Fed to Name Participants in Cares Act-Backed Loan Programs.

- **Details will be published every 30 days on the Fed's website**
- **Congress had been pressing central bank to share more details**

The Federal Reserve will disclose the names of borrowers from several of its emergency lending facilities backed by U.S. taxpayer money from the $2.2 trillion coronavirus rescue bill, following congressional pressure for transparency.

The Fed said on Thursday that it will publish the names and details of participants in its facilities set up in the CARES Act, as well as the amounts that were borrowed and the interest rate charged on its website at least every 30 days. It will also report the overall costs, revenues and fees of each of the facilities.

"The Federal Reserve is committed to transparency and accountability by providing the public and Congress detailed information about our actions to support the economy during this difficult time," Chairman Jerome Powell said in a statement.

The central bank won't immediately disclose borrowers in three programs linked to short-term funding programs instituted before the Cares Act to help stem the economic crisis from the outbreak.

Lawmakers from both parties had been pressing the Fed to spell out which companies were getting assistance, in an effort to make sure that taxpayer money was going where it was intended. There has also been growing public frustration that small businesses had been beaten to funds by bigger companies with better access to banks and lawyers. Congress is debating another multi-billion dollar spending package to re-start that program, which is not being run by the Fed.

'Significant Victory'

"This is a significant victory for the public," tweeted Bharat Ramamurti, a member of the Congressional watchdog appointed to scrutinize implementation of the Fed and Treasury's virus-relief work. "We will need to look carefully at the first report to see if other information is needed but this is a very good step."

As part of the Cares Act signed into law late last month, the Fed established programs aimed at lending to small and mid-size businesses, states and municipalities. Several of those six facilities are not yet up and running.

It will not apply the same disclosure terms to the three Fed facilities launched prior to the passage of the Cares Act — the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility and the Commercial Paper Funding Facility — which collectively have lent out more than $80 billion as of April 22, the latest date for which data is available.

Congress appropriated $454 billion in the Cares Act to support lending efforts by the central bank that can be leveraged into trillions of dollars of credit. The Fed is setting up its emergency programs under Section 13-3 of the Federal Reserve Act, which outlines rules for disclosure of loan details to Congress.

Stigma Risk

The Fed did not disclose individual borrower details in its facilities following the 2008 financial crisis until it was forced to do so by the courts after a lawsuit brought by Bloomberg LP, the owner of Bloomberg News. Its reluctance to make such information public stems from the concern that it may incite market panic or disincentivize borrowers from taking advantage of the programs for fear of resulting stigma.

"If the threshold for them is that they won't take the money if people know they took the money, then it seems like they don't need the money," Marcus Stanley, policy director of Americans for Financial Reform, said before the Fed's announcement.

The PDCF loans to U.S. government bond dealers. The MMMLF is working with banks to help money funds meet redemption demands. The CPFF is directly financing the short-term IOUs of U.S. corporations. The Fed regards the markets around these programs as systemically critical to financial stability.

Powell will request confidentiality for those three when he submits information to Congress and the Fed will eventually disclose borrowers when the programs close, according to the Fed.

The Fed is still working on disclosure policies for the Term Asset-Backed Securities Loan Facility, designed to assist the flow of credit to consumers and the Paycheck Protection Program Lending Facility, which supports loans to small businesses to encourage them to keep workers on the payroll.

On the Main Street lending facilities, aimed at firms with 10,000 employers or less, the Fed will disclose both borrowers and bank intermediaries. The same approach will hold for the TALF if the Fed chooses immediate disclosure.

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