, and all members vote on monetary policy decisions.

The Federal Reserve sets its policies to promote the following two conditions:

- Maximum employment, as reflected in the FOMC's Summary of Economic Projections
- A target inflation rate that over time averages 2%

The Federal Reserve's primary purpose is to maintain price stability, which is conducive to maximum employment. The Fed uses tools like the discount rate, reserve requirements, and open market operations to achieve these goals.