



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

JEROME H. POWELL
CHAIR

November 20, 2020

Mr. Steven Mnuchin
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Secretary,

Like you, I am pleased with all that we have accomplished together this year. We rapidly put in place emergency lending facilities to support state and local governments, small and medium-sized businesses, and large employers. These were novel and complex programs that required us to work productively together. Our efforts helped to prevent severe disruptions in the financial system and unlocked trillions of dollars of private lending to households, businesses, and municipalities at a moment when the economy needed it most.

The CARES Act assigns the Treasury Secretary sole authority to make certain investments in Federal Reserve emergency lending facilities, subject to limits specified in the statute. You have indicated that the limits on your authority do not permit the CARES Act facilities to make new loans or purchase new assets after December 31, 2020, and you have requested that we return Treasury's excess capital in the CARES Act facilities. We will work out arrangements with you for returning the unused portions of the funds allocated to the CARES Act facilities in connection with their year-end termination.

As you noted in your letter, non-CARES Act funds remain in the Exchange Stabilization Fund and are, as always, available, to the extent permitted by law, to capitalize any Federal Reserve lending facilities that are needed to maintain financial stability and support the economy.

Sincerely,

A handwritten signature in black ink that reads "Jerome H. Powell". The signature is written in a cursive style and is enclosed within a thin black rectangular border.