

October 22

By Junko Oguri

Original post [here](#).

***The use of lending facilities has declined to \$97.4 billion. The use of swaps also continued to decline, and is now at 7% of the peak amount.***

As of October 22, the Fed's liquidity programs had \$94.7 billion in outstanding loans. The total outstanding has not changed much compared to \$97.4 billion, the outstanding amount at September, the last time we reported the usage (see the post [here](#)).

Figure 1 below shows the outstanding amount of each facility, not including Treasury contributions that are invested in securities rather than loans to market participants.

*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.

In total, the Treasury has invested \$114 billion in six facilities, as of September 23, which is unchanged since the August report. 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, \$14.9 billion for the MSF, and \$8.5 billion for TALF.

*Note on the Commercial Paper Funding Facility (CPFF) and Secondary Market Corporate Credit Facility (SMCCF)*

On October [19](#) and [23](#), the Federal Reserve Bank of New York (NY Fed) announced additional counterparties for CPFF and SMCCF, in addition to the agency commercial mortgage-backed securities (agency CMBS) purchases. This follows [the statement](#) in July, which announced an initiative to expand the set of counterparties for CPFF, SMCCF, and the TALF. The NY Fed explained that the newly added firms represent a diverse range of market participants, including Minority, Women, and Veteran Business Enterprises (MWVBES).

The additional commercial paper dealers for the CPFF are:

- Academy Securities, Inc. (announced on October 19)
- CastleOak Securities, L.P. (announced on October 19)
- MUFG Securities Americas Inc. (announced on October 23)

The additional eligible sellers for the SMCCF are:

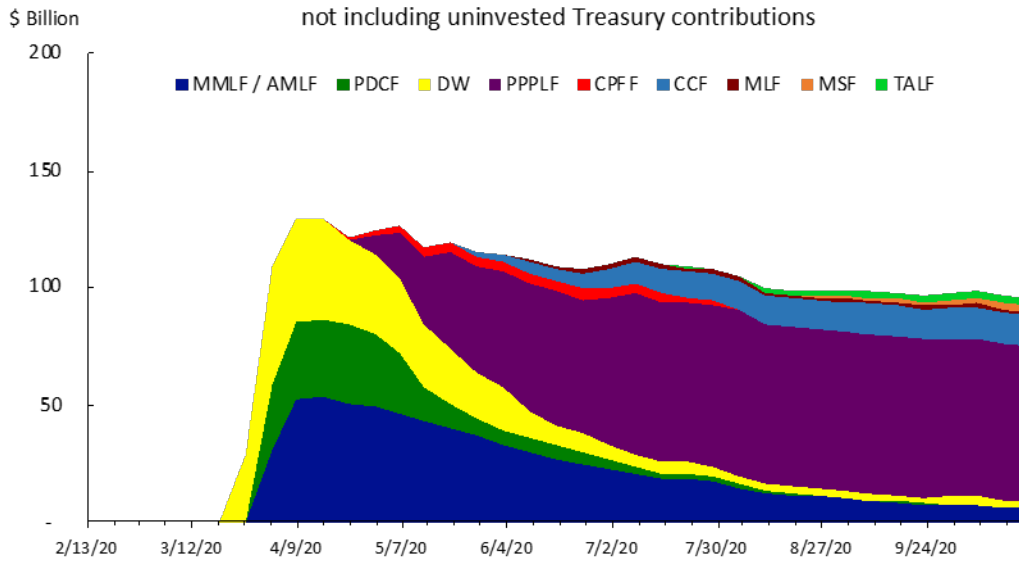
- FHN Financial Securities Corp.

- Flow Traders U.S. Institutional Trading LLC
- Guzman & Company
- Imperial Capital, LLC
- Mischler Financial Group, Inc.
- MUFG Securities Americas Inc.
- Samuel A. Ramirez & Co., Inc.  
(all firms announced on October 23)

