

## Use of Federal Reserve Programs - 07/16/2020

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Original post [here](#).

***Below we report on operational Fed programs, based on the Fed's weekly [H.4.1 release](#). Since last week, the Main Street Lending Program has started operations. As of Wednesday, the program holds \$12 million in purchased assets. The BoJ and ECB further decreased their use of the swap lines.***

### Note on Treasury Contributions to Federal Reserve Programs

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 \$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, \$37.5 billion for the MSF, and \$8.5 billion for TALF.

As of July 15, there is \$210.5 billion outstanding across 10 facilities (Figure 1); \$109.1 billion out of the total has been used to purchase targeted assets. The total amount outstanding is slightly down from last week, when it stood at \$211.1 billion - \$109.7 billion excluding Treasury contributions. Figure 1a below reports the outstanding amount of each facility, not including Treasury contributions that are invested in securities, from June 18 onwards.

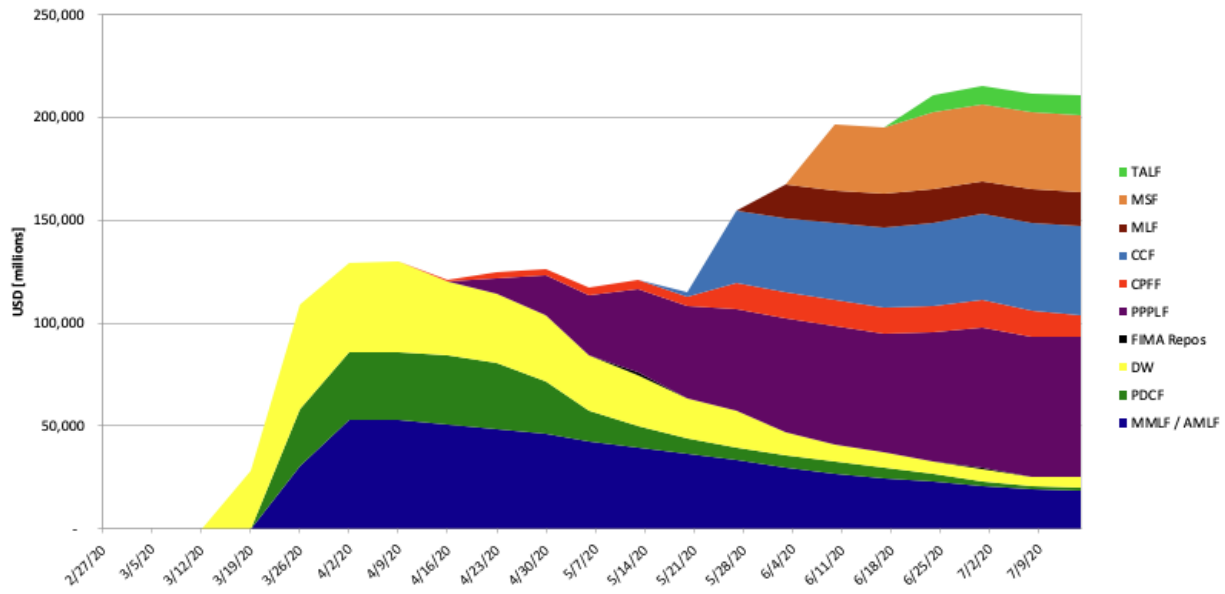
### Note on Federal Reserve Swap Lines

Over the last month, central banks reduced their use of the USD swap lines. The reduction is partially due to the expiration of 84-day swaps entered during the early weeks of the crisis. Auctions for these swaps were conducted weekly. As these contracts are reaching maturity, the total outstanding amount declined to 29 percent of its peak on May 27. As of July 15, the total amount still outstanding is \$128 billion, down from \$153 billion last week. The BoJ reduced its outstanding amount by \$24 billion. At \$90 billion outstanding, the BoJ's share represents 70 percent of the total. The ECB stands at \$16 billion; together the two largest counterparties hold 83 percent.

### Note on Main Street Lending Programs

On July 15, 2020, the Main Street Lending Program began purchasing loans. The facility holds \$12 million in purchased assets.

