Money Market Mutual Fund Liquidity Facility

Facility: To provide liquidity to Money Market Mutual Funds ("Funds"), the Federal Reserve Bank of Boston ("Reserve Bank") would lend to eligible borrowers, taking as collateral certain types of assets purchased by the borrower from Funds (i) concurrently with the borrowing; or (ii) on or after March 18, 2020, but before the opening of the Facility.

Borrower Eligibility: All U.S. depository institutions, U.S. bank holding companies (parent companies incorporated in the United States or their U.S. broker-dealer subsidiaries), or U.S. branches and agencies of foreign banks are eligible to borrow under the Facility.

Funds: A Fund must identify itself as a prime money market fund under item A.10 of Securities and Exchange Commission Form N-MFP.

Advance Maturity: The maturity date of an advance will equal the maturity date of the eligible collateral pledged to secure the advance made under this Facility except in no case will the maturity date of an advance exceed 12 months.

Eligible Collateral: Collateral that is eligible for pledge under the Facility must be one of the following types:

1) U.S. Treasuries & Fully Guaranteed Agencies;
2) Securities issued by U.S. Government Sponsored Entities;
3) Asset-backed commercial paper that is issued by a U.S. issuer, is rated at the time purchased from the Fund or pledged to the Reserve Bank not lower than A1, F1, or P1 by at least two major rating agencies or, if rated by only one major rating agency, is rated within the top rating category by that agency; or
4) Unsecured commercial paper that is issued by a U.S. issuer, is rated at the time purchased from the Fund or pledged to the Reserve Bank not lower than A1, F1, or P1 by at least two major rating agencies or, if rated by only one major rating agency, is rated within the top rating category by that agency.

In addition, the facility may accept receivables from certain repurchase agreements.

Rate: Advances made under the Facility that are secured by U.S. Treasuries & Fully Guaranteed Agencies or Securities issued by U.S. Government Sponsored Entities will be made at a rate equal to the primary credit rate in effect at the Reserve Bank that is offered to depository institutions at the time the advance is made.

All other advances will be made at a rate equal to the primary credit rate in effect at the Reserve Bank that is offered to depository institutions at the time the advance is made *plus* 100 bps.

Fees: There are no special fees associated with the Facility.

Collateral Valuation: The collateral valuation will either be amortized cost or fair value. For asset-backed and unsecured commercial paper, the valuation will be amortized cost.

Credit Protection by Department of the Treasury: The Department of the Treasury, using the Exchange Stabilization Fund, will provide $10 billion as credit protection to the Reserve Bank.

Non-Recourse: Advances made under the Facility are made without recourse to the Borrower, provided the requirements of the Facility are met. For avoidance of doubt, borrowers under the MMLF will bear no credit risk.

Regulatory Capital Treatment: Separately and consistent with the purposes of the MMLF, the Board, the OCC, and FDIC will act to fully neutralize the impact of a depository institution holding company or depository institution's participation in the facility for purposes of regulatory capital requirements, including risk-based capital and leverage requirements. The Board, OCC, and FDIC will fully exempt from risk-based capital and leverage requirements (i) any asset pledged to the MMLF and (ii) any asset purchased from a Fund on or after March 18, 2020 that the firm intends to pledge to the MMLF upon opening of the Facility.

Program Termination: No new credit extensions will be made after September 30, 2020, unless the Facility is extended by the Board of Governors of the Federal Reserve System.