*Note on Federal Reserve Swap Lines*

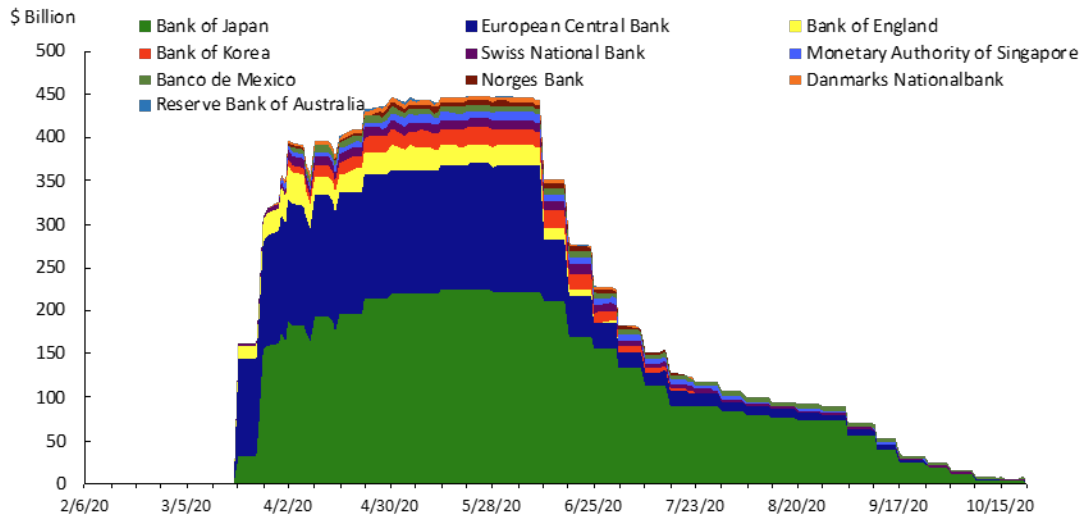
Over the past month, central banks continued to reduce their use of the Fed's USD swap lines. The reduction is partially due to the expiration of 84-day swaps entered during the early weeks of the crisis. Auctions for these swaps were conducted weekly. As these contracts are reaching maturity, the total outstanding amount declined. As of October 21, the total amount still outstanding is \$6,799 million. Compared to the peak on May 27, this is a 98% drop, reflecting the low demand of the swap lines these days.

**Figure 1: Use of Federal Reserve Lending Facilities**  
not including uninvested Treasury contributions



Note: Includes author's estimate for data prior to June 18, 2020.  
Source: H.4.1. weekly release, FRBNY, Federal Reserve Board

**Figure 2: Use of USD Liquidity Swap Line**



Note: Data available after March 2, 2020.  
Source: H.4.1. weekly release, FRBNY, Federal Reserve Board

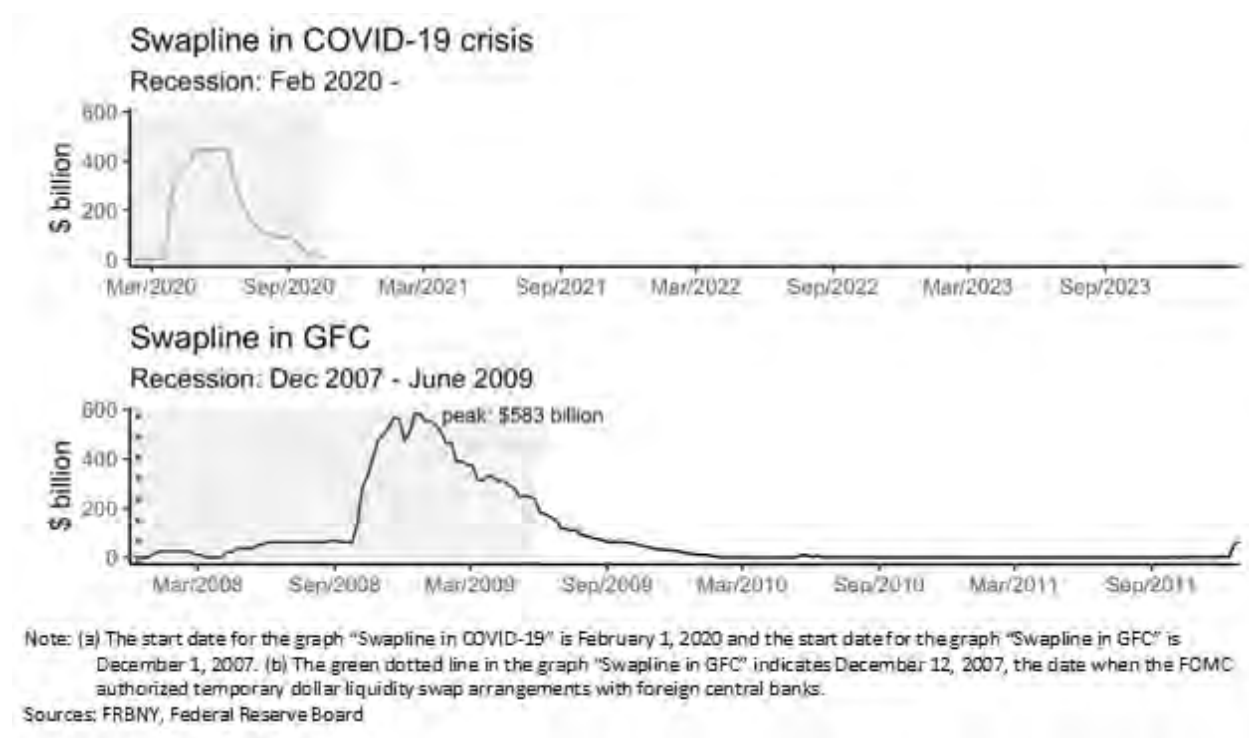
For further details on the use of Federal Reserve Programs, please refer to [the Fed's monthly report to Congress](#).

