

Periodic Report: Update on Bank Term Funding Program
Authorized by the Board under Section 13(3) of the Federal Reserve Act
February 12, 2024

Overview

The Board of Governors of the Federal Reserve System (Board) is providing the following update concerning the Bank Term Funding Program (BTFP) 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 an initial report and periodic updates regarding each facility established under section 13(3). This report provides the next periodic update on the BTFP. The Board will provide updates concerning the BTFP on a monthly basis, in accordance with section 13(3) of the Federal Reserve Act.

Bank Term Funding Program

On March 12, 2023, the Board authorized each of the 12 Federal Reserve Banks (Reserve Banks) to establish and operate the BTFP. The BTFP makes funding available to eligible depository institutions to help ensure that banks have the ability to meet the needs of all their depositors. Under the BTFP, each Reserve Bank will lend, on a recourse basis, to eligible depository institution borrowers for up to one year, receiving eligible U.S. government securities collateral in return. Additional information about the BTFP can be found on the Board’s public website at <https://www.federalreserve.gov/monetarypolicy/bank-term-funding-program.htm>.

Update. As of January 31, 2024:¹

- The total outstanding amount of all advances under the BTFP was \$165,237,527,000.
- The total value of the collateral pledged to secure outstanding advances was \$204,762,040,000. In addition, the Department of the Treasury is providing \$25 billion as credit protection to the Reserve Banks.

¹ Data are rounded to the nearest thousand.

- The amount of interest, fees, and other revenue or items of value received under the facility, reported on an accrual basis, was \$4,743,036,000.
- As described in the Board's initial report to Congress regarding the BTFP, the BTFP includes features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the BTFP will not result in losses to the Federal Reserve.

On January 24, 2024, the Board announced that the BTFP would cease making new loans as scheduled on March 11. The Board also announced an adjustment to the interest rate applicable to new BTFP loans, such that the rate on new loans, beginning on January 25, 2024, would be no lower than the interest rate on reserve balances in effect on the day the loan is made.