

U.S. DEPARTMENT OF THE TREASURY

Statement from Secretary Steven T. Mnuchin on the Establishment of the Money Market Mutual Fund Liquidity Facility

March 18, 2020

WASHINGTON – *U.S. Treasury Secretary Steven T. Mnuchin issued the following statement on the establishment of the Money Market Mutual Fund Liquidity Facility (MMLF) by the Federal Reserve Board:*

“I have sent Federal Reserve Board Chairman Jerome Powell a letter approving the establishment of the MMLF to provide liquidity to the financial system under section 13(3) of the Federal Reserve Act. To provide liquidity to Money Market Mutual Funds, the Federal Reserve Bank of Boston would lend to eligible borrowers, taking as collateral certain types of assets purchased by the borrower from Funds, concurrently with the borrowing, or on or after March 18, 2020, but before the opening of the Facility. This will allow banks to immediately provide liquidity to Money Market Mutual Funds. The Department of the Treasury will provide \$10 billion of credit protection from the Exchange Stabilization Fund to the Reserve Bank. Money market funds are important investment tools for American families and businesses. The establishment of the MMLF will enhance the liquidity and smooth functioning of money markets, support the flow of credit to hard working Americans, and help stabilize the broader financial system.”

####