The following figures show the usage of Fed programs during the COVID-19 crisis. They also show data for similar programs during the Global Financial Crisis of 2007-09 (GFC), where applicable. The graphs also indicate how soon each program was launched relative to the start date of recessions (February 1, 2020, for COVID, and December 1, 2007 for GFC). The actual take-up of these facilities has been relatively low compared to the take-up of similar facilities during the GFC.

For a more detailed comparison of Fed programs during the GFC and the COVID-19, see our [Key Program Summaries](#).

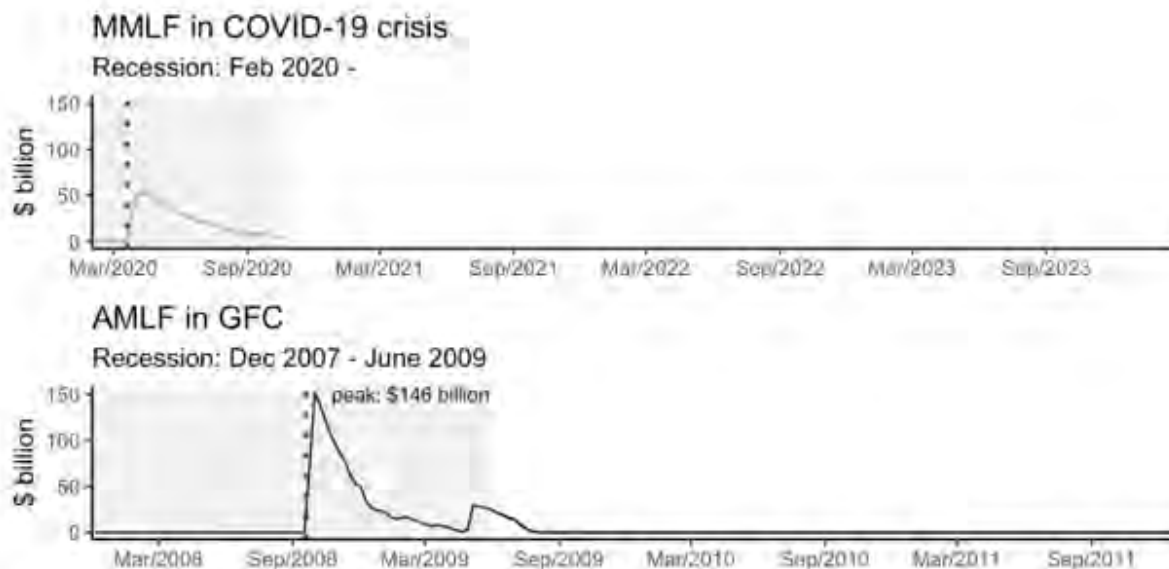
### *Liquidity Swap Lines*

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. The facility had \$5,740 million in outstanding loans on October 21. It is similar to the Asset-Backed Commercial Paper Liquidity Money Market Mutual Fund Liquidity Facility (AMLF) that the Fed launched during the GFC. The AMLF funded the purchase of ABCP from MMFs. In comparison, the MMLF is authorized to purchase a broader range of collateral.

