

# DID YOU KNOW?



## FEDERAL RESERVE TAKES ADDITIONAL ACTION TO PROVIDE UP TO \$2.3 TRILLION IN LOANS TO SUPPORT THE ECONOMY

On Thursday the Federal Reserve took additional actions to provide up to \$2.3 trillion in loans to support the economy. Funding will assist households and employers of all sizes and strengthen the ability of state and local governments to deliver critical services during the coronavirus pandemic.

The Federal Reserve's actions will support employers of all sizes and communities across the country.

- Strengthen the effectiveness of the Small Business Administration's Paycheck Protection Program (PPP) by supplying liquidity to participating financial institutions through term financing backed by PPP loans to small businesses. The PPP provides loans to small businesses so that they can maintain their workers on the payroll. The Paycheck Protection Program Liquidity Facility (PPPLF) will extend credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value;
- Protect credit flows to small and mid-sized businesses with the purchase of up to \$600 billion in loans through the Main Street Lending Program. The Department of the Treasury, using funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) will provide \$75 billion in equity to the facility;
- Increase the flow of credit to households and businesses through capital markets, by expanding the size and scope of the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) as well as the Term Asset-Backed Securities Loan Facility (TALF). These three programs will now support up to \$850 billion in credit backed by \$85 billion in credit protection provided by the Treasury; and
- Aid state and local governments manage cash flow stresses caused by the coronavirus pandemic by establishing a Municipal Liquidity Facility that will offer up to \$500 billion in lending to states and municipalities. The Treasury will provide \$35 billion of credit protection to the Federal Reserve for the Municipal Liquidity Facility using funds appropriated by the CARES Act.

For additional information visit: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm>

**The Capital CS Group remains in the office to guide you and your family through these challenging times. For more information, contact our office at 844-390-2797.**

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