

# **Bond Case Briefs**

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## **Municipal Liquidity Facility Update: Facility Nears Primary Market Activity Fed Not Yet Planning for Secondary Market Activity**

**While the Federal Reserve continues to prepare the Municipal Liquidity Facility for primary market purchases, at this time, the facility remains non-operational.**

All indications from the Fed are that the facility will soon become operational in the primary market, but following the release of [key pricing details](#) yesterday, it seems the Fed is following Congressional intent and ensuring the Facility will be used as a backstop, limiting use for most issuers. The BDA expects the Fed to ask potential borrowers to issue a “notice of interest” in the coming days, a key next step to operationalize the facility.

**\*While they have congressional authority to do so, at this time, the Fed has shown no indication that they plan to intervene into the secondary municipal market.**

**\*BDA has been active with the Fed and all letters can be found [here](#).**

The BDA will continue to provide updates as they become available

**Bond Dealers of America**

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