

Bond Case Briefs

Municipal Finance Law Since 1971

Fed Expands Scope of Eligible Issuers for Municipal Liquidity Facility.

The Federal Reserve today announced that they will again expand the scope of cities that will be able to borrow directly from the Municipal Liquidity Facility (MLF). This comes after pressure from Capitol Hill concerning the ability for smaller and rural localities to access the program.

The updated fact sheet can be viewed [here](#).

****BDA Advocacy on all stimulus related legislation and programs can be viewed [here](#).**

Municipal Liquidity Facility Updates

- The Fed will still purchase short-term debt from any state, as well as counties with a population of at least 500,000, cities with a population of at least 250,000 and certain multi-state issuers.
- Now, governors in states that have fewer than two cities or counties that meet those population thresholds will have the power to designate municipalities as direct borrowers from the facility.
- Governors will also have the power to make two issuers in their state eligible for the lending program if their revenue is “generally derived from operating government activities,” like public transit entities or airports.

The BDA will continue to provide updates as they become available.

Bond Dealers of America

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