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Pelosi, Warren Press Fed to Ride to Rescue of Cities Slammed by Pandemic.

Congress has given the Federal Reserve a \$454 billion pot of money and broad authority to back up the municipal bond market with direct purchases.

House Speaker Nancy Pelosi and Sen. Elizabeth Warren are among top Democrats pressing the Federal government to do more to help salvage municipal finances as the coronavirus wallops state and local budgets.

“We need to do more by way of our appropriations, by way of our tax code, and by way of policy,” Pelosi said Tuesday on MSNBC. “And also by way of the Fed doing more to help the state and local governments with the challenges that they face, which are massive.”

Congress has given the Federal Reserve a \$454 billion pot of money and broad authority to back up the municipal bond market with direct purchases. But the fund is also available to corporations and will be administered at the discretion of Treasury Secretary Steven Mnuchin and Fed officials, and the rescue package does not specify how much help local government-backed debt will get.

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