

Statement of Secretary Steven T. Mnuchin Before the Senate Committee on Banking, Housing, and Urban Affairs

May 18, 2020

Chairman Crapo, Ranking Member Brown, and members of the Committee, thank you for this opportunity to highlight how the Department of the Treasury and the Federal Reserve are working together to provide liquidity to the financial system. Our programs support the flow of much-needed credit to American workers, families, businesses, states, and municipalities.

I want to begin by acknowledging the unprecedented challenges the American people are experiencing due to the COVID-19 pandemic. This disease is impacting families and communities across the nation. Through no fault of their own, the American people are also enduring economic challenges. I am inspired by our nation's medical professionals and first responders on the front lines taking care of their fellow citizens. Thanks to their efforts and their unwavering commitment to their communities, I am confident that our nation will emerge from the pandemic stronger than ever before.

President Trump and the entire Administration are committed to providing necessary relief to help people get through this time. The Treasury Department is working hard to implement the CARES Act. We appreciate Congress working with us to enact this statute, which is the single largest economic relief effort in the history of our country. We also appreciate the feedback we have received from Members of Congress on both sides of the aisle as we implement a number of critical programs established by the CARES Act.

CARES ACT PROGRAMS

We have worked closely with the Small Business Administration on the Paycheck Protection Program (PPP) to ensure the processing of more than 4.2 million loans for over \$530 billion to keep tens of millions of hardworking Americans on the payroll. We are proud that nearly 400 Community Development Financial Institutions and Minority Depository Institutions, and many more small and non-bank lenders, are participating in this program.

We have issued more than 140 million Economic Impact Payments for over \$240 billion to provide direct relief to millions of Americans. The typical family of four received \$3,400.

We have distributed almost \$150 billion to states, local, and tribal governments through the Coronavirus Relief Fund for essential services. We have also approved nearly \$25 billion in payroll support to the airline industry to protect this critical sector of our economy.

EXCHANGE STABILIZATION FUND

Turning to a central focus of this hearing, the CARES Act also provided authority for \$454 billion in support for Federal Reserve lending facilities to provide liquidity to the financial system.

Since March 17, I have approved the following facilities:

- The Commercial Paper Funding Facility
- Primary Dealer Credit Facility
- Money Market Mutual Fund Liquidity Facility
- Term Asset-Backed Securities Loan Facility
- Primary Market Corporate Credit Facility
- Secondary Market Corporate Credit Facility
- Main Street Business Lending Program
- Municipal Liquidity Facility, and the
- PPP Lending Facility.

We have committed up to \$195 billion in credit support under the CARES Act. We have the remaining \$259 billion to create or expand programs as needed, as we continue to monitor a variety of economic sectors closely.

ECONOMIC ENVIRONMENT

We are sympathetic to hardworking Americans and businesses enduring tremendous challenges due to the COVID-19 pandemic. We have had to take unprecedented steps to shut down significant parts of the economy in the interest of public health. As a result, in the second quarter of this year, we are continuing to see large unemployment and other negative indicators. It is important to realize that the large numbers represent real people. This is why it is so important to begin bringing people back to work in a safe way.

As we listen to medical experts, we are optimistic about the progress being made on vaccines, antiviral therapies, and testing. Working closely with governors, we are beginning to open the economy in a way that minimizes risks to workers and customers. We expect economic conditions to improve in the third and fourth quarters.

CONCLUSION

Under the leadership of President Trump, I am proud to have worked with all of you, on a bipartisan basis, to get relief into the hands of hardworking Americans and businesses as quickly as possible. While these are unprecedented and difficult times, these programs are making a positive impact on people. Together we will destroy the COVID-19 virus, and our country will emerge from the pandemic stronger than ever.

Thank you for the opportunity to discuss our efforts today, and I look forward to your questions.