

Periodic Report: Update on Outstanding Lending Facilities
Authorized by the Board under Section 13(3) of the Federal Reserve Act
February 8, 2021

Overview

The Board of Governors of the Federal Reserve System (Board) is providing the following updates concerning certain lending facilities established by the Board under section 13(3) of the Federal Reserve Act (12 U.S.C. § 343). Pursuant to section 13(3)(C) of the Federal Reserve Act, the Board must provide the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives (the Committees) an initial report regarding each facility established under section 13(3) and periodic updates at least every 30 days thereafter. This report provides the next periodic update on the Primary Dealer Credit Facility (PDCF), the Money Market Mutual Fund Liquidity Facility (MMLF), the Commercial Paper Funding Facility (CPFF), the Primary Market Corporate Credit Facility (PMCCF), the Secondary Market Corporate Credit Facility (SMCCF), the Term Asset-Backed Securities Loan Facility (TALF), the Municipal Liquidity Facility (MLF), the Paycheck Protection Program Liquidity Facility (PPPLF), the Main Street New Loan Facility (MSNLF), the Main Street Expanded Loan Facility (MSELF), the Main Street Priority Loan Facility (MSPLF), the Nonprofit Organization New Loan Facility (NONLF), and the Nonprofit Organization Expanded Loan Facility (NOELF). The Board will provide periodic updates concerning these facilities at least every 30 days, in accordance with section 13(3) of the Federal Reserve Act.¹

A. Primary Dealer Credit Facility

On March 17, 2020, the Board authorized the Federal Reserve Bank of New York (FRBNY) to establish and operate the PDCF. The PDCF is a term loan facility that provides funding to primary dealers in exchange for a broad range of collateral and is intended to foster the functioning of financial markets

¹ The PMCCF, SMCCF, MLF, and TALF ceased extending credit on December 31, 2020. The MSNLF, MSELF, MSPLF, NONLF, and NOELF ceased purchasing participations in eligible loans on January 8, 2021. In connection with the termination of these facilities, the Federal Reserve returned a portion of the Department of the Treasury's equity investment in each facility. The return of these funds occurred in early January 2021 and is reflected in the collateral values for each facility.

more generally. The facility allows primary dealers to support smooth market functioning and facilitate the availability of credit to businesses and households. Additional information concerning the PDCF can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/pdcf.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBNY's loans under the PDCF was \$535,000,000.
- The total value of the collateral pledged to the FRBNY was \$622,570,390.
- The amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was \$12,717,931.
- As described in the Board's initial report to Congress regarding the PDCF, the PDCF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the PDCF will not result in losses to the Federal Reserve.

B. Commercial Paper Funding Facility

On March 17, 2020, the Board authorized the FRBNY to establish and operate the CPFF. The purpose of the CPFF is to provide liquidity to short-term funding markets. The CPFF provides a liquidity backstop to U.S. issuers of commercial paper, including municipalities, by purchasing three-month unsecured and asset-backed commercial paper directly from eligible issuers. Additional information concerning the CPFF can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/cpff.htm>.

Update. As of January 31, 2021:

- The outstanding amount of the FRBNY's loans to the special purpose vehicle (SPV) was \$0.
- The total outstanding amount of the commercial paper held by the SPV was \$0.
- The total value of the collateral pledged to secure the FRBNY's loan to the SPV was \$10,057,578,448.²
- The amount of interest, fees, and other revenue or items of value

² Includes \$10 billion equity investment from the Department of the Treasury and interest earned thereon.

received by the FRBNY, reported on an accrual basis, was \$1,054,580.

- The amount of interest, fees, and other revenue or items of value received by the SPV, reported on an accrual basis, was \$57,034,281.
- As described in the Board’s initial report to Congress regarding the CPFF, the CPFF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the CPFF will not result in losses to the Federal Reserve.

C. Money Market Mutual Fund Liquidity Facility

On March 18, 2020, the Board authorized the Federal Reserve Bank of Boston (FRBB) to establish and operate the MMLF. The MMLF provides funding to U.S. depository institutions and bank holding companies to finance their purchases of certain types of assets from money market mutual funds under certain conditions. The program is intended to assist money market mutual funds that hold such paper in meeting demands for redemptions by investors and to foster liquidity in the markets for the assets held by money market mutual funds, including the market for short-term municipal securities. Additional information concerning the MMLF can be found on the Board’s public website at <https://www.federalreserve.gov/monetarypolicy/mmlf.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBB’s loans under the MMLF was \$1,924,935,894.
- The total value of the collateral pledged to secure the FRBB’s loans was \$1,907,154,231. In addition, the Department of the Treasury is providing \$10 billion as credit protection to the FRBB.
- The amount of interest, fees, and other revenue or items of value received by the FRBB, reported on an accrual basis, was \$184,349,579.
- As described in the Board’s initial report to Congress regarding the MMLF, the MMLF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the MMLF will not result in losses to the Federal Reserve.

