

Congress of the United States
Washington, DC 20515

June 8, 2020

The Honorable Jerome Powell
Chair
Board of Governors of the Federal Reserve
System
1850 K St NW, Washington, DC 20006
Washington, D.C. 20551

The Honorable Steven Mnuchin
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Dear Chairman Powell and Secretary Mnuchin:

Thank you for your work to help stabilize the U.S. economy during this unprecedented time. We appreciate the steps the Treasury and Federal Reserve have taken to support the public issuer community by providing short-term private placement support to state and local governments facing tax collection delays, unforeseen emergency expenditures and ongoing debt service needs. We write to encourage the Treasury and the Federal Reserve to take further action to stabilize the municipal bond market by ensuring that as many local governments and communities as possible have access to this necessary liquidity.

Public service providers of all sizes across the country are currently facing significant fiscal challenges while continuing to provide clean safe drinking water, medical services and affordable housing, to name a few. The Municipal Liquidity Facility aims to provide short-term working capital to keep these public services viable in the short- and intermediate-term by directly purchasing short-term debt from U.S. states, counties, and cities. While expanding eligibility by lowering the population thresholds to counties with at least 500,000 residents and cities with at least 250,000 residents was a commendable step, the vast majority of local municipalities will still be unable to access this necessary source of assistance. Like so many others, local governments are dealing with substantial fiscal challenges due to COVID-19. Access to liquidity is necessary so that local governments – especially those in the small and midsized communities left out of the direct aid provided in the Coronavirus Relief Act – are able to have access to the security provided through the legislative intent of the CARES Act. Direct purchases of bonds from local governments under these population thresholds by the Federal Reserve will help ease this financial stress and assist these communities to survive this crisis.

We therefore encourage the Treasury and the Federal Reserve to expand eligibility for the Municipal Liquidity Facility by further lowering the population thresholds for participation, thereby providing these communities with access to this necessary liquidity during this crisis.

Thank you for your assistance to this matter, and for your aide in helping Americans navigate this economic crisis.

Sincerely,



Tom Reed
Member of Congress



Roger Marshall, M.D.
Member of Congress

/s/

Michael F.Q. San Nicolas
Member of Congress



David Schweikert
Member of Congress



Elaine G. Luria
Member of Congress



Josh Harder
Member of Congress



Terri A. Sewell
Member of Congress



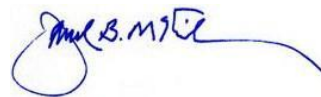
Jackie Speier
Member of Congress



Anna G. Eshoo
Member of Congress



Elise Stefanik
Member of Congress



David B. McKinley, P.E.
Member of Congress



John Katko
Member of Congress