

## Municipal Liquidity Facility

Effective May 11, 2020<sup>1</sup>

**Facility:** The Municipal Liquidity Facility (“Facility”), which has been authorized under Section 13(3) of the Federal Reserve Act, will support lending to U.S. states and the District of Columbia (together, “States”), U.S. cities with a population exceeding 250,000 residents<sup>2</sup> (“Cities”), U.S. counties with a population exceeding 500,000 residents<sup>3</sup> (“Counties”), and Multi-State Entities. Under the Facility, the Federal Reserve Bank of New York (“Reserve Bank”) will commit to lend to a special purpose vehicle (“SPV”) on a recourse basis. The SPV will purchase Eligible Notes directly from Eligible Issuers at the time of issuance. The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act, will make an initial equity investment of \$35 billion in the SPV in connection with the Facility. The SPV will have the ability to purchase up to \$500 billion of Eligible Notes.

**Eligible Notes:** Eligible Notes are tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), and other similar short-term notes issued by Eligible Issuers, provided that such notes mature no later than 36 months from the date of issuance. In each case, a note’s eligibility is subject to review by the Federal Reserve. Relevant legal opinions and disclosures will be required as determined by the Federal Reserve prior to purchase.

**Eligible Issuer:** An Eligible Issuer is a State, City, or County (or, subject to Federal Reserve review and approval, an entity that issues securities on behalf of the State, City, or County for the purpose of managing its cash flows) or a Multi-State Entity. An Eligible Issuer that is not a Multi-State Entity must have been rated at least BBB-/Baa3 as of April 8, 2020, by two or more major nationally recognized statistical rating organizations (“NRSROs”). An Eligible Issuer that is not a Multi-State Entity and that was rated at least BBB-/Baa3 as of April 8, 2020, but is subsequently downgraded, must be rated at least BB-/Ba3 by two or more major NRSROs at the time the Facility makes a purchase. An Eligible Issuer that is a Multi-State Entity must have been rated at least A-/A3 as of April 8, 2020, by two or more major NRSROs. A Multi-State Entity that was rated at least A-/A3 as of April 8, 2020, but is subsequently downgraded, must be rated at least BBB-/Baa3 by two or more major NRSROs at the time the Facility makes a purchase. Notwithstanding the foregoing, if a State, City, County, or Multi-State Entity was rated by only one major NRSRO as of April 8, 2020, it may be an Eligible Issuer under the Facility if (i) the rating was at least BBB-/Baa3 (for a State, City, or County) or A-/A3 (for a Multi-State Entity); (ii) the State, City, County, or Multi-State Entity is rated by at least two major NRSROs at the time the Facility makes a purchase; and (iii) such ratings are at least BB-/Ba3 (for a State, City, or County) or BBB-/Baa3 (for a Multi-State Entity).

Only one issuer per State, City, County, or Multi-State Entity is eligible; provided that the Federal Reserve may approve one or more additional issuers per State, City, or County to facilitate the provision of assistance to political subdivisions and other governmental entities of the relevant State, City, or County.

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<sup>1</sup> The Board of Governors of the Federal Reserve System (“Board”) and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board’s website.

<sup>2</sup> Source: U.S. Census Bureau, Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018, as of April 6, 2020 (<https://www.census.gov/data/tables/time-series/demo/popest/2010s-total-cities-and-towns.html>).

<sup>3</sup> Source: U.S. Census Bureau, “Population, Population Change, and Estimated Components of Population Change: April 1, 2010 to July 1, 2019 (CO-EST2019-alldata)” dataset as of April 6, 2020 ([https://www.census.gov/data/datasets/time-series/demo/popest/2010s-counties-total.html#par\\_textimage\\_739801612](https://www.census.gov/data/datasets/time-series/demo/popest/2010s-counties-total.html#par_textimage_739801612).)

**Multi-State Entity:** A Multi-State Entity is an entity that was created by a compact between two or more States, which compact has been approved by the United States Congress, acting pursuant to its power under the Compact Clause of the United States Constitution.

**Security for Eligible Notes:** Note security will be subject to review and approval by the Federal Reserve. The source of repayment and security for Eligible Notes will depend on the applicable constitutional and statutory provisions governing the Eligible Issuer and should be generally consistent with the source of repayment and strongest security typically pledged to repay publicly offered obligations of the Eligible Issuer. Eligible Notes issued by Eligible Issuers that are not Multi-State Entities will generally be expected to represent general obligations of the Eligible Issuer, or be backed by tax or other specified governmental revenues of the applicable State, City, or County. If the Eligible Issuer is an authority, agency, or other entity of a State, City, or County, such Eligible Issuer must either commit the credit of, or pledge revenues of, the State, City, or County, or the State, City, or County must guarantee the Eligible Notes issued by such issuer. If the Eligible Issuer is a Multi-State Entity, the Eligible Notes will be expected to be parity obligations of existing debt secured by a senior lien on the Multi-State Entity's gross or net revenues.

**Limit per State, City, County, and Multi-State Entity:** The SPV may purchase Eligible Notes issued by or on behalf of a State, City, or County in one or more issuances of up to an aggregate amount of 20% of the general revenue from own sources and utility revenue of the applicable State, City, or County government for fiscal year 2017.<sup>4</sup> The SPV may purchase Eligible Notes issued by a Multi-State Entity in one or more issuances of up to an aggregate amount of 20% of the Multi-State Entity's gross revenue as reported in its audited financial statements for fiscal year 2019. States may request that the SPV purchase Eligible Notes in excess of the applicable limit in order to assist political subdivisions and other governmental entities that are not eligible for the Facility.

**Pricing:** The methodology for pricing is set forth in the attached Pricing Appendix.

**Origination Fee:** Each Eligible Issuer that participates in the Facility must pay an origination fee equal to 10 basis points of the principal amount of the Eligible Issuer's notes purchased by the SPV. The origination fee may be paid from the proceeds of the issuance.