D. Corporate Credit Facilities

The Board authorized two facilities to support credit to large employers—

the PMCCF for new bond and loan issuance and the SMCCF to provide liquidity for outstanding corporate bonds (together, corporate credit facilities, or the CCFs). The FRBNY established one SPV to manage and operate the CCFs. The CCFs ceased purchasing eligible assets on December 31, 2020. This section provides aggregate information about the CCFs. Additional information about the CCFs can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/pmccf.htm> and <https://www.federalreserve.gov/monetarypolicy/smccf.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBNY's loans under the CCFs was \$14,058,380,626.³ All loans were extended under the SMCCF.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$28,392,464,577.⁴
- The total amount of interest, fees, and other revenue received by the SPV with respect to the CCFs, reported on an accrual basis, was \$193,296,756.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY with respect to the CCFs, reported on an accrual basis, was \$8,205,394.
- As described in the Board's initial report to Congress regarding the CCFs, the CCFs include features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the CCFs will not result in losses to the Federal Reserve.

Additional transaction-specific disclosures regarding the SMCCF may be found in the attached spreadsheet (Spreadsheet A). The SMCCF ceased purchasing eligible assets on December 31, 2020. As a result, information on the Broad Market Index, which was used to guide bond purchases, is not provided in Spreadsheet A. No transactions occurred under the PMCCF during the period it was operational. Accordingly, there are no transaction-specific

³ Loans were extended to the SPV by the FRBNY on the basis of settled securities purchase transactions.

⁴ Includes the market value of exchange-traded fund holdings under the SMCCF in the amount of \$8,701,747,203 and the amortized cost of corporate bonds purchased under the SMCCF in the amount of \$5,490,221,413, each of which is the recorded value of transactions that have reached their contractual settlement date as of January 31, 2021. Also includes equity investment from the Department of the Treasury and related reinvestment earnings of \$13,896,769,618; cash equivalents of \$257,706,982; and interest and other miscellaneous receivables of \$46,019,361.

disclosures for the PMCCF.

E. Term Asset-Backed Securities Loan Facility

On March 22, 2020, the Board authorized the FRBNY to establish and operate the TALF. Under the TALF, the FRBNY lent to an SPV, which made loans to U.S. companies secured by certain AAA-rated asset-backed securities (ABS) backed by recently originated consumer and business loans. The TALF was intended to support the provision of credit to consumers and businesses by enabling the issuance of ABS backed by private student loans, auto loans and leases, consumer and corporate credit card receivables, certain loans guaranteed by the Small Business Administration, and certain other assets. The TALF ceased extending credit on December 31, 2020. Additional information about the TALF can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/talf.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBNY's loans to the SPV under the TALF was \$3,381,516,546.⁵
- The total outstanding amount of loans made by the SPV to eligible borrowers was \$2,932,421,633.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$6,952,856,349.⁶
- The total value of the collateral pledged to secure the SPV's loans to eligible borrowers was \$3,462,319,295.⁷
- The total amount of interest, fees, and other revenue received by the SPV with respect to the TALF, reported on an accrual basis, was \$23,269,634.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was \$1,685,866.
- As described in the Board's initial report to Congress regarding the TALF, the TALF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the

⁵ Loans were extended to the SPV by the FRBNY on the loan closing date.

⁶ Includes \$3.5 billion equity investment from the Department of the Treasury and interest earned thereon.

⁷ Reflects the estimated market value of the collateral, based on information from third-party vendors.

TALF will not result in losses to the Federal Reserve.

Additional transaction-specific disclosures regarding the TALF may be found in the attached spreadsheet (Spreadsheet B).⁸

F. Municipal Liquidity Facility

On April 8, 2020, the Board authorized the establishment of the MLF. The MLF was intended to support lending to state, city, and county governments, certain multistate entities, and other issuers of municipal securities. The Board authorized the FRBNY to operate the MLF. The MLF ceased purchasing eligible notes on December 31, 2020. Additional information about the MLF can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/muni.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBNY's loans to the SPV was \$6,283,000,000.⁹
- The total outstanding amount of the notes held by the SPV was \$6,203,000,000.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$12,612,987,422.¹⁰
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MLF, reported on an accrual basis, was \$51,412,661.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was \$1,554,376.
- As described in the Board's initial report to Congress regarding the MLF, the MLF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the MLF will not result in losses to the Federal Reserve.