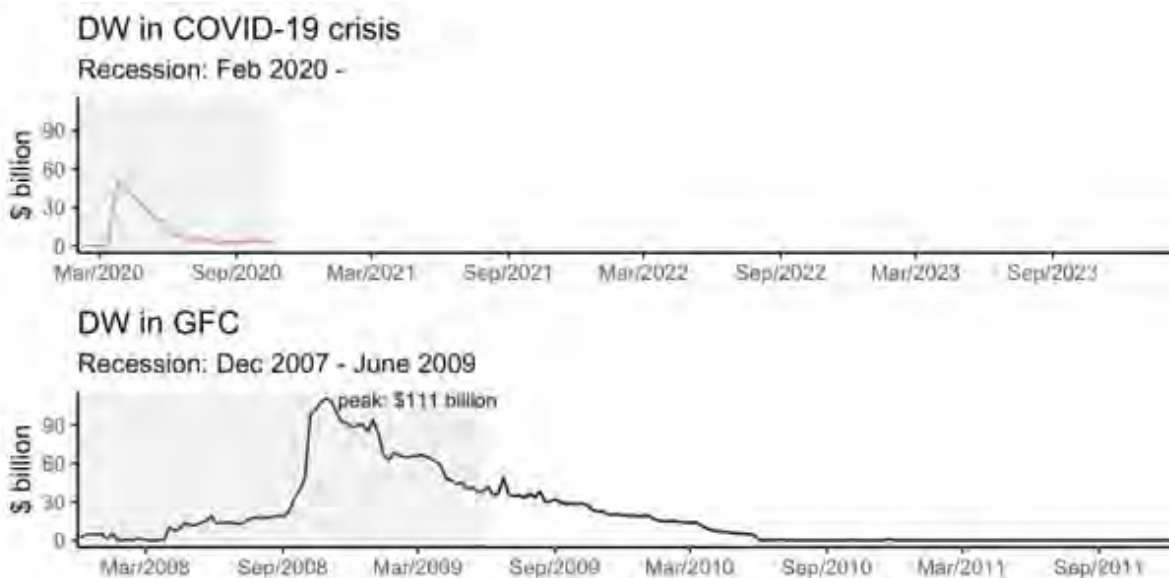


Note: (a) The start date for the graph "MMLF in COVID-19 crisis" is February 1, 2020 and the start date for the graph "AMLF in GFC" is December 1, 2007. (b) The green dotted line in the graph "MMLF in COVID-19 crisis" indicates March 23, 2020, the launch date of the program. (c) The green dotted line in the graph "AMLF in GFC" indicates September 19, 2008, the announcement date of the program. (d) Includes author's estimate for MMLF data prior to June 18, 2020.

Sources: FRBNY, Federal Reserve Board

### Discount Window

The [DW](#) is a standing facility that allows the Fed to provide collateralized loans to depository institutions. It had \$3,146 million in outstanding loans on October 21.

