The Fed’s Emergency Facilities: Usage, Impact, and Early Lessons

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Hudson Valley Pattern for Progress
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### Usage of 13(3) Facilities ($ Billion)

<table>
<thead>
<tr>
<th>Facility</th>
<th>Announcement Date</th>
<th>Launch Date</th>
<th>Amount Outstanding&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Peak Outstanding</th>
<th>Global Financial Crisis Peak Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Dealer Credit Facility</td>
<td>3/17</td>
<td>3/20</td>
<td>2</td>
<td>33</td>
<td>148</td>
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<tr>
<td>Commercial Paper Funding Facility</td>
<td>3/17</td>
<td>4/14</td>
<td>4</td>
<td>4</td>
<td>350</td>
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<tr>
<td>Money Market Mutual Fund Liquidity Facility&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3/18</td>
<td>3/23</td>
<td>21</td>
<td>53</td>
<td>146</td>
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<tr>
<td>Primary Market Corporate Credit Facility</td>
<td>3/23</td>
<td>6/29</td>
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<td>0</td>
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<tr>
<td>Secondary Market Corporate Credit Facility</td>
<td>3/23</td>
<td>5/12</td>
<td>10</td>
<td>10</td>
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<td>Term Asset Backed Securities Loan Facility&lt;sup&gt;3&lt;/sup&gt;</td>
<td>3/23</td>
<td>6/17</td>
<td>0</td>
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<td>48</td>
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<td>Paycheck Protection Program Liquidity Facility</td>
<td>4/9</td>
<td>4/16</td>
<td>68</td>
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<tr>
<td>Municipal Liquidity Facility</td>
<td>4/9</td>
<td>5/26</td>
<td>1</td>
<td>1</td>
<td>-</td>
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<td>Main Street Lending Program</td>
<td>4/9</td>
<td>6/15</td>
<td>0</td>
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</tbody>
</table>

<sup>1</sup> Represents the outstanding balance of total purchases or loans by each facility as of Wednesday, July 1, 2020.

<sup>2</sup> GFC peak outstanding amount for MMLF represents the outstanding amount of the Asset Backed Commercial Paper Money Market Liquidity Facility (AMLF).

<sup>3</sup> Amount Outstanding and Peak Outstanding as of Wednesday, July 1, 2020 was $252 million.

Source: FRBNY, Federal Reserve Board
Figure 2: Outstanding Amounts in 13(3) Facilities

Outstanding Amounts in 13(3) Facilities

Source: FRBNY, Federal Reserve Board
Figure 3: Money Markets

Current and Forward Measures of 3-Month LIBOR-OIS Spread

- 3-Month LIBOR-OIS
- 3x6 FRA-OIS

Introduction of PDCF, CPFF, MMLF

90-day Commercial Paper-OIS Spread

- 90 Day A2/P2 Nonfin
- 90 Day AA Nonfin
- 90 Day AA ABCP

Introduction of PDCF, CPFF, MMLF
CPFF Launch

90-day Commercial Paper-OIS Spread

Prime Money Market Mutual Fund AUM Weekly Changes

- Retail
- Institutional
- Prime AUM

Source: Federal Reserve Board, Bloomberg, DTCC

Source: iMoneyNet

Source: Bloomberg
Figure 4: Credit Markets

Fixed Income Security Spreads
- Investment Grade Corporate OAS (LHS)
- Asset Backed Security OAS (LHS)
- 10Y Muni/Treasury Yield Ratio (RHS)

Year-to-Date Cumulative Investment Grade Issuance Through June

Weekly Corporate Issuance
- Investment Grade (LHS)
- IG 2019 Average (LHS)
- High Yield (RHS)
- HY 2019 Average (RHS)

Note: IG and ABS option-adjusted spreads calculated for the respective Barclays Aggregate benchmark indices relative to Treasury securities and the USD Swap Curve, respectively. Municipal debt curve presents the 10Y municipal bond yield as a ratio to the 10Y Treasury yield.

Source: Bloomberg, Barclays

Source: LCD, an offering of S&P Global Market Intelligence