

The Federal Reserve expands eligible counterparties and agents in three emergency facilities

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On July 23, the Federal Reserve [expanded eligible counterparties and agents in three emergency lending facilities](#): the Term Asset-Backed Securities Loan Facility ([TALF](#)), the Commercial Paper Funding Facility ([CPFF](#)), and the Secondary Market Corporate Credit Facility ([SMCCF](#)). This move is aimed at increasing the Fed’s operational capacity and reach into the targeted markets.

The Federal Reserve Bank of New York (FRB-NY) has relied on existing [primary dealers](#) as counterparties and agents. However, it now seeks to expand counterparties to include non-primary dealers. The FRB-NY has [requested expressions of interest](#) in order to identify additional commercial paper dealers for the CPFF, agents for the TALF, and broker-dealers for the SMCCF.

Any new counterparty or agent should be a broker-dealer registered with the Securities and Exchange Commission (SEC) and regulated as a member of the Financial Industry Regulatory Authority (FINRA) with an established track record operating in the targeted market, a net regulatory capital of at least \$1 million, and shareholders’ equity of at least \$1 million.

Potential counterparties and agents will be prioritized based on their ability to add operational capacity or expand the access and reach of the facility (see the latest terms and conditions for the [TALF](#), [CPFF](#) and [SMCCF](#)).

The three emergency lending facilities were created under section 13(3) of the Federal Reserve Act, under “unusual and exigent circumstances,” with the U.S. Treasury Secretary’s approval and an equity investment. The facilities are part of a [\\$2.3 trillion Fed lending package](#) aimed at supporting the flow of credit to households, businesses, and the broader economy.

Read the latest YPFS blog posts on [TALF](#), [CPFF](#), and [SMCCF](#).

Check the latest report on the use of Federal Reserve programs as of July 23 [here](#).