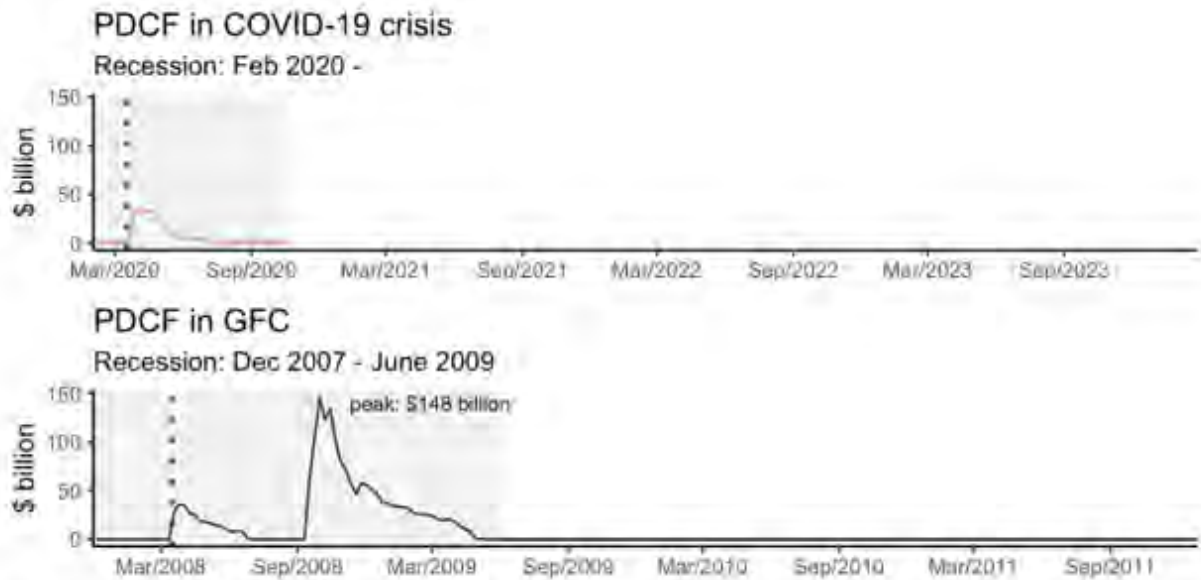


Note: (a) The start date for the graph "DW in COVID-19 crisis" is February 1, 2020 and the start date for the graph "DW in GFC" is December 1, 2007.

Sources: FRBNY, Federal Reserve Board

### Primary Dealer Credit Facility

The [PDCF](#) allows the Fed to extend collateralized loans to primary dealers. The facility was established under section 13(3). The facility had \$193 million in outstanding loans on October 21.



Note: (a) The start date for the graph "PDCF in COVID-19 crisis" is February 1, 2020 and the start date for the graph "PDCF in GFC" is December 1, 2007. (b) The green dotted line in the graph "PDCF in COVID-19 crisis" indicates March 20, 2020, the launch date of the program. (c) The green dotted line in the graph "PDCF in GFC" indicates March 16, 2008, the announcement date of the program.  
Sources: FRBNY, Federal Reserve Board

### *Paycheck Protection Program Liquidity Facility*

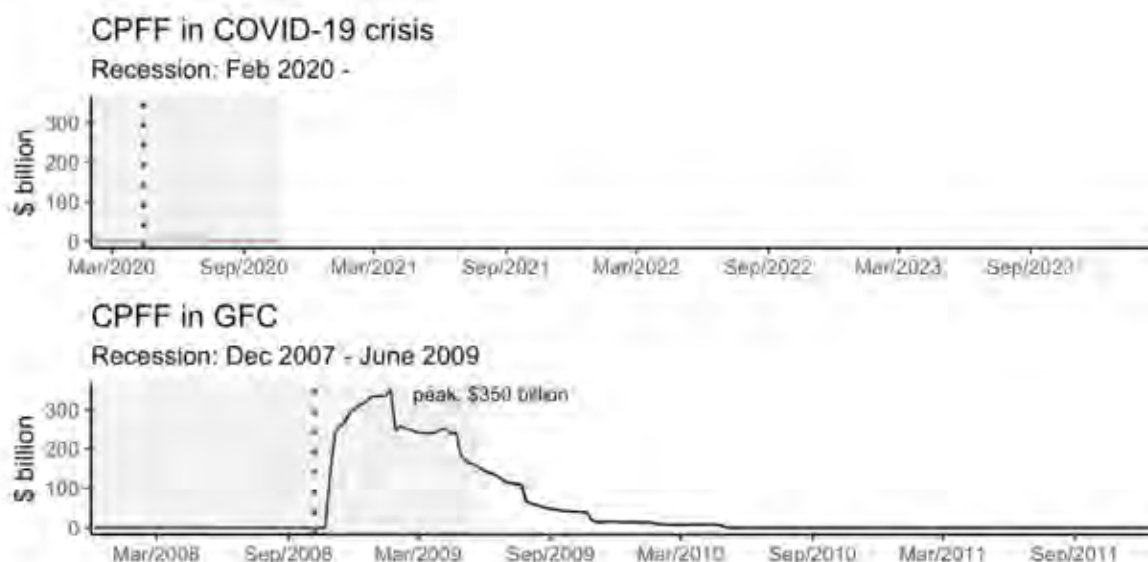
The [PPPLF](#) allows the Fed to provide financial institutions with liquidity backed by loans to small and medium-sized businesses extended under the federal government's Paycheck Protection Program and guaranteed by the Small Business Administration. The Program was established under section 13(3). The facility had \$64.1 billion in outstanding loans on October 21.



