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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 borrows 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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