

Periodic Report: Update on Outstanding Lending Facilities
Authorized by the Board under Section 13(3) of the Federal Reserve Act
July 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. 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 June 30, 2021:

- The total outstanding amount of the FRBNY’s loans under the CCFs

was \$13,609,187,197.¹ All loans were extended under the SMCCF.

- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$28,007,002,044.²
- The total amount of interest, fees, and other revenue received by the SPV with respect to the CCFs, reported on an accrual basis, was \$454,285,887.
- 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 \$14,139,659.
- As described in the Board's initial report to Congress regarding the CCFs, the CCFs include features that are intended to mitigate risk to the Federal Reserve. The Board continues to expect that the CCFs will not result in losses to the Federal Reserve.

Effective June 30, 2021, CCF bond holdings are presented on a market value-basis, reflecting the change in accounting treatment from hold-to-maturity to trading securities due to the intent to actively wind down the portfolio.

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: In the April 2021 report published on the Board's website showing SMCCF transaction-specific disclosures, three bond positions (CUSIP numbers: 863667AM3, 345397XW8, and 638612AK7) that matured in March 2021 were incorrectly listed twice.

B. Term Asset-Backed Securities Loan Facility

On March 22, 2020, the Board authorized the FRBNY to establish and

¹ Loans were extended to the SPV by the FRBNY on the basis of settled securities purchase transactions.

² Includes the market value of exchange-traded fund holdings under the SMCCF in the amount of \$5,270,306,698 and the market value of corporate bond holdings under the SMCCF in the amount of \$4,904,131,431, each of which reflects all purchases through December 31, 2020, and sales through June, 29, 2021. Also includes equity investment from the Department of the Treasury and related reinvestment earnings of \$13,897,383,461; cash equivalents of \$3,650,426,495; and interest and other miscellaneous receivables of \$284,753,959.

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 June 30, 2021:

- The total outstanding amount of the FRBNY's loans to the SPV under the TALF was \$1,659,807,611.³
- The total outstanding amount of loans made by the SPV to eligible borrowers was \$1,622,217,490.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$5,237,821,682.⁴
- The total value of the collateral pledged to secure the SPV's loans to eligible borrowers was \$1,912,465,004.⁵
- The total amount of interest, fees, and other revenue received by the SPV with respect to the TALF, reported on an accrual basis, was \$34,456,530.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was \$2,682,194.
- 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

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.

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 June 30, 2021:

- The total outstanding amount of the FRBNY's loans to the SPV was \$5,358,000,000.⁷
- The total outstanding amount of the notes held by the SPV was \$4,770,740,000.
- The total value of the collateral pledged to secure the FRBNY's loans to the SPV was \$11,741,226,686.⁸
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MLF, reported on an accrual basis, was \$107,799,258.
- The total amount of interest, fees, and other revenue or items of value received by the FRBNY, reported on an accrual basis, was \$3,981,828.
- 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).

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.

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 offers a source of liquidity to financial institution lenders that lend to small businesses through the Small Business Administration's Paycheck Protection Program. 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 June 30, 2021:

- The total outstanding amount of all advances under the PPPLF was \$90,626,314,548.
- The total value of the collateral pledged to secure outstanding advances was \$90,626,314,548.
- The amount of interest, fees, and other revenue or items of value received under the facility, reported on an accrual basis, was \$253,391,033.
- 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 and transaction-level disclosures about the MSNLF, MSELF, MSPLF, and NONLF. 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 June 30, 2021:

- The total outstanding amount of the FRBB's loans to the SPV under the MSLP was \$16,227,948,648.⁹
- The total value of the collateral pledged to secure the FRBB's loans to the SPV was \$30,547,917,810.¹⁰
- The total amount of interest, fees, and other revenue received by the SPV with respect to the MSLP, reported on an accrual basis, was \$325,426,153. This comprises \$15,218,053 received on commingled investments of the MSLP, such as the equity investment from the Department of the Treasury, and amounts received of \$48,551,813 under the MSNLF; \$32,460,764 under the MSELF; \$228,492,413 under the MSPLF; and \$703,110 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 \$9,877,285.
- 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 result in losses to the Federal Reserve.¹¹

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 \$2,024,181,373; purchased under the MSELF in the amount of \$1,257,340,960; purchased under the MSPLF in the amount of \$10,227,922,075; and purchased under the NONLF in the amount of \$32,036,339. No participations were purchased under the NOELF. Also includes equity investment from the Department of the Treasury and related reinvestment earnings of \$16,582,833,244; cash and cash equivalents of \$231,173,276; and interest and other receivables of \$192,430,543. The total collateral value reflects the inclusion of an allowance for loan losses in alignment with generally accepted accounting principles. *See infra*, n.11.

¹¹ The evaluation of loan participations purchased by the MSLP resulted in the SPV recording a loan loss allowance in the amount of \$2.7 billion as of March 31, 2021, which was recorded in April 2021. The allowance for loan losses is estimated based upon the MSLP's holdings as of March 31, 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 June 30, 2021, the SPV has recognized approximately \$4 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.

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.