Note: (a) The start date for the graph is February 1, 2020. (b) The green dotted line in the graph indicates April 16, 2020, the launch date of the program.  
Sources: FRBNY, Federal Reserve Board

### *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. The facility had no outstanding loans on October 21.

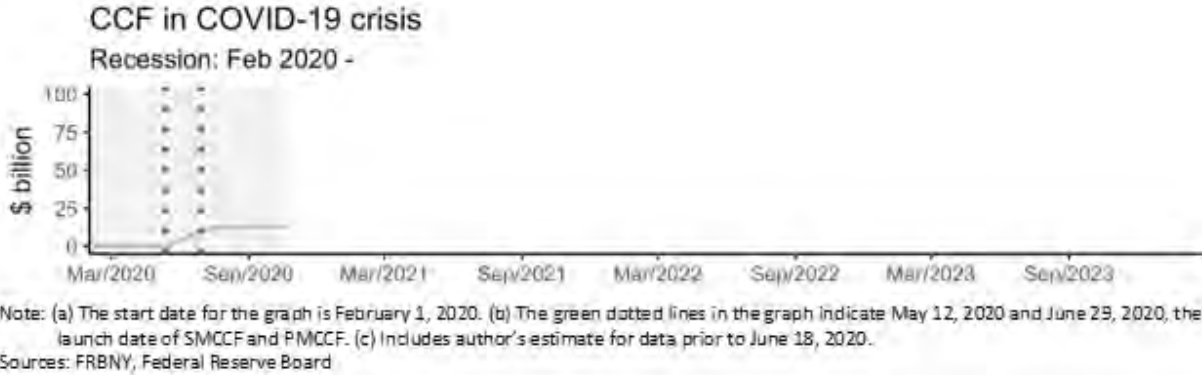


Note: (a) The start date for the graph "CPFF in COVID-19 crisis" is February 1, 2020 and the start date for the graph "CPFF in GFC" is December 1, 2007. (b) The green dotted line in the graph "CPFF in COVID-19 crisis" indicates April 14, 2020, the launch date of the program. (c) The green dotted line in the graph "CPFF in GFC" indicates October 27, 2008, the date commercial paper purchases began. (d) "CPFF in COVID-19 crisis" includes author's estimate for data prior to June 18, 2020.

Sources: FRBNY, Federal Reserve Board

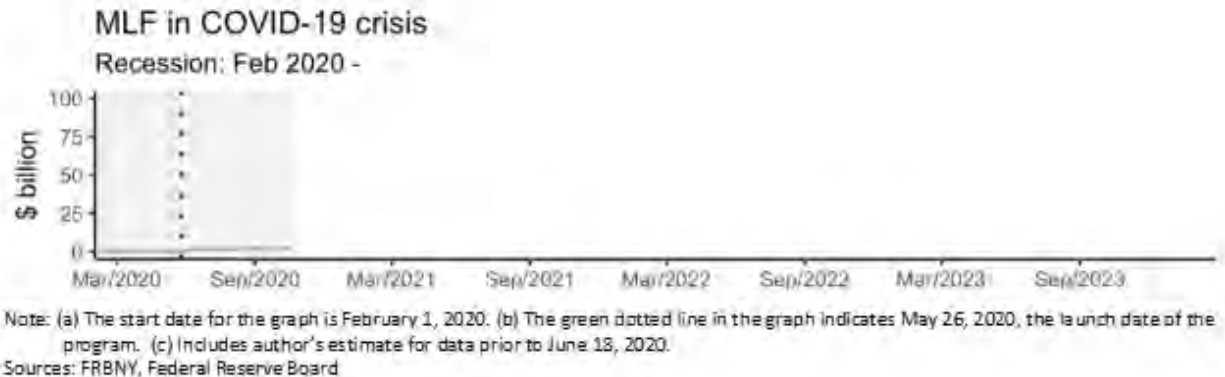
### *Primary and Secondary Market Corporate Credit Facilities*

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. The SMCCF had \$13.3 billion in outstanding loans on October 21. The PMCCF has not extended any loans to date.



