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In Sweeping Move, Fed Will Lend to Businesses and Local Governments and Extend Bond-Buying Programs.

The Federal Reserve announced a batch of programs Monday to jump-start strained lending markets across the economy, making more credit available to a wide range of businesses and consumers battered by the coronavirus outbreak, including students, car buyers, large corporations, small businesses and cities.

The Fed said it will pump more cash into a financial system that clogged up amid a bruising recession that has shriveled consumer spending as restaurants, movie theaters, stores, sports arenas and other public places shut down to contain the spread of the outbreak.

“The coronavirus pandemic is causing tremendous hardship across the United States and around the world,” the Fed said in a statement. “Our nation’s first priority is to care for those afflicted and to limit the further spread of the virus. While great uncertainty remains, it has become clear that our economy will face severe disruptions. Aggressive efforts must be taken across the public and private sectors to limit the losses to jobs and incomes and to promote a swift recovery once the disruptions abate.”

Last week, the central bank lowered its benchmark interest rates near zero and said it will buy $500 billion in Treasury bonds and $200 billion in mortgage-backed securities. The Fed said Monday it will include commercial mortgage-backed securities in the purchases, making more money available for loans for retail, office and other commercial real estate projects and pushing down their interest rates.

It said it will buy an unlimited amount of Treasury bonds and mortgage-backed securities in an effort to hold down interest rates and ensure those markets function smoothly.

The Fed said it will set up three lending facilities that will provide up to $300 billion by purchasing corporate bonds, buying a wider range of municipal bonds and purchasing asset-backed securities. The central bank said it will renew a financial-crisis-era program that will make funding available for student, auto and credit card loans.

After the Fed announced the Treasury and mortgage bond purchases last week, it quickly ran through roughly half those amounts by the end of the week. Monday, the New York Federal Reserve said it would purchase $75 billion of Treasurys and $50 billion of mortgage-backed securities each day this week.

That is a much larger amount than the Fed deployed in the financial crisis and its aftermath. In 2012, the Fed launched its third round of asset purchases, known as quantitative easing, which consisted of $45 billion of Treasury purchases a month.

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