**Prepayment Right:** With the approval of the SPV, Eligible Notes purchased by the SPV may be prepaid by the Eligible Issuer at any time, in whole or in part, at par (or, in the case of Eligible Notes purchased at a premium, par plus unamortized premium) plus accrued interest, prior to maturity.

**Eligible Use of Proceeds:** An Eligible Issuer may use the proceeds of Eligible Notes purchased by the SPV to help manage the cash flow impact of income tax deferrals resulting from an extension of an income tax filing deadline; deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and requirements for the payment of principal and interest on obligations of the Eligible Issuer or its political subdivisions or other governmental entities. An Eligible Issuer (other than a Multi-State Entity) may use the proceeds of the notes purchased by the SPV to purchase similar notes issued by, or otherwise to assist, political subdivisions and other governmental entities of the relevant State, City, or County for the purposes enumerated in the prior sentence.

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<sup>4</sup> Source: U.S. Census Bureau, 2017 State & Local Government Historical Datasets and Tables, as of April 6, 2020 (<https://www.census.gov/data/datasets/2017/econ/local/public-use-datasets.html>).

**Termination Date:** The SPV will cease purchasing Eligible Notes on December 31, 2020, unless the Board and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.

### Municipal Liquidity Facility - Pricing Appendix

**Tax-Exempt Eligible Notes:** If interest on the Eligible Notes is excluded from gross income for federal income tax purposes, pricing will be at a fixed interest rate based on a comparable maturity overnight index swap (“OIS”) rate plus the applicable spread based on the long-term rating of the security for the Eligible Notes as follows:

Rating*	Spread (bps)
AAA/Aaa	150
AA+/Aa1	170
AA/Aa2	175
AA-/Aa3	190
A+/A1	240
A/A2	250
A-/A3	265
BBB+/Baa1	325
BBB/Baa2	340
BBB-/Baa3	380
Below Investment Grade	590

\* To account for split ratings across different credit rating agencies, an average rating generally will be calculated.

**Taxable Eligible Notes:** If interest on the Eligible Notes is not excluded from gross income for federal income tax purposes, pricing will be at a fixed interest rate that is calculated by (i) first, adding the comparable maturity OIS rate to the spread in the above table that would apply to such Eligible Notes if the Eligible Notes were tax-exempt Eligible Notes, and (ii) second, dividing the sum calculated under clause (i) by 0.65.

## **Municipal Liquidity Facility: Frequently Asked Questions**

The following is intended to address questions about the Municipal Liquidity Facility (MLF or Facility). The Federal Reserve may periodically update these FAQs and, therefore, please check this website for new FAQs or revisions to a previously issued FAQ.

Effective May 11, 2020

### **A. Purpose and Design**

#### **A1. Why is the Federal Reserve establishing the MLF?**

The municipal securities market is an important part of the financial system, which helps provide states, cities, and counties (and their political subdivisions and other governmental entities) with the funding needed to provide essential public services to their citizens. Due to the COVID-19 pandemic, the municipal securities market has recently been under considerable strain. The municipal securities market saw a dramatic increase in sales by institutional investors, which has caused a swift and dramatic increase in interest rates on municipal securities. Although rates have come down from their highs and some issuers have been able to issue debt or secure loans, there are many issuers that have not been able to meet their financing needs through the capital markets. At the same time, states, cities, and counties are facing severe liquidity constraints resulting from the increase in state and local government expenditures related to the COVID-19 pandemic and the delay and decrease of certain tax and other revenues. By ensuring the smooth functioning of the municipal securities market, particularly in times of strain, the Federal Reserve is providing credit that will support families, businesses, and jobs in communities, large and small, across the nation.

The immediate purpose of the MLF is to enhance the liquidity of the primary short-term municipal securities market through the purchase at issuance of Tax Anticipation Notes (TANs), Tax and Revenue Anticipation Notes (TRANs), Bond Anticipation Notes (BANs), and similar short-term notes from Eligible Issuers (defined below) (collectively, Eligible Notes). The Eligible Issuer's proceeds from the sale of Eligible Notes to the special purpose vehicle (SPV) can in turn be used to support its political subdivisions and public authorities, among other uses. The Facility will provide a form of cash management financing to Eligible Issuers. In addressing the cash management needs of Eligible Issuers, the Facility will also help restore confidence in the municipal securities market.

The Federal Reserve will continue to closely monitor conditions in the primary and secondary markets for municipal securities and will evaluate whether additional measures are needed to support the flow of credit and liquidity to state and local governments.

#### **A2. How will the MLF work?**

The MLF will provide a liquidity backstop to issuers of Eligible Notes through an SPV. The Treasury Secretary, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), will make an

initial equity investment of \$35 billion in the SPV. The SPV will have the ability to purchase up to \$500 billion of Eligible Notes.

**A3. When may Eligible Issuers begin selling Eligible Notes, and how long will the MLF operate?**

Federal Reserve staff is working expeditiously to operationalize the MLF. The Federal Reserve will keep market participants apprised and announce in advance when the SPV will commence operations and begin purchasing Eligible Notes. The SPV will cease purchasing Eligible Notes on December 31, 2020, unless the Board and the Treasury Department extend the term of the Facility.

**A4. Under what legal authority are purchases of Eligible Notes through MLF made?**

The Federal Reserve Board established the MLF pursuant to section 13(3) of the Federal Reserve Act.

**A5. What third-party vendors are supporting the MLF?**

The Federal Reserve Bank of New York (FRBNY) has selected PFM Financial Advisors LLC (PFM) as its administrative agent for the MLF. In serving as the administrative agent, PFM will coordinate and review the applications under the MLF based on criteria established by the FRBNY.

**A6. Where should questions regarding the MLF be directed?**

Questions should be directed through <http://www.federalreserve.gov/apps/contactus/feedback.aspx?refurl=/muni/> or via email to [MLF@ny.frb.org](mailto:MLF@ny.frb.org).

**A7. How may I receive updates regarding changes to MLF documents?**

Sign up for [email alerts](#).

