

# Additional Liquidity Support Announced Yesterday by Treasury

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Secretary Mnuchin has approved the establishment of three new facilities under section 13(3) of the Federal Reserve Act to provide liquidity to the financial system and support the flow of credit to American workers, households, and businesses. These include:

- The Term Asset-Backed Securities Loan Facility (TALF): under which the Federal Reserve Bank of New York will provide loans to U.S. companies that are secured by certain eligible consumer and small business asset-backed securities, such as student loans, auto and credit card loans, loans guaranteed by the Small Business Administration, and certain other assets.
- The Primary Market Corporate Credit Facility (PMCCF): under which the Federal Reserve Bank of New York will provide liquidity to U.S. financial and nonfinancial businesses by providing loan and bond financing to U.S. companies with investment grade debt ratings.
- The Secondary Market Corporate Credit Facility (SMCCF): under which the Federal Reserve Bank of New York will purchase in the secondary market bonds issued by U.S. companies with investment-grade debt ratings.

The three new programs, taken together, will provide up to \$300 billion in new financing. The U.S. Treasury, by use of the Exchange Stabilization Fund, will provide \$30 billion in equity to these facilities.