

Use of Federal Reserve Programs - 06/25/2020

By Pascal Uengersboeck

Original post [here](#).

Below we report on operational Fed programs, based on the Fed's weekly [H.4.1 release](#). Since last week, the Term Asset-Backed Securities Loan Facility has started operations; however, no funds have been extended so far. The ECB, BoE and BoJ further decreased their use of the swap lines established with the Fed in March.

Note on the Term Asset-Backed Securities Loan Facility and Treasury contributions

The Treasury announced on April 9 that it intended to use funds available under the CARES Act to purchase equity in special purpose vehicles established under Fed lending programs. On June 16, the Federal Reserve Bank of New York received the most recent contribution of \$10 billion to [TALF](#). In total, the Treasury has invested a total of \$114 billion in six facilities. Per the facility agreements, 85% of the equity contributions to the [CCF](#), [CPFF](#), [MLF](#), [MSF](#) and [TALF](#) have been invested in nonmarketable Treasury securities; \$31.9 billion for the CCF, \$8.5 billion for the CPFF, \$14.9 billion for the MLF, \$31.9 billion for the MSF, and \$8.5 billion for TALF.

For the MLF, MSF and TALF, the current balance largely reflects Treasury contributions, rather than facility-specific assets. For the MLF, Treasuries purchased with equity constitute \$14.9 billion out of \$16 billion total. The current balance for MSF and TALF exclusively reflect Treasury contributions. As of June 25, there are \$210 billion outstanding across 10 facilities (Figure 1); \$110 billion out of the total has been used to purchase targeted assets. Figure 1a below reports the outstanding amount of each facility, not including treasury contributions, from June 18 onwards.

Note on Federal Reserve Swap lines

Over the last two weeks, the Bank of Japan (BoJ), European Central Bank (ECB), and Bank of England (BoE) significantly reduced their use of the USD swap lines established with the Fed in March. The reduction is due to the expiration of a series of 84-day swaps those central banks entered in March and April. Auctions for these swaps were conducted weekly. As these contracts are reaching maturity, the total outstanding amount declined by over \$220 billion since its peak on May 27. As of June 25, the total amount still outstanding is \$228 billion. Over the course of the month, the BoE reduced its position from \$23 billion to \$695 million. The BoE was the Fed's third largest counterparty since the lines had been extended; it is now the smallest among the ten central banks that used their lines. The ECB remains the second largest counterparty

with \$30 billion outstanding. At \$155 billion outstanding, the BoJ's share represents 68 percent of the total.