**B. Eligible Issuers**

**B1. Who is an Eligible Issuer?**

An Eligible Issuer is a State, City, or County (or, subject to Federal Reserve review and approval, an entity that issues securities on behalf of the State, City, or County, respectively, for the purpose of managing its cash flows) or a Multi-State Entity, in each case as defined below. Pursuant to section 13(3) of the Federal Reserve Act, an Eligible Issuer may not be insolvent.

An Eligible Issuer that is a State, City, or County (or, subject to Federal Reserve review and approval, an entity that issues securities on behalf of the State, City, or County, respectively, for the purpose of managing its cash flows) must have been rated at least BBB-/Baa3 as of April 8,

2020, by two or more major nationally recognized statistical rating organizations (NRSROs). Eligible Issuers that were rated at least BBB-/Baa3 as of April 8, 2020, but are subsequently downgraded, must be rated at least BB-/Ba3 by two or more major NRSROs at the time the Facility makes a purchase.

An Eligible Issuer that is a Multi-State Entity must have been rated at least A-/A3 as of April 8, 2020, by two or more major NRSROs. A Multi-State Entity that was rated at least A-/A3 as of April 8, 2020, but is subsequently downgraded, must be rated at least BBB-/Baa3 by two or more major NRSROs at the time the Facility makes a purchase.

Notwithstanding the foregoing, if a State, City, County, or Multi-State Entity was rated by only one major NRSRO as of April 8, 2020, it may be an Eligible Issuer under the MLF if (i) the rating was at least BBB-/Baa3 (for a State, City, or County) or A-/A3 (for a Multi-State Entity); (ii) the State, City, County, or Multi-State Entity is rated by at least two major NRSROs at the time the MLF makes a purchase; and (iii) such ratings are at least BB-/Ba3 (for a State, City, or County) or BBB-/Baa3 (for a Multi-State Entity).

For purposes of the Facility, a “State” is one of the fifty U.S. states or the District of Columbia; a “City” is a U.S. city with a population exceeding 250,000 residents; and a “County” is a U.S. county with a population exceeding 500,000 residents based on the most recent available U.S. Census data as of April 6, 2020. A Multi-State Entity is an entity that was created by a compact between two or more States, which compact has been approved by the U.S. Congress, acting pursuant to its power under the Compact Clause of the U.S. Constitution.

A list of Eligible Issuers based on their populations, other than Multi-State Entities, is provided in Appendix A. As of April 6, 2020, the most recent data available on population size for cities was 2018 data, and the most recent data available on population size for counties was 2019 data. Changes in population size, as may be reflected in future U.S. Census Bureau releases, will not affect this list of Eligible Issuers.

**B2. What is “an entity that issues securities on behalf of the State, City, or County for the purpose of managing its cash flows,” as described in the “Eligible Issuer” section of the MLF term sheet?**

Many States, Cities, and Counties issue debt securities through an authority, agency, department, division or other entity that is statutorily authorized to issue debt on behalf of the applicable State, City, or County. Such an authority, agency, department, division or other entity of a State, City, or County may also issue debt securities for the purposes of assisting in cash flow management on behalf of one or more of the political subdivisions or other governmental entities of the applicable State, City, or County. Such an entity would constitute an Eligible Issuer, subject to Federal Reserve review, only if (i) such entity can commit the credit of, or pledge revenues of, the applicable State, City, or County, or (ii) the State, City, or County guarantees the Eligible Notes issued by such issuer. Each eligible State, City, and County may only access the Facility through one issuer; provided that the Federal Reserve may approve one or more additional issuers per State, City, or County to facilitate the provision of assistance to political subdivisions and other governmental entities of the relevant State, City, or County.

**B3. What is a “political subdivision or other governmental entity” as described in the “Eligible Use of Proceeds” section of the MLF term sheet?**

States, Cities, and Counties may use the proceeds of Eligible Notes sold to the SPV under the MLF to purchase the notes of, or otherwise assist, any of their political subdivisions or other governmental entities as described above. For purposes of the “Eligible Use of Proceeds” section, a “political subdivision or other governmental entity” is broadly defined as any county, city, municipality, township, village, school district, special district, utility, authority, agency or other unit of government, as determined by the Eligible Issuer. However, an Eligible Issuer may not lend the proceeds of Eligible Notes to a political subdivision or other governmental entity that is insolvent.

**B4. If an Eligible Issuer uses the proceeds of Eligible Notes to purchase the notes of one of its “political subdivisions or other governmental entities” (as used in the “Eligible Use of Proceeds” section), does the Facility assume the risk of those notes?**

No. Regardless of the use of proceeds, the Facility (and any other holder of the Eligible Notes) faces only the credit of the Eligible Issuer. The Eligible Issuer would bear the credit risk associated with any notes it purchased from its political subdivision or other governmental entity.

**B5. May governmental entities that provide public services on behalf of a State, City, or County and issue bonds backed by their own revenues participate directly in the MLF as Eligible Issuers?**

Other governmental entities that provide essential public services on behalf of a State, City, or County may participate in the MLF indirectly by borrowing through an eligible State, City, or County. The Federal Reserve is also considering expanding the Facility to allow a limited number of such entities to participate directly in the MLF as Eligible Issuers, taking into consideration the objective of quickly and efficiently making the Facility available to the currently defined set of Eligible Issuers. The inclusion of any such additional Eligible Issuers would be publicly announced at a future date. The Federal Reserve continues to encourage Eligible Issuers to make funding from the Facility available to their political subdivisions and other governmental entities that are in need of such funding.

**C. Eligible Notes**

**C1. What are Eligible Notes?**

Eligible Notes are tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), and other similar short-term notes issued by Eligible Issuers, provided that such notes mature no later than 36 months from the date of issuance. In each case, a note’s eligibility is subject to review by the Federal Reserve.

**C2. What are TANs, TRANs, and BANs?**



States and other municipalities issue TANs and TRANs or other similar short-term notes to address the timing mismatch between the receipt of taxes or other revenues and ongoing expenditures. TANs and TRANs are generally backed by and rated based on the anticipated receipt of tax and other revenues over the course of a fiscal year or longer, in amounts sufficient to pay off the notes by maturity.

