



Monetary Policy Has Moved Quickly With The Fed Acting As A Lender of Last Resort

The Federal Reserve Is Crisis “First Responder”

Policy Measures To Date: ■ **IMPLEMENTED** ■ **ANNOUNCED** * **PROGRAMS FROM 2008 FINANCIAL CRISIS**

Policy Tool	Details
Fed Funds Rate*	3/15 – Cut rate to zero
Repo Operations*	Ongoing - Daily overnight liquidity operations
Regulatory Easing*	Ongoing guidance encouraging banks to be flexible with customers; utilize their liquidity and capital buffers; excludes Paycheck Protection Program loans from capital requirements
Discount Window*	3/15 – Rate lowered to 0.25%
Quantitative Easing*	3/15 - Announced \$500 Billion in Treasuries, \$200 Billion in Agency MBS; 3/23 – Expanded to unlimited amounts, added agency CMBS
U.S. Dollar Swap Lines*	3/19 – Support dollar liquidity for additional central banks (Australia, Brazil, Korea, Mexico, Singapore, Sweden, Denmark, Norway and New Zealand); 3/20 – Set up daily (from weekly) dollar swaps with BoC, BoE, BoJ, ECB, SNB
Primary Dealer Credit Facility*	Opened 3/20 ; lend to primary dealers in exchange for a broad range of collateral
Money Market Mutual Fund Facility*	Opened 3/23 ; lend to Prime and Municipal money market funds in exchange for US Treasury, Agency, CP, CD, Municipal, and VRDN collateral
Reserve Requirement elimination*	Effective 3/26
Commercial Paper Funding Facility*	Announced 3/17 ; purchase of newly issued 3-month A1/P1/F1 commercial paper from U.S. corporate and municipal issuers; purchases begin 4/14
Primary Market Corporate Credit Facility (PMCCF)	Announced 3/23 ; purchase of newly issued investment grade (4 years or less) corporate debt from U.S. corporate issuers; expanded 4/09 with the total size now \$500 billion with credit rating of BBB- or better
Secondary Market Corporate Credit Facility (SMCCF)	Announced 3/23 ; purchase of outstanding 5-year and shorter U.S. investment grade corporate debt from eligible sellers including ETFs; expanded 4/09 with total size now \$250 billion
Term Asset-Backed Securities Loan Facility (TALF)*	Announced 3/23 ; lend through primary dealers in exchange for asset-backed securities collateral (auto loan and leases, student loans, credit cards etc.); Expanded 4/09 to include AAA rated CMBS and CLOs
Main Street Business Lending Program	Announced 3/23 ; Purchasing loans to small business with >10,000 employees up to \$600, banks retain 5% of the share
Paycheck Protection Program Lending Facility (PPPLF)	Announced 4/06 : Lending to depository institutions that are making loans to small businesses as part of the Paycheck Protection Program
Municipal Liquidity Facility	Announced 4/09 : Lending up to \$500 billion to state and municipalities



While Fiscal Policy Takes Longer To Set Up, Policymakers Are Moving Fast

It Took Almost A Year Before Congress Passed The Stimulus Bill During The 2008 Financial Crisis

Policy Measures To Date: ■ IMPLEMENTED ■ ANNOUNCED ■ UNDER CONSIDERATION

Policy Tool	Details
National Emergency	<ul style="list-style-type: none"> • \$50 Billion in emergency funds • Interest waived on student loans, adding to Strategic Oil Reserve
House Emergency Bill (Phase I)	<ul style="list-style-type: none"> • \$8.3 Billion in emergency funding
IRS Guidance	<ul style="list-style-type: none"> • Individuals can delay tax payments up to \$1 million • Corporations defer up to \$10 million for 90 days (\$300 Billion in liquidity)
House Bill (Phase II)	<ul style="list-style-type: none"> • Free testing, Paid Sick/Family Leave, Enhance unemployment benefits, Food aid, Medicaid funds (~\$150 Billion)
CARES Act (Phase III)	<ul style="list-style-type: none"> • \$2.2 Trillion (+9.2% of GDP) • Direct cash payments (\$1200/person) and expanded unemployment insurance for households (+13 weeks, +\$600/week to existing insurance) • \$377 Billion in federally guaranteed loans to Small Businesses • \$500 Billion lending program for distressed companies (\$50 Billion to airlines, \$8 Billion to air cargo carriers) • \$140 Billion for the healthcare system • \$150 Billion for state/local government • All required minimum distributions (RMD) for 2020 are waived • Qualified plan distribution limits increased and penalties waived
Paycheck Protection Program	<ul style="list-style-type: none"> • U.S. Treasury is asking for another \$250 Billion on top of the \$350 Billion pledged in Phase III
Phase IV Bill	<ul style="list-style-type: none"> • \$1 Trillion of additional stimulus
Tax cuts	<ul style="list-style-type: none"> • Corporate tax cuts, payroll tax cuts
Bailouts of more sectors	<ul style="list-style-type: none"> • Insurance, Restaurants