Use of Federal Reserve Programs - 05/14/2020

By Pascal Ungersboeck

Original post [here](#).

Below we report on operational Fed programs, based on the Fed’s weekly *H.4.1 release*. Since last week, the Primary and Secondary Market Corporate Credit Facilities began operations.

![Use of Federal Reserve Lending Facilities](#)

![Use of USD Liquidity Swap Line](#)
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).