

Federal Reserve to Report Monthly on CARES Act Program

By Priya Sankar

Original post [here](#).

On [April 23](#), the Federal Reserve said it will include additional detailed information in its monthly reports that are released to the public on four lending and liquidity programs it is establishing with Treasury equity under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

A week earlier, Bharat Ramamurti, member of the COVID-19 Congressional Oversight Commission, [had requested](#) from Chairman Powell enhanced public disclosure for these and other Fed programs utilizing Treasury funds.

The [policy will cover](#) the \$600 billion Main Street Lending Program, [two corporate debt purchasing programs](#) totalling \$750 billion, and its \$500 billion program to purchase state and municipal debt, according to press reports. The Treasury has made available a combined \$185 billion for such programs.

Section 13(3) of the Federal Reserve Act, which governs the Fed's emergency authority and the above programs, requires that it make an initial and then monthly [reports](#) to Congress upon the establishment of a new program. Although the identities of participants and details of loans are required to be included in such reports, the Chairman may request that they be kept confidential. For each of the four facilities receiving Treasury equity support, the Fed's recent announcement states that it will publish the reports without redacting the names and details of participants; amounts borrowed and interest rate charged; and overall costs, revenues, and fees.

Many observers criticized the Fed for not revealing the identities of banks and other companies that it supported during the global financial crisis (GFC). In 2010, through [the Dodd-Frank Act](#), Congress required the Fed to publish transaction data one year after closing an emergency facility.

There are concerns that the disclosure requirement may cause a stigma, leading borrowers to not use the facilities for fear of being perceived as troubled and potentially undermining the goal of the facilities to restore financial stability. [Former Fed general counsel](#) Scott Alvarez is concerned that stigma may be worse in the current crisis. He said, "It could be more discouraging to businesses if that information is disclosed" contemporaneously with the program, revealing financial details that could advantage competitors.

These enhanced public disclosures [will not include information](#) on recipients of Paycheck Protection Plan (PPP) loans, as they are administered by the Small Business Administration, although the Fed has also created a liquidity facility for banks making PPP loans (the Paycheck Protection Plan Liquidity Facility). The enhanced disclosure also does not cover other Fed lending programs directed towards financial markets. However, the Fed will release higher-level

aggregate data on all Section 13(3) programs monthly, and is legally obligated to disclose borrowers one year after the programs end.

“The Federal Reserve is committed to transparency and accountability by providing the public and Congress detailed information about our actions to support the economy during this difficult time,” Chair Jerome H. Powell said in the Fed’s press release.