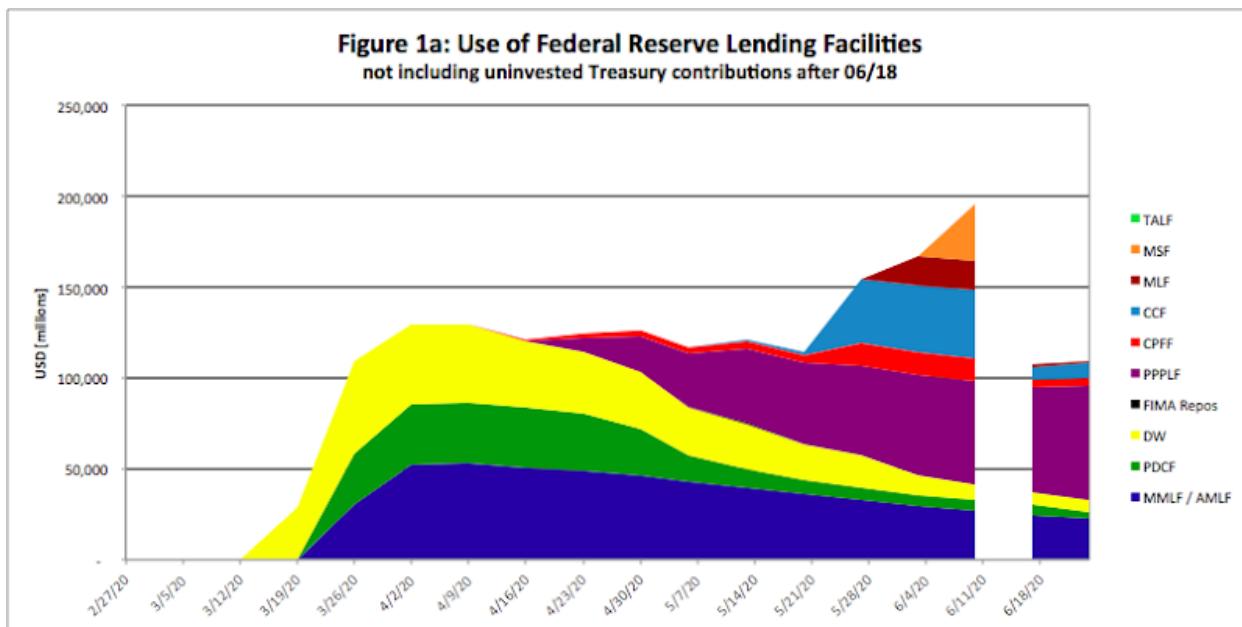
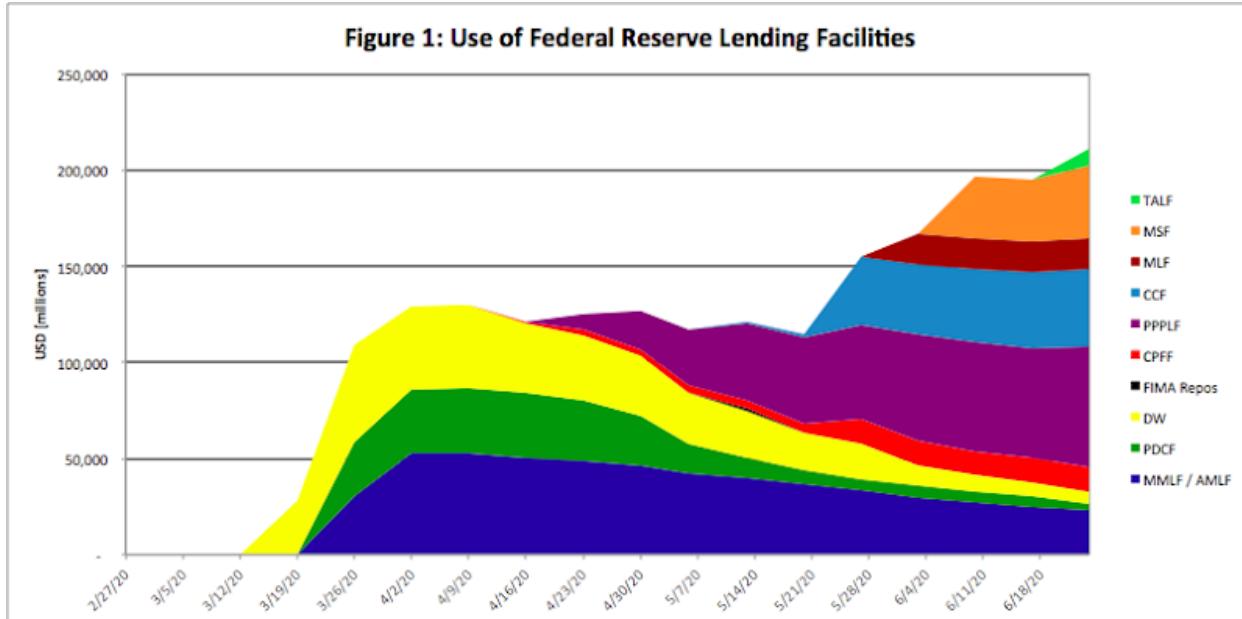
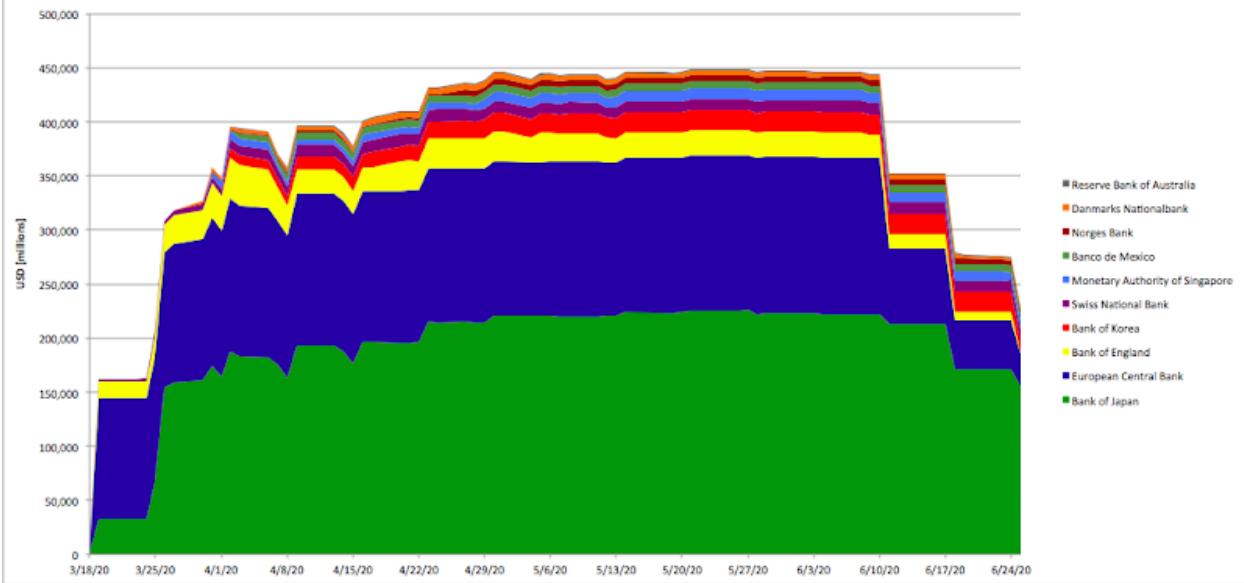


