

# Press Release

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April 23, 2020

## Federal Reserve Board announces temporary actions aimed at increasing the availability of intraday credit extended by Federal Reserve Banks

For release at 5:30 p.m. EDT

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The Federal Reserve Board on Thursday announced temporary actions aimed at increasing the availability of intraday credit extended by Federal Reserve Banks on both a collateralized and uncollateralized basis. These temporary actions are consistent with the series of actions the Board has announced to support the flow of credit to households and businesses and to mitigate the disruptions from COVID-19.<sup>1</sup> In particular, these actions are consistent with and indeed reinforce the Board's efforts to encourage regular use of intraday credit by healthy financial institutions.

In light of disruptions from COVID-19, depository institutions may face unanticipated intraday liquidity constraints and demands on collateral pledged to the Reserve Banks. In response, the Board is adjusting the manner in which the Reserve Banks administer part II of the Federal Reserve Policy on Payment System Risk (PSR policy). Specifically, the Board is (1) suspending uncollateralized intraday credit limits (net debit caps) and is waiving overdraft fees for institutions that are eligible for the primary credit program; and (2) permitting a streamlined procedure for secondary credit institutions to request collateralized intraday credit (max caps). Relatedly, the Board is suspending two collections of information that are used to calculate net debit caps. The Board believes that these actions will not meaningfully increase credit risk to Reserve Banks. These temporary actions will be applied immediately and will remain in effect until September 30, 2020, unless the Board communicates otherwise prior to that date.

The Board's *Federal Register* notice attached. A list of frequently asked questions will be released shortly.

For media inquiries, call 202-452-2955.

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1. For a summary of actions, see <https://www.federalreserve.gov/covid-19.htm>. [Return to text](#)

*Federal Register* notice: [Temporary Actions to Support the Flow of Credit to Households and Businesses by Encouraging Use of Intraday Credit \(PDF\)](#)

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