⁸ Transaction-specific disclosures regarding the TALF include the material investors identified to the Board by TALF agents on or before the as-of date. This information may be updated in future reports should the Board receive revised material investor information.

⁹ Loans were extended to the SPV by the FRBNY on the basis of settled note purchase transactions.

¹⁰ Includes \$6.3 billion equity investment from the Department of the Treasury and interest earned thereon.

Additional transaction-specific disclosures regarding the MLF may be found in the attached spreadsheet (Spreadsheet C).

G. Paycheck Protection Program Liquidity Facility

On April 8, 2020, the Board authorized each of the 12 Federal Reserve Banks to establish and operate the PPPLF. The PPPLF offers a source of liquidity to financial institution lenders that lend to small businesses through the Small Business Administration's Paycheck Protection Program. Additional information about the PPPLF can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/ppplf.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of all advances under the PPPLF was \$46,520,183,981.
- The total value of the collateral pledged to secure outstanding advances was \$46,520,183,981.
- The amount of interest, fees, and other revenue or items of value received under the facility, reported on an accrual basis, was \$155,930,752.
- As described in the Board's initial report to Congress regarding the PPPLF, the PPPLF includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the PPPLF will not result in losses to the Federal Reserve.

Additional transaction-specific disclosures regarding the PPPLF may be found in the attached spreadsheet (Spreadsheet D).

H. Main Street Lending Program

The Board authorized a Main Street Lending Program (MSLP) to support lending to small and medium-sized businesses and nonprofit organizations that were in sound financial condition before the onset of the COVID-19 pandemic. The MSLP includes five facilities: the MSNLF, MSELF, MSPLF, NONLF, and NOELF. The FRBB established one SPV to manage and operate all five facilities.

In order to allow more time to process and fund loans that were submitted

to the MSLP lender portal on or before December 14, 2020, the Board on December 29, 2020, extended the termination date of the MSLP to January 8, 2021. The extension is consistent with section 1005 of the Consolidated Appropriations Act and was also approved by the Secretary of the Treasury. The MSLP ceased purchasing participations in eligible loans on January 8, 2021; purchases made after December 31, 2020, until January 8, 2021, were limited to participations in eligible loans initially submitted to the MSLP lender portal on or before December 14, 2020.

This periodic update provides aggregate information about the MSLP and transaction-level disclosures about the MSNLF, MSELF, MSPLF, and NONLF. Additional information about the MSLP can be found on the Board's public website at <https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>.

Update. As of January 31, 2021:

- The total outstanding amount of the FRBB's loans to the SPV under the MSLP was \$16,584,666,843.¹¹
- The total value of the collateral pledged to secure the FRBB's loans to the SPV was \$33,305,176,256.¹²
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MSLP, reported on an accrual basis, was \$122,957,378. This comprises \$14,489,741 received on commingled investments of the MSLP, such as the equity investment from the Department of the Treasury, and amounts received of \$19,471,615 under the MSNLF; \$12,089,134 under the MSELF; \$76,684,146 under the MSPLF; and \$222,742 under the NONLF related to separately identifiable assets and accounts of the facilities.
- The total amount of interest, fees, and other revenue or items of value received by the FRBB, reported on an accrual basis, was

¹¹ Loans were extended to the SPV by the FRBB on the basis of settled transactions.

¹² Includes the amortized cost of participations, net of allowance, if any, purchased under the MSNLF in the amount of \$2,522,402,009; purchased under the MSELF in the amount of \$1,715,694,129; purchased under the MSPLF in the amount of \$12,174,591,219; and purchased under the NONLF in the amount of \$35,760,674. No participations were purchased under the NOELF. Also includes equity investment from the Department of the Treasury and related reinvestment earnings of \$16,586,544,452; cash equivalents of \$189,220,905; and interest and other receivables of \$80,962,868. The total collateral value reflects the inclusion of an allowance for loan losses in alignment with generally accepted accounting principles. *See infra*, n.13.

\$3,129,714.

- As described in the Board’s initial reports to Congress regarding the MSNLF, MSELF, MSPLF, NONLF, and NOELF, the MSLP includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the MSLP will not result in losses to the Federal Reserve.¹³

Additional transaction-specific disclosures regarding the MSLP may be found in the attached spreadsheet (Spreadsheet E).

¹³ The evaluation of loan participations purchased by the MSLP resulted in the SPV recording a loan loss allowance in the amount of \$96 million as of September 30, 2020. The allowance for loan losses is estimated based upon the MSLP’s holdings as of September 30, 2020, and does not indicate actual losses experienced by the program. The estimated allowance for loan losses for the MSLP will be updated on a quarterly basis. An updated allowance, as of December 31, 2020, is expected to be reflected in the next report.