BANs are issued in anticipation of future bond issuance and are typically not secured by a pledged revenue stream, but are rated based on the long-term credit rating of the issuer and its assumed future market access for refinancing (either as new BANs or long-term bonds).

### **C3. What can the proceeds of the Eligible Notes be used for?**

An Eligible Issuer may use the proceeds of the Eligible Notes purchased by the SPV for the following purposes: (1) to help manage the cash flow effects of income tax deferrals resulting from an extension of an income tax filing deadline; deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and requirements for the payment of principal and interest on obligations of the Eligible Issuer or its political subdivisions or other governmental entities; (2) to purchase similar notes issued by, or otherwise to assist, its political subdivisions and other governmental entities for the purposes enumerated in clause (1); and (3) to fund the costs of issuing the Eligible Notes and paying the SPV issuance fee.

### **C4. What form of note security will be required?**

Note security will be subject to review and approval by the Federal Reserve. The source of repayment and security for Eligible Notes will depend on the applicable constitutional and statutory provisions governing the Eligible Issuer and should be generally consistent with the source of repayment and strongest security typically pledged to repay publicly offered obligations of the Eligible Issuer. Eligible Notes of Eligible Issuers that are not Multi-State Entities will generally be expected to represent general obligations of the Eligible Issuer, or be backed by tax or other specified governmental revenues of the applicable State, City, or County. If the Eligible Issuer is an authority, agency, or other entity of a State, City, or County, such Eligible Issuer must either commit the credit of, or pledge revenues of, the State, City, or County, or have the State, City, or County guarantee the Eligible Notes issued by such issuer. If the Eligible Issuer is a Multi-State Entity, the Eligible Notes will be expected to be parity obligations of existing debt secured by a senior lien on the Multi-State Entity's gross or net revenues.

### **C5. Will the Eligible Notes or the Eligible Issuer be required to be rated?**

Yes, an Eligible Issuer must meet certain ratings requirements regardless of the method of sale. An Eligible Issuer that is a State, City, or County must have an issuer credit rating or a general obligation rating of at least BBB-/Baa3 as of April 8, 2020, by two or more major NRSROs. Any such Eligible Issuers that were rated at least BBB-/Baa3 as of April 8, 2020, but are subsequently downgraded, must be rated at least BB-/Ba3 by two or more major NRSROs at the time the SPV makes a purchase. An Eligible Issuer that is a Multi-State Entity must have been

rated at least A-/A3 as of April 8, 2020, by two or more major NRSROs. A Multi-State Entity that was rated at least A-/A3 as of April 8, 2020, but is subsequently downgraded, must be rated at least BBB-/Baa3 by two or more major NRSROs at the time the SPV makes a purchase. Notwithstanding the foregoing, if a State, City, County, or Multi-State Entity was rated by only one major NRSRO as of April 8, 2020, it may be an Eligible Issuer under the Facility if (i) the rating was at least BBB-/Baa3 (for a State, City, or County) or A-/A3 (for a Multi-State Entity); (ii) the State, City, County, or Multi-State Entity is rated by at least two major NRSROs at the time the Facility makes a purchase; and (iii) such ratings are at least BB-/Ba3 (for a State, City, or County) or BBB-/Baa3 (for a Multi-State Entity).

Regardless of the method of sale, the Eligible Issuer (or the entity issuing Eligible Notes on its behalf) must provide a confirmation at the time of pricing of all of the existing long-term ratings on the applicable credit to be used for the Eligible Notes.

Consistent with municipal market practices and requirements, if an Eligible Issuer intends to first offer the Eligible Notes through a competitive sale process, the Eligible Issuer must obtain ratings for the Eligible Notes. The Federal Reserve will not require ratings on Eligible Notes that are sold to the SPV without first conducting a competitive sale process.

#### **C6. From which NRSROs will ratings be accepted?**

For purposes of the MLF, “major NRSRO” means S&P Global Ratings, Moody’s Investor Service, Inc., Fitch Ratings, Inc., and Kroll Bond Rating Agency, Inc.

#### **C7. How will the Federal Reserve determine pricing under the MLF?**

Under Section 13(3) of the Federal Reserve Act and the Board’s Regulation A, the interest rate on the Eligible Notes must be a penalty rate, meaning a rate that is a premium to the market rate in normal circumstances, affords liquidity in unusual and exigent circumstances, and encourages repayment of the Eligible Notes and discourages use of the Facility as the unusual and exigent circumstances that motivated the program recede and economic conditions normalize.

The SPV will purchase Eligible Notes with a fixed interest rate that is determined on the pricing date of the Eligible Notes. The method of sale selected by an Eligible Issuer will not affect the determination of the interest rate. The Federal Reserve’s pricing methodology will be publicly available and applicable to all Eligible Issuers. The pricing methodology will be based on the overnight indexed swap (OIS) rate for a comparable maturity plus a fixed spread that corresponds with the ratings of the Eligible Notes and their relevant tax status. The ratings considered in pricing the Eligible Notes will be all of the Eligible Issuer’s long-term ratings from major NRSROs for the specific credit of the Eligible Notes at the time of pricing of the Eligible Notes. If the credit has different ratings (i.e. “split ratings”), the applicable spread will be determined by calculating an average of all of the confirmed ratings. If interest on the Eligible Notes is not excluded from gross income for federal income tax purposes, the pricing of the Eligible Notes will be calculated using the methodology for taxable notes. If the SPV purchases multiple Eligible Notes from the same Eligible Issuer over the term of the MLF, pricing will be

determined based on the ratings as confirmed by the applicable major NRSROs on the pricing date of each Eligible Note.

See Appendix B for the MLF pricing grid and methodology. This pricing grid and methodology are subject to revision should market conditions change materially. Any such revisions will be made available on the FRBNY's website for the MLF.

#### **C8. What is OIS?**

An overnight indexed swap (OIS) is an interest rate derivative contract in which parties exchange a payment priced at a fixed rate against a payment priced at an average overnight published reference rate, such as the effective federal funds rate. The MLF will use the fixed OIS rate based on the effective federal funds rate for the maturity that corresponds to the maturity of the Eligible Notes.