**Figure 1: Use of Federal Reserve Lending Facilities**



**Figure 1a: Use of Federal Reserve Lending Facilities not including uninvested Treasury contributions after 06/18**

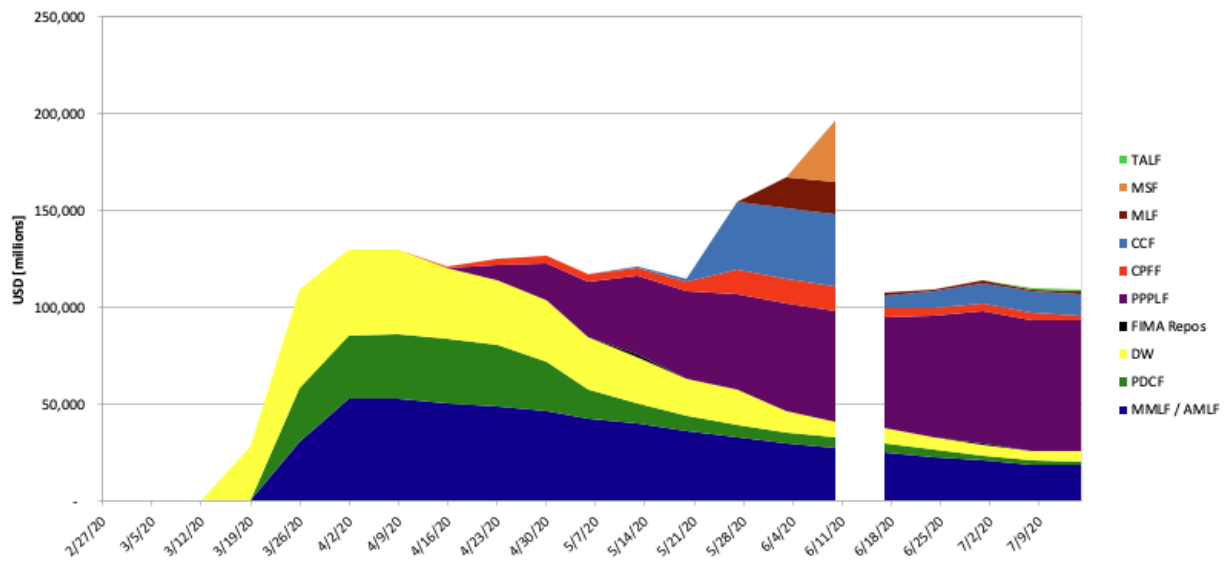
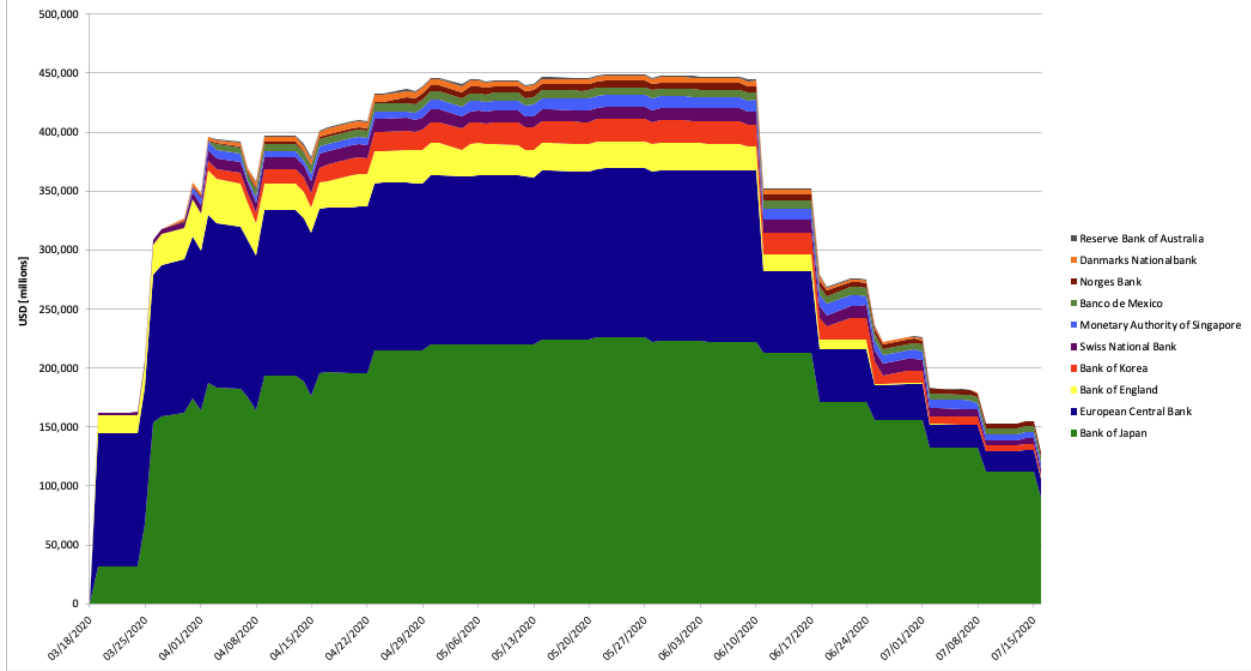


