

**Appendix 1: Materials used by Mr. Laubach**

**Class I FOMC – Restricted Controlled (FR)**

*Material for Briefing on*  
**Policy Options**

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**March 15, 2020**

## Policy Options at the Current Meeting

### Options for FOMC Actions

- Reduce federal funds rate target by 100 bps
  - Economic effects of coronavirus and measures needed to address public health much larger than they appeared even a week ago
  - Sharp oil price declines a drag on employment and BFI
  - Staff projection for economic activity sharply revised down
- Offer forward guidance
  - Qualitative outcome-based guidance should reduce policy uncertainty
  - Flexibility to revise as economic effects become clearer
- Balance sheet measures to address liquidity and market functioning issues in Treasury and agency MBS markets
  - Specify total amounts, retain flexibility about pace
  - Reinvest all principal payments on agency MBS and agency debt into agency MBS

### Chair Actions, in Coordination with Five Standing Dollar Liquidity Swap Central Banks

- Actions to enhance liquidity provision to counter emerging strains in global U.S. dollar funding markets
- Lower the pricing on standing U.S. dollar liquidity swap arrangements by 25 bps
- Offer U.S. dollar weekly in each jurisdiction with 84-day maturity in addition to 1-week maturity

### Options for Board Actions

- Actions to support the flow of credit to households and businesses and thereby promote dual mandate objectives
- Discount window:
  - Reduce primary credit rate by 150 bps to top of the federal funds rate target range
  - Offer discount window loans for periods up to 90 days, prepayable and renewable on a daily basis
  - Encourage DIs to turn to discount window to meet needs at this time
- Encourage DIs to utilize intraday credit
- Encourage banks to use their capital and liquidity buffers
- Reduce reserve requirements to zero