OIS rate quotes are widely available from bond market service providers and vendors. Additional information regarding OIS is available at <https://www.cftc.gov/MarketReports/SwapsReports/DataDictionary/index.htm>.

#### **C9. May Eligible Notes have a maturity for which no direct OIS quote is available?**

Yes. Eligible Issuers may select any maturity up to 36 months. If an Eligible Issuer selects a maturity for which no direct OIS quote is available, the OIS rate for the Eligible Notes will be calculated using a straight line interpolation of the direct OIS quotes for the nearest maturity that is shorter than the Eligible Notes and the nearest maturity that is longer than the Eligible Notes. The calculation will be conducted by the SPV on the pricing date of the Eligible Notes.

#### **C10. How will the Eligible Notes be priced if the credit for the Eligible Notes has split ratings?**

To account for split ratings across different credit rating agencies, an average rating will be calculated by assigning a numerical value to each outstanding rating of the credit for the Eligible Notes from a major NRSRO and rounding the average of such numerical values to the nearest numerical value that corresponds to a rating. If an average rating is equidistant between the numerical value corresponding to one rating and the numerical value corresponding to another rating, then the Eligible Issuer will be treated as having the lower rating. However, if a credit has only two ratings from major NRSROs and one of the ratings is two or more gradations higher than the other rating, then the Eligible Issuer will have the option to either (1) obtain a third rating from a major NRSRO and price the Eligible Notes based on the average of its three ratings or (2) price the Eligible Notes based solely on the lower of the two existing ratings.

See below for the numerical values that will be assigned to ratings and a hypothetical example.

#### **Rating Mapping Table**

Rating:	
	Aaa AAA

<b>Value:</b>		<b>0</b>	<b>0</b>			
<b>Rating:</b>		Aa1	AA+	Aa2	AA	Aa3 AA-
<b>Value:</b>		<b>0.66</b>	<b>0.66</b>	<b>1</b>	<b>1</b>	<b>1.33 1.33</b>
<b>Rating:</b>		A1	A+	A2	A	A3 A-
<b>Value:</b>		<b>1.66</b>	<b>1.66</b>	<b>2</b>	<b>2</b>	<b>2.33 2.33</b>
<b>Rating:</b>		Baa1	BBB+	Baa2	BBB	Baa3 BBB-
<b>Value:</b>		<b>2.66</b>	<b>2.66</b>	<b>3</b>	<b>3</b>	<b>3.33 3.33</b>
<b>Rating:</b>		Ba1	BB+	Ba2	BB	Ba3 BB-
<b>Value:</b>		<b>3.66</b>	<b>3.66</b>	<b>4</b>	<b>4</b>	<b>4.33 4.33</b>

### Hypothetical Example

Ratings of Security for Eligible Notes	Numerical Value
A1	1.66
A+	1.66
A	2

Average Numerical Value	1.77
Average Rating	A+/A1

### C11. When will interest on the Eligible Notes be due?

Interest on Eligible Notes may be paid at such times as are consistent with applicable constitutional and statutory requirements, provided that all interest will be due no later than the maturity date of the Eligible Notes.

### C12. Will interest on the Eligible Notes be required to be exempt from federal or applicable local income taxes and accompanied by a tax opinion thereto?

No. The Eligible Issuer may issue taxable or tax-exempt Eligible Notes.

### C13. Is there a prepayment right on the Eligible Notes?

With the approval of the SPV, Eligible Notes purchased by the SPV may be prepaid by the Eligible Issuer at any time, in whole or in part, at par (or, in the case of Eligible Notes purchased at a premium, par plus unamortized premium) plus accrued interest, prior to maturity.

### C14. May Eligible Notes be refinanced through the Facility after December 31, 2020?

No. The Facility will no longer extend credit after its termination date, including by refinancing any maturing Eligible Notes.

**C15. May investors sell outstanding TANs, TRANs, and BANs to the SPV?**

No. The SPV will only purchase newly issued TANs, TRANs, BANs or other similar newly issued notes of Eligible Issuers. The SPV will not purchase notes in the secondary market.

**C16. Will Eligible Notes be required to have CUSIPs?**

Yes, CUSIPs will be required regardless of the method of sale. The Eligible Issuer or its financial advisor should obtain the CUSIPs. The Federal Reserve will not obtain CUSIPs.

**C17. Will Eligible Notes be required to be DTC-eligible?**

Yes. Closing will occur through DTC.

**D. Disclosure**

**D1. Will the Federal Reserve require disclosure from Eligible Issuers?**

Consistent with municipal market practices and requirements, Eligible Issuers offering Eligible Notes in a competitive sale process should anticipate providing the same level of disclosure normally prepared in connection with a public offering of notes.

If the Eligible Issuer is not conducting a competitive sale process and is, therefore, not preparing a disclosure document for public sale, then the Federal Reserve will review the financial information and operating data provided by the Eligible Issuer on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (EMMA) and on the Eligible Issuer's website. Eligible Issuers will be required to provide a direct link to the financial information on their websites and EMMA. For Eligible Notes that are TRANs, TANs, or other similar notes to be repaid from revenues of the Eligible Issuer, Eligible Issuers will also be required to provide cashflow statements (prior year actuals and 12-month projections). The Eligible Issuer also must explain statutorily required or policy-determined "set asides" from taxes and revenue for repayment of TRANs, TANs, and other similar notes. If set-asides are not required, the Issuer must provide a plan for the repayment of the notes. For Eligible Notes that are BANs, the Eligible Issuer must provide its authorization to issue bonds to pay off the BANs and explain why it expects to be able to issue such bonds on or before the maturity of the BANs. Each Eligible Issuer will also be required to provide copies of written materials containing financial information and operating data that have been provided to the rating agencies in connection with the process to obtain confirmation of the Eligible Issuer's ratings. The Federal Reserve may also require that certain other additional publicly available information be provided to it.