Figure 2: Use of USD Liquidity Swap Line



CB Swaps			AMLF / MMLF				PDCF		
GFC	COVID	GFC	COVID	GFC	COVID	GFC	COVID	GFC	COVID
3/17/08	62,000	3/11/20	58	10/8/08	139,481	3/11/20	-	3/5/08	-
3/24/08	141,900	3/18/20	44	10/15/08	122,763	3/18/20	-	3/12/08	-
10/1/08	286,432	3/25/20	206,051	10/12/08	107,895	3/25/20	30,634	3/19/08	28,800
10/8/08	335,184	4/1/20	348,544	10/20/08	96,010	4/1/20	52,667	3/26/08	37,023
10/15/08	406,882	4/8/20	358,077	11/5/08	85,097	4/8/20	53,171	4/2/08	34,443
10/22/08	477,159	4/15/20	378,291	11/12/08	76,546	4/15/20	50,656	4/9/08	26,479
10/29/08	498,860	4/22/20	409,712	11/19/08	61,923	4/22/20	48,810	4/16/08	25,655
11/5/08	528,355	4/29/20	438,953	11/26/08	53,309	4/29/20	45,277	4/23/08	18,555
11/12/08	569,716	5/6/20	444,885	12/3/08	49,234	5/6/20	42,763	4/30/08	17,775
11/19/08	562,090	5/13/20	440,934	12/10/08	34,425	5/13/20	39,820	5/7/08	16,260
11/26/08	475,435	5/20/20	446,108	12/17/08	27,421	5/20/20	36,449	5/14/08	14,485
12/3/08	506,819	5/27/20	448,946	12/28/08	23,993	5/27/20	33,241	5/21/08	13,559
12/10/08	582,575	6/3/20	446,945	1/7/09	23,765	6/3/20	29,859	5/28/08	10,125
12/17/08	583,135	6/11/20	352,597	1/14/09	16,093	6/10/20	26,977	6/4/08	7,750
12/24/08	552,728	6/18/20	279,497	1/21/09	14,775	6/17/20	24,680	6/11/08	8,520
12/31/08	553,728	6/25/20	228,669	1/28/09	15,967	6/24/20	22,889	6/18/08	8,145
								6/24/20	3,624