Figure 2: Use of USD Liquidity Swap Line



CB Swaps			AMLF / MMLF			PDCF					
GFC	COVID		GFC	COVID		GFC	COVID				
9/17/08	62,000	3/11/20	58	10/8/08	139,481	3/11/20	-	3/5/08	-	3/11/20	-
9/24/08	62,000	3/18/20	44	10/15/08	122,763	3/18/20	-	3/12/08	-	3/18/20	-
10/1/08	141,900	3/25/20	206,051	10/22/08	107,895	3/25/20	30,634	3/19/08	28,800	3/25/20	27,718
10/8/08	286,432	4/1/20	348,544	10/29/08	96,010	4/1/20	52,667	3/26/08	37,023	4/1/20	33,050
10/15/08	335,184	4/8/20	358,077	11/5/08	85,097	4/8/20	53,171	4/2/08	34,443	4/8/20	33,018
10/22/08	406,882	4/15/20	378,291	11/12/08	76,546	4/15/20	50,656	4/9/08	26,479	4/15/20	33,409
10/29/08	477,159	4/22/20	409,712	11/19/08	61,923	4/22/20	48,810	4/16/08	25,655	4/22/20	31,526
11/5/08	498,860	4/29/20	438,953	11/26/08	53,309	4/29/20	46,277	4/23/08	18,555	4/29/20	25,504
11/12/08	528,355	5/6/20	444,885	12/3/08	49,234	5/6/20	42,763	4/30/08	17,775	5/6/20	14,903
11/19/08	569,716	5/13/20	440,934	12/10/08	34,425	5/13/20	39,820	5/7/08	16,260	5/13/20	10,288
11/26/08	562,090	5/20/20	446,103	12/17/08	27,421	5/20/20	36,449	5/14/08	14,485	5/20/20	7,501
12/3/08	475,435	5/27/20	448,946	12/28/08	23,993	5/27/20	33,244	5/21/08	13,555	5/27/20	6,241
12/10/08	506,819	6/3/20	446,945	1/7/09	23,765	6/3/20	29,859	5/28/08	10,125	6/3/20	5,847
12/17/08	582,575	6/11/20	352,597	1/14/09	16,093	6/10/20	26,977	6/4/08	7,750	6/10/20	5,829
12/24/08	583,135	6/18/20	279,497	1/21/09	14,775	6/17/20	24,680	6/11/08	8,520	6/17/20	5,306
12/31/08	552,728	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
1/7/09	553,728	7/2/20	182,858	2/4/09	16,933	7/1/20	20,637	6/25/08	1,690	7/1/20	2,486
1/14/09	538,162	7/9/20	153,041	2/11/09	14,185	7/8/20	18,927	7/2/08	-	7/8/20	1,874
1/21/09	510,514	7/16/20	128,497	2/18/09	12,722	7/15/20	18,635	7/9/08	-	7/15/20	1,699