**D2. Will the Federal Reserve require Eligible Issuers to provide continuing disclosure as otherwise required by the Securities and Exchange Commission's Rule 15c2-12?**

Yes. Each Eligible Issuer will be required to provide the continuing disclosure described in Rule 15c2-12 regardless of the method of sale and whether or not the sale of the Eligible Notes would otherwise be subject to Rule 15c2-12. The following requirements also will apply to all transactions in which the SPV purchases Eligible Notes:

A. On the Eligible Issuer's website, it must provide a report (1) of quarterly cash flows, which will show actual and projected results, and (2) on the funding of planned set-asides, with an explanation of any negative variances.

B. On the Eligible Issuer's website, it must provide access to quarterly financial reports and/or information in a format regularly provided to any governing body or otherwise made public.

C. The Eligible Issuer will provide to the Federal Reserve, at 6 months prior to maturity and at 3 months prior to maturity, a written report explaining how it will repay the Eligible Notes at maturity. For BANs, such a report will identify any material credit or other matters relating to issuing the bonds expected to take out any BANs.

D. The Federal Reserve may request, and will have the right to receive, other information relating to the ability of the Eligible Issuer to repay the Eligible Notes when payments become due. The Federal Reserve reserves the right to make public any and all information that it receives pursuant to its rights described herein, including to Congress or otherwise.

## **E. Method of Sale and Process**

### **E1. How will the MLF purchase Eligible Notes?**

The MLF will purchase, through an SPV, Eligible Notes from Eligible Issuers. An Eligible Issuer may conduct a competitive sale process, and the SPV will provide a commitment to purchase Eligible Notes that are not awarded to bidders in the competitive sale. Alternatively, an Eligible Issuer may sell the Eligible Notes directly to the SPV without the Eligible Issuer first undertaking a competitive sale process. Each Eligible Issuer will specify its preferred method in the MLF Notice of Interest.

### **E2. How will the MLF purchase notes from an Eligible Issuer that cannot legally enter into a direct purchase transaction with the SPV, even after a competitive sale process?**

The SPV generally will not submit a bid in a competitive sale process, but instead will serve as a backstop and agree to purchase Eligible Notes that are not awarded to other bidders. The SPV will arrange to submit a bid in a competitive sale process only in cases where an Eligible Issuer (i) is required by law to sell Eligible Notes through a competitive sale process and (ii) does not have the authority to sell Eligible Notes directly to the SPV, even following a competitive sale process in which fewer than all of the Eligible Notes are sold.

### **E3. Does the Federal Reserve prefer one type of sale over the other?**

No. The Eligible Issuer may choose between a competitive sale process, with the SPV providing a commitment to purchase Eligible Notes that are not awarded to bidders in the competitive sale process, or a direct sale to the SPV without first undertaking a competitive sale process. A competitive sale process may be a traditional “all or none” process whereby one bidder is awarded the entire amount of the offered securities or a “modified Dutch auction” whereby multiple bidders may bid for and be awarded portions of the total par amount of securities offered. As the SPV commences operation and completes purchases, the Federal Reserve reserves the right to indicate a preference or require one type of sale in the future.

### **E4. What are the steps to participate in the MLF?**

Interested issuers will be required to complete a Notice of Interest (NOI) on a form that will be made available on the FRBNY’s website for the MLF. The NOI is designed to provide the Federal Reserve with an indication of the Eligible Issuers that intend to sell Eligible Notes. The Eligible Issuer will be notified when the NOI package has been approved and may then move forward at the appropriate time with documentation of the transaction.

Prior to the mailing of a Preliminary Offering Statement (POS) in a competitive transaction and prior to pricing of any transaction, the Eligible Issuer must submit an Application. Upon approval of the Application, the SPV will commit to purchasing Eligible Notes and pricing may proceed. Eligible Issuers should expect that closing conditions and schedules will be substantially consistent with the conditions and schedules typical for such Eligible Issuer’s securities. Application forms are being developed and will be posted on the MLF website when available.

### **E5. When should an Eligible Issuer submit an NOI?**

The MLF is not a “first come, first served” program. An Eligible Issuer should not submit an NOI until it has determined its financial needs and schedule. Each Eligible Issuer has been allocated a certain maximum amount of available MLF Funds (see [Appendix A](#)). There is no preference given to early filers.

### **E6. Will Eligible Issuers be limited to one issuance of Eligible Notes to the SPV?**

No. An Eligible Issuer may sell Eligible Notes in one or more issuances to the SPV up to, in the aggregate, the Eligible Issuer’s allocated amount. The Eligible Issuer should submit a separate NOI for each requested issuance of Eligible Notes at such time as it has determined its financial needs and schedule for such portion of its allocated amount. Eligible Issuers should not use the MLF as a line of credit by conducting frequent, small issuances. The Federal Reserve may establish a maximum number of issuances per issuer or a minimum par amount per issuance.

### **E7. Will the Federal Reserve provide forms for Eligible Notes and sale documents, or will Eligible Issuers be expected to provide their own documentation?**

Each Eligible Issuer should expect to use its standard form of note and the documentation that it typically uses when selling its securities. Each Eligible Issuer will also be required to submit evidence of compliance with the MLF program requirements. Following approval of the Eligible Issuer's application, the Federal Reserve will provide a purchase commitment to memorialize the terms of the transaction and the conditions to funding. The SPV and the Federal Reserve will not execute closing or other certificates relating to the transaction.

## **E8. When will application materials be available?**

Application materials are being assembled. Details regarding application materials and the date on which the Federal Reserve will commence accepting applications will be posted on this FAQ page when available.