### *Municipal Liquidity Facility*

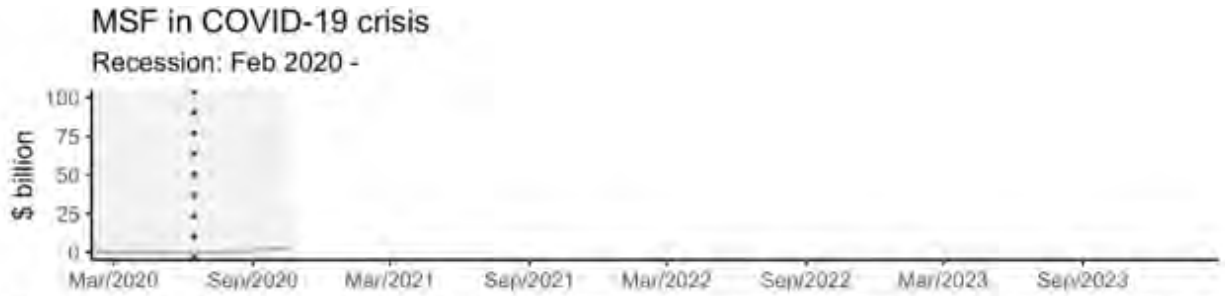
The [MLF](#) provides liquidity to states, counties and cities. The facility was set up to purchase up to \$500 billion of short-term notes and was established under section 13(3). The Treasury has made an equity investment of \$17.5 billion in MLF LLC. The facility had \$1,651 million in outstanding loans on October 21.



### *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. The facility had \$3,358 million in outstanding loans on October 21.

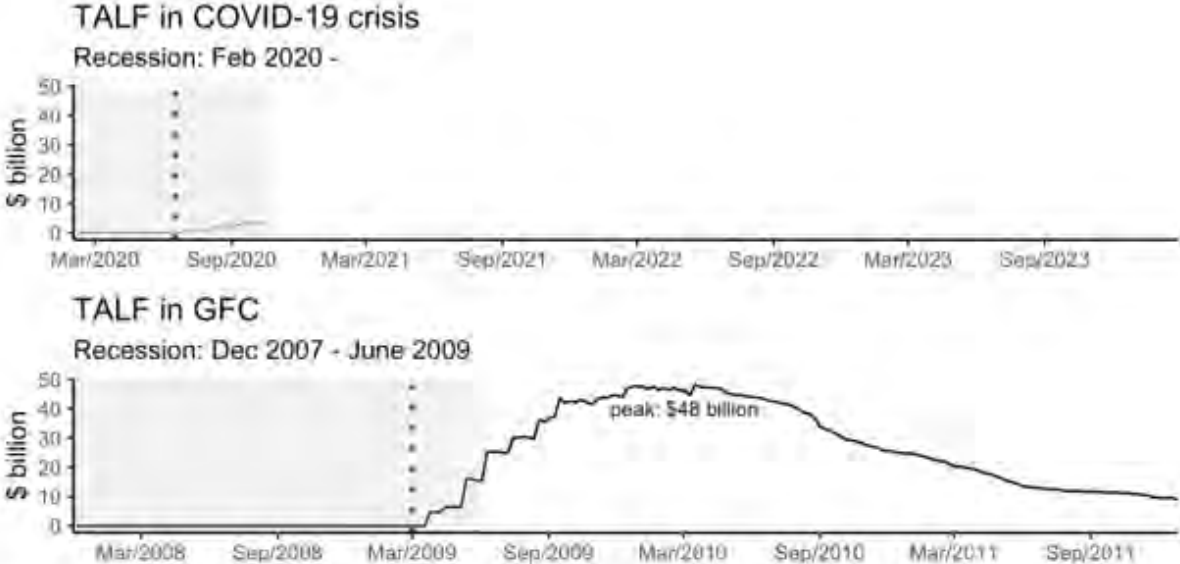




Note: (a) The start date for the graph is February 1, 2020. (b) The green dotted line in the graph indicates June 15, 2020, the launch date of the program. (c) Includes author's estimate for data prior to June 18, 2020.  
Sources: FRBNY, Federal Reserve Board

*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. The facility had \$3,159 million in outstanding loans on October 21.



