

Periodic Report: Update on Outstanding Lending Facilities
Authorized by the Board under Section 13(3) of the Federal Reserve Act
October 12, 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 and periodic updates regarding each facility established under section 13(3). This report provides the next periodic update on 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 updates concerning its outstanding facilities on a monthly basis, in accordance with section 13(3) of the Federal Reserve Act.

A. 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 Federal Reserve Bank of New York (FRBNY) established one special purpose vehicle (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. This will be the Board’s final periodic update concerning the CCFs, because the FRBNY’s loans under the CCFs (all of which had been extended under the SMCCF) are no longer outstanding. 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 August 31, 2021, all of the SMCCF's holdings of corporate bonds and exchange traded funds (ETFs) had either matured or been sold. This report reflects the final set of sales made on August 31, 2021, that settled on September 2, 2021.

As of September 30, 2021:

- The total outstanding amount of the FRBNY's loans under the CCFs was \$0.¹
- Following the disposition of SMCCF corporate bond and ETF holdings and repayment of all loans, the FRBNY has released its lien on the assets of the SPV.²
- The total amount of interest, fees, and other revenue received by the SPV with respect to the CCFs, reported on an accrual basis, was \$558,243,930.
- 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 \$16,568,615.
- As described in the Board's initial report to Congress regarding the CCFs, the CCFs included features that were intended to mitigate risk to the Federal Reserve. The CCFs did not result in losses to the Federal Reserve.

Additional transaction-specific disclosures regarding the SMCCF may be found in the attached spreadsheet (Spreadsheet A). No transactions occurred under the PMCCF during the period it was operational. Accordingly, there are no transaction-specific disclosures for the PMCCF.

Correction. The Board is correcting an error in the transaction-specific disclosure for the SMCCF dated August 10, 2021, as of July 31, 2021, in which a

¹ Loans were extended to the SPV by the FRBNY on the basis of settled securities purchase transactions. The remaining outstanding FRBNY loans to the SPV, totaling \$4,803,055,914, were fully repaid on September 13, 2021. The lien on collateral pledged to secure the FRBNY's loans to the SPV was released, and the credit and security agreements were updated to reflect the release.

² On September 24, 2021, in connection with the wind-up of CCF operations, the FRBNY caused the SPV to distribute to the Department of the Treasury the preferred equity account balance of \$13,898,155,655, representing the value of the SPV's associated investment in non-marketable Treasury securities (and interest thereon) and cash.

bond sale transaction with Mischler Financial Group, Inc. (Mischler) as counterparty was mistakenly reported as a transaction with BofA Securities, Inc. (BofA) as counterparty. As a result, one trade in the amount of \$3,980,329 was understated for Mischler and overstated for BofA, respectively. An updated August 10, 2021, transaction-level disclosure for the SMCCF will be posted to the Board's website on October 13, 2021, to correct this error.

B. 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 September 30, 2021:

- The total outstanding amount of the FRBNY's loans to the SPV under the TALF was \$1,461,547,528.³
- The total outstanding amount of loans made by the SPV to eligible borrowers was \$1,456,265,596.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$5,043,594,161.⁴
- The total value of the collateral pledged to secure the SPV's loans to eligible borrowers was \$1,702,282,392.⁵
- The total amount of interest, fees, and other revenue received by the SPV with respect to the TALF, reported on an accrual basis, was \$39,209,853.
- The total amount of interest, fees, and other revenue or items of

³ Loans were extended to the SPV by the FRBNY on the loan closing date.

⁴ Includes \$3.5 billion equity investment from the Department of the Treasury and interest earned thereon.

⁵ Reflects the estimated market value of the collateral, based on information from third-party vendors.

value received by the FRBNY, reported on an accrual basis, was \$3,264,170.

- 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 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).⁶

C. 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 September 30, 2021:

- The total outstanding amount of the FRBNY’s loans to the SPV was \$4,373,255,000.⁷
- The total outstanding amount of the notes held by the SPV was \$4,373,255,000.
- The total value of the collateral pledged to secure the FRBNY’s loans to the SPV was \$10,776,990,466.⁸
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MLF, reported on an accrual basis, was \$129,589,126.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was

⁶ 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.

⁷ Loans were extended to the SPV by the FRBNY on the basis of settled note purchase transactions.

⁸ Includes \$6.3 billion equity investment from the Department of the Treasury and interest earned thereon.

\$5,105,712.

- 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.

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

D. 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 offered a source of liquidity to financial institution lenders that lend to small businesses through the Small Business Administration’s Paycheck Protection Program. The PPPLF ceased extending credit on July 30, 2021. 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 September 30, 2021:

- The total outstanding amount of all advances under the PPPLF was \$59,118,908,060.
- The total value of the collateral pledged to secure outstanding advances was \$59,118,908,060.
- The amount of interest, fees, and other revenue or items of value received under the facility, reported on an accrual basis, was \$323,270,236.
- 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).

E. 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 Federal Reserve Bank of Boston (FRBB) established one SPV to manage and operate all five facilities. The MSLP ceased purchasing participations in eligible loans on January 8, 2021.

This periodic update provides aggregate information about the MSLP. 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 September 30, 2021:

- The total outstanding amount of the FRBB's loans to the SPV under the MSLP was \$15,920,451,767.⁹
- The total value of the collateral pledged to secure the FRBB's loans to the SPV was \$30,451,314,494.¹⁰
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MSLP, reported on an accrual basis, was \$444,108,755. This comprises \$16,187,916 received on commingled investments of the MSLP, such as the equity investment from the Department of the Treasury, and amounts received of \$66,774,068 under the MSNLF; \$43,618,137 under the MSELF; \$316,528,147 under the MSPLF; and \$1,000,487 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 \$13,928,816.
- 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

⁹ Loans were extended to the SPV by the FRBB on the basis of settled transactions.

¹⁰ Includes the amortized cost of participations, net of allowance purchased under the MSNLF in the amount of \$1,881,973,901; purchased under the MSELF in the amount of \$1,341,165,356; purchased under the MSPLF in the amount of \$10,135,144,164; and purchased under the NONLF in the amount of \$28,661,310. No participations were purchased under the NOELF. Also includes equity investment from the Department of the Treasury and related reinvestment earnings of \$16,585,741,118; cash and cash equivalents of \$276,147,605; and interest and other receivables of \$202,481,040. The total collateral value reflects the inclusion of an allowance for loan losses in alignment with generally accepted accounting principles. *See infra*, n.11.

result in losses to the Federal Reserve.¹¹

The MSLP ceased purchasing participations on January 8, 2021; therefore, the Board will not provide additional transaction-specific disclosures about the MSLP on a periodic basis going forward.

¹¹ The evaluation of loan participations purchased by the MSLP resulted in the SPV recording a loan loss allowance in the amount of \$2.5 billion as of June 30, 2021, which was recorded in July 2021. The allowance for loan losses is estimated based upon the MSLP's holdings as of June 30, 2021, 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. As of September 30, 2021, the SPV has recognized approximately \$12 million in actual loan losses. The amount of actual losses for the MSLP will be updated in future periodic reports for any losses recognized in the respective report period.