## **F. Other Terms**

### **F1. How much of an Eligible Issuer's Eligible Notes may the MLF SPV purchase?**

For a State, City, or County, the SPV may purchase Eligible Notes in one or more issuances of up to an aggregate amount of 20% of the general revenue from own sources and utility revenue of the Eligible Issuer (or its associated State, City, or County if the Eligible Issuer is an authority, agency or other associated entity) for fiscal year 2017. The maximum aggregate amount may be used for the benefit of both the Eligible Issuer and its respective political subdivisions and other governmental entities. The SPV may purchase Eligible Notes issued by or on behalf of a Multi-State Entity in one or more issuances of up to an aggregate amount of 20% of the Multi-State Entity's gross revenue as reported in its audited financial statements for fiscal year 2019. An Eligible Issuer (other than a Multi-State Entity) may request that the SPV purchase Eligible Notes in excess of the limit in order to assist its political subdivisions and other governmental entities that are not eligible for direct issuance to the Facility. If necessary, the Federal Reserve will establish procedures for requesting and allocating additional Eligible Note purchase amounts.

### **F2. What is an Eligible Issuer's "general revenue from own sources and utility revenue"?**

An Eligible Issuer's "general revenue from own sources and utility revenue," which is used to calculate issuance limits for the Facility, is calculated using the most recent available data for all States, Cities, and Counties from the U.S. Census Bureau, the "[2017 State & Local Government Finance Historical Datasets and Tables](#)." The Board's calculation of the general revenue from own sources and utility revenue for each eligible State, City, and County is provided in [Appendix A](#), along with the Board's methodology for its calculations. In the case of an Eligible Issuer that is an authority, agency or other entity of a State, City, or County, the applicable "general revenue from own sources and utility revenue" shall be that of the State, City, or County that formed the Eligible Issuer. The list in [Appendix A](#) may be revised if changes are made to the MLF. Please check this website for any revisions and sign up for email alerts.

### **F3. Is there a fee associated with the Facility?**



Yes, each Eligible Issuer must pay an origination fee equal to 10 basis points of the principal amount of the Eligible Issuer's Eligible Notes purchased by the SPV. The origination fee may be paid from the proceeds of the issuance.

**F4. Will the Federal Reserve disclose information regarding transactions entered into by the MLF?**

The Federal Reserve will publicly disclose information on a monthly basis regarding the MLF during the operation of the Facility, including information regarding names of participants, amounts borrowed and interest rates charged, and overall costs, revenues and other fees. Balance sheet items related to the SPV and MLF will be reported weekly, on an aggregated basis, on the H.4.1 statistical release titled "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks," published by the Federal Reserve. In addition, the Federal Reserve will disclose to Congress information pursuant to Section 13(3) of the Federal Reserve Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Board's Regulation A.

**F5. What legal opinions and certifications will be required?**

Eligible Issuers will be required to deliver standard legal opinions for the issuance of debt, including, but not limited to, an opinion of nationally recognized note counsel as to the validity, enforceability, and binding nature of the notes. Each Eligible Issuer must also provide a written certification that it is unable to secure adequate credit accommodations from other banking institutions and that it is not insolvent. Further information on required legal opinions and certificates will be determined and publicly announced prior to commencement of the MLF.

**F6. For the purposes of participating in the MLF, what does it mean for an Eligible Issuer to certify that it is unable to secure adequate credit accommodations?**

The Federal Reserve must obtain evidence that participants in the MLF are unable to secure adequate credit accommodations from other banking institutions. In certifying whether the issuer is unable to secure adequate credit accommodations from other banking institutions, issuers may consider economic or market conditions in the market intended to be addressed by the MLF as compared to normal conditions, including the availability and price of credit. Lack of adequate credit does not mean that no credit is available. Lending may be available, but at prices or on conditions that are inconsistent with a normal, well-functioning market.

Federal Reserve Municipal Facility Limit per State			
Municipal Type	Muni Issuer	OSGUR (\$ Billion)	Max Eligible Notes (\$ Million)
State	California	196.6	39,326.8
State	New York	109.5	21,907.9
State	Texas	83.5	16,703.6
State	Florida	58.3	11,659.9
State	Pennsylvania	54.7	10,932.2
State	Illinois	48.4	9,676.7
State	New Jersey	46.2	9,249.2
State	Ohio	44.5	8,895.3
State	Michigan	42.7	8,534.2
State	Massachusetts	39.3	7,859.0
State	Virginia	36.5	7,306.9
State	North Carolina	36.5	7,291.3
State	Washington	33.1	6,625.1
State	Minnesota	30.6	6,115.0
State	Georgia	28.7	5,748.3
State	Maryland	28.4	5,670.0
State	Wisconsin	26.0	5,195.3
State	Indiana	24.0	4,806.9
State	Arizona	21.0	4,197.4
State	Connecticut	20.7	4,131.2
State	Oregon	20.3	4,057.7
State	Colorado	19.4	3,886.1
State	South Carolina	18.8	3,758.1
State	Missouri	18.2	3,646.6
State	Tennessee	18.1	3,624.2
State	Iowa	17.7	3,538.9
State	Kentucky	17.0	3,395.7
State	Alabama	16.8	3,364.4
State	Louisiana	14.9	2,985.3
State	Oklahoma	14.4	2,874.7
State	Kansas	13.5	2,705.0
State	Utah	13.4	2,677.4
State	Arkansas	13.2	2,637.1
State	Mississippi	10.8	2,157.8
State	Hawaii	10.7	2,132.8
State	Nevada	10.1	2,016.8
State	New Mexico	9.5	1,897.8
State	West Virginia	7.7	1,547.7
State	Nebraska	6.9	1,374.9
State	Delaware	6.0	1,206.3
State	Idaho	5.9	1,178.9
State	Maine	5.6	1,113.7
State	Rhode Island	5.2	1,043.9
State	Alaska	5.1	1,015.3
State	North Dakota	4.7	946.3
State	New Hampshire	4.4	872.2
State	Vermont	4.1	819.9
State	Montana	3.6	717.7
State	Wyoming	3.0	592.2
State	South Dakota	2.7	547.9
State	Washington DC	9.2	1,836.4

Source: [U.S. Census Bureau, 2017 State & Local Government Historical Datasets and Tables, as of April 6, 2020](#)

**Calculations:** Own Source General and Utility Revenue (OSGUR) for each state is calculated by adding the State's "General Revenue from Own Sources" (Line 7) and its "Utility Revenue" (Line 43) from the source above.