Note: (a) The start date for the graph "TALF in COVID-19 crisis" is February 1, 2020 and the start date for the graph "TALF in GFC" is December 1, 2007. (b) The green dotted line in the graph "TALF in COVID-19 crisis" indicates June 17, 2020, the launch date of the program. (c) The green dotted line in the graph "TALF in GFC" indicates March 1, 2008, the date lending operation began. (d) "TALF in COVID-19 crisis" includes author's estimate for data prior to June 18, 2020.  
Sources: FRBNY, Federal Reserve Board

**Summary Table from our [Key Program Summaries](#)**

Updated on May 20, 2020		GFC		COVID-19		
Who	Program	Initial Announcement Size (billions)	Peak Size (billions)	Program	Initial Announcement Size (billions)	Peak Size (billions)
Financial Institutions	Discount Window (DW) *Not 13(3)	No limit	\$111	Discount Window (DW) *Not 13(3)	No limit	\$51
	Primary Dealer Credit Facility (PDCF)	No limit	\$147	Primary Dealer Credit Facility (PDCF)	No limit	\$33
	Term Auction Facility (TAF) *Not 13(3)	\$40 *Size for only first two auctions announced	\$493			
	Term Securities Lending Facility (TSLF)	\$200	\$238			
	Single-Tranche Term Repo Agreement (STTR)	\$100	\$80			
<b>Total</b>		\$240 *Two facilities with no stated limit, one facility with unspecified future auction sizes	\$1,067		No stated limit	\$84
Businesses	Commercial Paper Funding Facility (CPFF)	No limit *Market size \$1.6 trillion at announcement	\$348	Commercial Paper Funding Facility (CPFF)	No limit *Market size \$1.1 trillion at announcement	\$4
	Term Asset-Backed Securities Loan Facility (TALF)	\$200 *Size later increased	\$48	Term Asset-Backed Securities Loan Facility (TALF)	\$100	n/a
				Primary Market Corporate Credit Facility (PMCCF)	\$500	n/a
				Secondary Market Corporate Credit Facility (SMCCF)	\$250	n/a
<b>Total</b>		\$200 *One facility with no stated limit	\$396		\$850 *One facility with no stated limit	\$4
Money Markets	Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)	No limit	\$152	Money Market Mutual Fund Liquidity Facility (MMLF)	No limit *Market size \$3.6 trillion at announcement	\$53
	Money Market Investor Funding Facility (MMIFFF)	No limit	\$0			
<b>Total</b>		No stated limit *Total market size \$3.4 trillion at announcement	\$152		No stated limit	\$53
States and Municipalities				Municipal Liquidity Facility (MLF)	\$500	n/a
<b>Total</b>		\$0	\$0		\$500	\$0
Small Businesses				Paycheck Protection Program Liquidity Facility (PPPLF)	\$859 *Amount authorized under Congressional allocations	\$41
<b>Total</b>		\$0	\$0		\$859	\$41
Medium Businesses				Main Street Lending Program (MSLP)	\$800	n/a
<b>Total</b>		\$0	\$0		\$800	\$0
Foreign Countries	Central Bank Liquidity Swap Lines (CBLSL) *Not 13(3)	\$24 *Size for only ECB and SNB announced initially Size later increased	\$588	Central Bank Liquidity Swap Lines (CBLSL) *Not 13(3)	No limit on 5 existing swap lines 9 new swap lines	\$445
				Temporary Repurchase Agreement Facility for Foreign and International Monetary Authorities (FIMA) *Not 13(3)	No limit	\$1
<b>Total</b>		\$24	\$588		No stated limit	\$446
Support to a Specific Company	Bear Stearns/JPMorgan (Maiden Lane)	\$29	\$29			
	AIG (Revolving Credit Facility)	\$85	\$72			
	AIG (Maiden Lane II)	\$20	\$20			
	AIG Securities Borrowing Facility	\$38	\$21			
	AIG (Maiden Lane III)	\$24	\$24			
	AIG AIA Aurora	\$25	\$25			
	Citigroup	\$234	\$0			
Bank of America	\$88	\$0				
<b>Total</b>		\$543	\$191		\$0	\$0
<b>Grand Total</b>			\$2,392		\$2609 *total excludes programs with no stated limit	\$629