DW		PPPLF		CPFF			
GFC	COVID	GFC	COVID	GFC	COVID		
9/10/08	23,455	3/11/20	11	3/11/20	-	3/11/20	-
9/17/08	33,401	3/18/20	28,224	3/18/20	-	3/18/20	-
9/24/08	39,327	3/25/20	50,768	3/25/20	-	3/25/20	-
10/1/08	49,524	4/1/20	43,744	4/1/20	-	4/1/20	-
10/8/08	98,107	4/8/20	43,449	4/8/20	-	4/8/20	-
10/15/08	101,853	4/15/20	36,284	4/15/20	-	4/15/20	974
10/22/08	107,547	4/22/20	33,742	4/22/20	8,009	4/22/20	2,732
10/29/08	110,737	4/29/20	31,759	4/29/20	19,488	4/29/20	3,372
11/5/08	108,567	5/6/20	26,494	5/6/20	29,181	5/6/20	3,988
11/12/08	99,180	5/13/20	24,239	5/13/20	40,580	5/13/20	4,292
11/19/08	92,645	5/20/20	19,535	5/20/20	45,090	5/20/20	4,293
11/27/08	91,725	5/27/20	18,198	5/27/20	49,211	5/27/20	12,794
12/3/08	87,813	6/3/20	11,011	6/3/20	55,230	6/3/20	12,795
12/10/08	89,952	6/10/20	8,427	6/10/20	56,983	6/10/20	12,796
12/17/08	90,237	6/17/20	7,479	6/17/20	57,552	6/17/20	12,797
12/28/08	84,898	6/24/20	6,237	6/24/20	62,597	6/24/20	12,798
1/1/09	93,769	7/1/20	5,860	7/1/20	68,133	7/1/20	12,799
12/17/08	90,237	7/8/20	4,846	7/8/20	67,685	7/8/20	12,802
12/24/08	84,898	7/15/20	5,058	7/15/20	67,989	7/15/20	10,659

CCF		FIMA Repos		MLF		
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	305	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
	7/1/20	41,940	7/1/20	1,001	7/1/20	16,081
	7/8/20	42,644	7/8/20	-	7/8/20	16,082
	7/15/20	43,423	7/15/20	2	7/15/20	16,084

MSF		TALF		
GFC	COVID	GFC	COVID	
	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	-
	6/24/20	37,502	6/24/20	8,500
	7/1/20	37,502	7/1/20	8,753
	7/8/20	37,503	7/8/20	8,753
	7/15/20	37,515	7/15/20	9,439

## 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. The Fed reported that the U.S. Treasury, to date, has provided credit protection of \$1.5 billion to the Money Market Mutual Fund Liquidity Facility.

## 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-sized businesses extended under the federal government's Paycheck Protection Program and guaranteed by the Small Business Administration. The Program was 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 (CPFF LLC). The Treasury has made an equity investment of \$10 billion in CPFF LLC.

## Primary and Secondary Market Corporate Credit Facilities

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 Facilities LLC (CCF LLC). The Treasury has made an equity investment of \$37.5 billion in CCF LLC.

## Municipal Liquidity Facility

The [MLF](#) provides liquidity to states, counties and cities. The facility was set up to purchase up to \$500 billion of short-term notes and was established under section 13(3). The Treasury has made an equity investment of \$17.5 billion in MLF LLC.

#### Main Street Lending Programs

The [MSF](#) is established under section 13(3) to provide loans to SMEs. The program operates through three facilities: the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF). The loans are extended through a special purpose vehicle, the Main Street Facilities LLC (MSF LLC), established by the Federal Reserve Bank of Boston. The Treasury has made an equity investment of \$37.5 billion in MSF LLC.

#### Term Asset-Backed Securities Loan Facility

The [TALF](#) is established under section 13(3) to provide liquidity guaranteed by asset-backed securities (ABS). Under the facility, the Federal Reserve lends to holders of certain AAA-rated ABS. The facility operates through a special purpose vehicle to extend its loans, the Term Asset-Backed Securities Loan Facility II LLC (TALF II LLC). The Treasury has made an equity investment of \$10 billion in TALF II LLC.