DW			PPPLF			CPFF		
GFC	COVID	GFC	COVID	GFC	COVID	GFC	COVID	GFC
3/10/08	23,455	3/11/20	11		3/11/20	-	10/15/08	-
3/17/08	33,401	3/18/20	28,224		3/18/20	-	10/21/08	-
3/24/08	39,827	3/25/20	50,768		3/25/20	-	10/29/08	144,808
10/1/08	49,524	4/1/20	43,744		4/1/20	-	11/5/08	243,905
10/8/08	98,107	4/8/20	43,449		4/8/20	-	11/12/08	257,287
10/15/08	101,853	4/15/20	36,284		4/15/20	-	11/19/08	270,879
10/22/08	107,547	4/22/20	33,742		4/22/20	8,809	11/26/08	294,094
10/29/08	110,737	4/29/20	31,759		4/29/20	19,488	12/3/08	303,880
11/5/08	108,567	5/6/20	26,494		5/6/20	19,181	12/10/08	312,414
11/12/08	99,180	5/13/20	24,239		5/13/20	40,580	12/17/08	318,843
11/19/08	92,645	5/20/20	19,535		5/20/20	49,090	12/24/08	331,686
11/26/08	91,225	5/27/20	18,198		5/27/20	49,211	1/1/09	334,102
12/3/08	87,813	6/3/20	11,011		6/3/20	55,230	1/7/09	334,409
12/10/08	89,952	6/10/20	8,427		6/10/20	56,983	1/14/09	334,705
12/17/08	90,237	6/17/20	7,479		6/17/20	57,552	1/21/09	350,524
12/24/08	84,898	6/24/20	6,237		6/24/20	62,597	1/28/09	246,091
							6/24/20	12,798

CCF		FIMA Repos			MLF			
GFC	COVID	GFC	COVID	GFC	COVID	GFC	COVID	
			3/11/20	-	3/11/20	-	3/11/20	-
			3/18/20	-	3/18/20	-	3/18/20	-
			3/25/20	-	3/25/20	-	3/25/20	-
			4/1/20	-	4/1/20	-	4/1/20	-
			4/8/20	-	4/8/20	1	4/8/20	-
			4/15/20	-	4/15/20	-	4/15/20	-
			4/22/20	-	4/22/20	-	4/22/20	-
			4/29/20	-	4/29/20	2	4/29/20	-
			5/6/20	-	5/6/20	-	5/6/20	-
			5/13/20	306	5/13/20	1,404	5/13/20	-
			5/20/20	1,801	5/20/20	1	5/20/20	-
			5/27/20	34,853	5/27/20	1	5/27/20	-
			6/3/20	36,154	6/3/20	-	6/3/20	16,075
			6/10/20	37,374	6/10/20	-	6/10/20	16,077
			6/17/20	38,916	6/17/20	-	6/17/20	16,079
			6/24/20	40,617	6/24/20	1	6/24/20	16,080

MSF		TALF			
GFC	COVID	GFC	COVID	GFC	
		3/11/20	-	3/11/20	-
		3/18/20	-	3/18/20	-
		3/25/20	-	3/25/20	-
		4/1/20	-	4/1/20	-
		4/8/20	-	4/8/20	-
		4/15/20	-	4/15/20	-
		4/22/20	-	4/22/20	-
		4/29/20	-	4/29/20	-
		5/6/20	-	5/6/20	-
		5/13/20	-	5/13/20	-
		5/20/20	-	5/20/20	-
		5/27/20	-	5/27/20	-
		6/3/20	-	6/3/20	-
		6/10/20	31,875	6/10/20	-
		6/17/20	31,876	6/17/20	4,711
		6/24/20	37,502	6/24/20	4,692
				6/24/20	8,500

Liquidity Swap Lines

The USD [swap lines](#) are bilateral agreements between the Fed and foreign central banks. They allow foreign central banks to exchange domestic currency for US dollars. The Fed currently maintains swap line agreements with 14 central banks.

Money Market Mutual Fund Liquidity Facility

The [MMLF](#) allows the Fed to fund the purchase of money market mutual fund assets. The program is established under section 13(3) of the Federal Reserve Act.

Discount Window

The [DW](#) is a standing facility that allows the Fed to provide collateralized loans to depository institutions.

Primary Dealer Credit Facility

The [PDCF](#) allows the Fed to extend collateralized loans to primary dealers. The facility was established under section 13(3).

Paycheck Protection Program Liquidity Facility

The [PPPLF](#) allows the Fed to provide financial institutions with liquidity backed by loans to small and medium businesses extended under the federal government's Paycheck Protection Program and guaranteed by the Small Business Administration. The Program is established under section 13(3).

Commercial Paper Funding Facility

The [CPFF](#) provides a liquidity backstop to issuers of commercial paper and was also established under section 13(3). It is operated by the FRBNY through a special purpose vehicle, the Commercial Paper Funding Facility II LLC.

Primary and Secondary Market Corporate Credit Facility

The [PMCCF](#) and [SMCCF](#) were set up under section 13(3) to support credit to employers through purchases of newly issued bonds and support market liquidity for outstanding corporate bonds. These facilities operate through a special purpose vehicle, the Corporate Credit Facility LLC (CCF LLC).