

Statement from Secretary Steven T. Mnuchin on the Start of Secondary Market Corporate Credit Facility Purchases



May 12, 2020

WASHINGTON – U.S. Treasury Secretary Steven T. Mnuchin issued the following statement on the start of certain Secondary Market Corporate Credit Facility purchases:

“Since announcing the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) on March 23, we have seen a dramatic improvement in liquidity and credit market function. Today, the Federal Reserve Bank of New York will begin purchasing shares of eligible U.S.-listed exchange-traded funds in the secondary market through the SMCCF, and eligible corporate bonds shortly thereafter. Once operational, the PMCCF will provide loan and bond financing to U.S. companies with investment grade debt ratings as of March 22, 2020. The SMCCF and PMCCF are supported by a \$75 billion equity investment using funds appropriated to the Department of the Treasury under the CARES Act, \$37.5 billion of which was transmitted yesterday to the special purpose vehicle established in connection with the SMCCF and PMCCF. Together, they will provide up to \$750 billion in liquidity and help ensure large employers have access to the credit they need to maintain their business operations and payroll through this challenging period.”

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