



## Recap Of The Fed Webinar On PPPLF

regulatory lending pandemic

**Summary:** If you missed the Fed's PPPLF webinar on Friday or just want a summary, we have a recap for you.

On April 10th, the Federal Reserve Bank hosted a webinar to provide more details on the Paycheck Protection Program Liquidity Facility ("PPPLF"), which is the upcoming facility provided by the Federal Reserve System to allow lenders to pledge their PPP loans in exchange for liquidity. As not all lenders could attend, we would like to recap some of the key points for you (subject to change as terms are updated or revised).

First, it is important to understand that PPP and PPPLF are distinct programs (though obviously related).

PPP loans are made by lenders to your small business borrowers. These loans are 100% guaranteed by the SBA.

PPPLF is a program that "returns" liquidity back to these lenders who have made PPP loans. PPPLF gives these lenders term funding (secured by PPP loans) and is administered by the Federal Reserve Banking System.

While PPP loans can certainly be pledged to the conventional Fed Discount Window, these loans can otherwise be pledged to the newly formed PPPLF, which offers slightly different terms. In particular, PPPLF is a term loan funding that has a life equal to the remaining life of the pledged PPP loan. Also, the valuation is equal to the principal amounts outstanding of the PPP loans (with no haircut) and no on-going collateral reporting requirements.

### Support During COVID-19

Much of our activity over the past few days has focused on helping financial institutions in areas such as loan restructuring. If you need assistance, [contact us today](#).

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