

# Chapman Client Alert

March 23, 2020

Current Issues Relevant to Our Clients

## Federal Reserve Announces Extensive New Measures to Support the Economy

This morning, the Board of Governors of the Federal Reserve System announced sweeping actions to help the economy. Additional actions this morning include the following:

1. The Federal Open Market Committee (FOMC) had previously announced it would purchase at least \$500 billion of Treasury securities and at least \$200 billion of mortgage-backed securities. This morning the Federal Reserve announced that the FOMC will include purchases of agency commercial mortgage-backed securities in its agency mortgage-backed security purchases.
2. Establishment of the Primary Market Corporate Credit Facility (PMCCF) for new corporate bond and loan issuance and the Secondary Market Corporate Credit Facility (SMCCF) to provide liquidity for outstanding corporate bonds.
3. Establishment of the Term Asset-Backed Securities Loan Facility (TALF). The TALF will enable the issuance of asset-backed securities (ABS) backed by student loans, auto loans, credit card loans, loans guaranteed by the Small Business Administration (SBA), and certain other assets.
4. Expansion of the Money Market Mutual Fund Liquidity Facility (MMLF) to include a wider range of securities, including municipal variable rate demand notes (VRDNs)

and bank certificates of deposit. Please see our prior client alert with respect to the MMLF [here](#).

5. Expansion of the Commercial Paper Funding Facility (CPFF) to include high-quality, tax-exempt commercial paper as eligible securities. The pricing of the facility has also been reduced. Please see our prior client alert with respect to the CPFF [here](#).

Additionally, the Federal Reserve indicated it expects to announce soon the establishment of a Main Street Business Lending Program to support lending to eligible small-and-medium sized businesses, complementing efforts by the SBA.

A copy of the Federal Reserve press release can be found [here](#). We will provide more detailed alerts with respect to the aspects of these programs relevant to our clients as soon as possible.

### [For More Information](#)

If you would like further information concerning the matters discussed in this article, please contact the Chapman attorney with whom you regularly work.

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