

Bond Case Briefs

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Senator Toomey Pushing to Wind Down Municipal Liquidity Facility.

Today, the Congressional Oversight Commission, an oversight panel established by the March CARES Act, hosted a [hearing](#) to discuss the Municipal Liquidity Facility. The hearing featured representatives from the Federal Reserve, think-tanks, rating services and leadership of the issuer advocacy group GFOA.

The hearing notice can be viewed [here](#).

The issuers featured universally noted that while the MLF helped to soothe the markets in the Spring, state and local governments need continued help. Marion Gee, Finance Director of the Metropolitan St. Louis Sewer District and President of the GFOA stated, *"The Federal Reserve should make the rate as low as possible for states and local governments as this saves taxpayer dollars, saves jobs, and prevents drastic budget cuts that may irreparably hurt local communities."*

Kent Hiteshew, who has been leading the Fed facility, made the case for extension of the program due to expected credit downgrades in the coming months. However, Mr. Hiteshew's position found significant pushback from Senator Pat. Toomey (R-PA) amongst other majority witnesses noting that the MLF has been scantily used, while stating that liquidity in the market has been restored, marking the program unnecessary.

The BDA will continue to provide updates as they become available.

Bond Dealers of America

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