		Federal Reserve Municipal Facility Limit per City			
Municipal Type	Muni Issuer	Population	OSGUR (\$ Billion)	Max Eligible Notes (\$ Million)	
City	New York City, New York	8,398,748	74.9	14,989.0	
City	Los Angeles City, California	3,990,456	14.2	2,849.0	
City	Chicago City, Illinois	2,705,994	7.3	1,462.1	
City	Houston City, Texas	2,325,502	4.8	958.1	
City	Phoenix City, Arizona	1,660,272	2.8	562.6	
City	Philadelphia City, Pennsylvania	1,584,138	5.8	1,156.9	
City	San Antonio City, Texas	1,532,233	4.7	943.4	
City	San Diego City, California	1,425,976	3.3	667.2	
City	Dallas City, Texas	1,345,047	3.4	670.9	
City	San Jose City, California	1,030,119	2.2	443.1	
City	Austin City, Texas	964,254	3.5	705.6	
City	Jacksonville City, Florida	903,889	3.2	649.6	
City	Fort Worth City, Texas	895,008	1.4	287.5	
City	Columbus City, Ohio	892,533	1.7	346.2	
City	San Francisco City, California	883,305	7.7	1,545.6	
City	Charlotte City, North Carolina	872,498	1.8	357.4	
City	Indianapolis City, Indiana	867,125	2.6	523.5	
City	Seattle City, Washington	744,955	3.7	734.1	
City	Denver City, Colorado	716,492	3.4	679.2	
City	Boston City, Massachusetts	694,583	3.0	601.2	
City	El Paso City, Texas	682,669	0.9	186.3	
City	Detroit City, Michigan	672,662	1.4	283.0	
City	Nashville-Davidson County Metropolitan Government, Tennessee	669,053	3.4	675.9	
City	Portland City, Oregon	653,115	1.7	341.5	
City	Memphis City, Tennessee	650,618	2.5	497.3	
City	Oklahoma City City, Oklahoma	649,021	1.2	246.5	
City	Las Vegas City, Nevada	644,644	0.5	90.4	
City	Louisville-Jefferson County Metro Government, Kentucky	620,118	1.1	225.1	
City	Baltimore City, Maryland	602,495	2.2	431.4	
City	Milwaukee City, Wisconsin	592,025	0.6	128.4	
City	Albuquerque City, New Mexico	560,218	0.9	172.6	
City	Tucson city, Arizona	545,975	0.7	138.9	
City	Fresno City, California	530,093	0.7	145.7	
City	Mesa City, Arizona	508,958	0.7	130.5	
City	Sacramento City, California	508,529	1.1	214.5	
City	Atlanta City, Georgia	498,044	1.8	366.4	
City	Kansas City City, Missouri	491,918	1.7	336.4	
City	Miami City, Florida	470,914	0.8	151.2	
City	Colorado Springs City, Colorado	472,688	1.3	251.2	
City	Raleigh City, North Carolina	469,298	0.7	145.3	
City	Omaha City, Nebraska	468,262	0.6	129.5	
City	Long Beach City, California	467,354	1.5	292.7	
City	Virginia Beach City, Virginia	450,189	1.3	256.3	
City	Oakland City, California	429,082	1.5	300.3	
City	Minneapolis City, Minnesota	425,403	1.1	214.5	
City	Tulsa City, Oklahoma	400,669	0.9	175.3	
City	Arlington City, Texas	398,112	0.6	110.2	
City	Tampa City, Florida	392,890	0.7	142.2	
City	New Orleans City, Louisiana	391,006	1.2	242.5	
City	Wichita City, Kansas	389,255	0.5	108.5	
City	Cleveland City, Ohio	383,793	1.3	256.5	
City	Bakersfield City, California	383,579	0.4	71.3	
City	Aurora City, Colorado	374,114	0.6	114.9	
City	Anaheim City, California	352,005	1.1	229.5	
City	Honolulu City, Hawaii	347,397	2.8	550.5	
City	Santa Ana City, California	332,725	0.4	72.0	
City	Riverside City, California	330,063	0.8	166.8	
City	Corpus Christi City, Texas	326,554	0.6	116.4	
City	Lexington-Fayette Urban County Government, Kentucky	323,780	0.6	121.4	
City	Stockton City, California	311,178	0.4	81.2	
City	Henderson City, Nevada	310,390	0.3	65.0	
City	St. Paul City, Minnesota	307,695	0.5	104.2	
City	St. Louis City, Missouri	302,838	0.9	172.6	
City	Cincinnati City, Ohio	302,605	0.9	179.8	
City	Pittsburgh City, Pennsylvania	301,048	0.5	102.6	
City	Greensboro City, North Carolina	294,722	0.4	78.7	
City	Anchorage Municipality, Alaska	291,538	1.0	208.9	
City	Plano City, Texas	288,061	0.5	103.1	
City	Lincoln City, Nebraska	287,401	0.3	67.6	

**Federal Reserve Municipal Facility Limit per City (Continued)**

<b>Municipal Type</b>	<b>Muni Issuer</b>	<b>Population</b>	<b>OSGUR (\$ Billion)</b>	<b>Max Eligible Notes (\$ Million)</b>
City	Orlando City, Florida	285,713	0.6	123.9
City	Irvine City, California	282,572	0.3	59.2
City	Newark City, New Jersey	282,090	0.5	107.8
City	Toledo City, Ohio	274,975	0.5	91.6
City	Durham City, North Carolina	274,291	0.4	74.4
City	Chula Vista City, California	271,651	0.5	94.2
City	Fort Wayne City, Indiana	267,633	0.2	47.8
City	Jersey City City, New Jersey	265,549	0.7	137.0
City	St. Petersburg City, Florida	265,098	0.4	80.3
City	Laredo City, Texas	261,639	0.4	85.1
City	Madison City, Wisconsin	258,054	0.4	84.2
City	Chandler City, Arizona	257,165	0.3	65.8
City	Buffalo City, New York	256,304	0.3	52.7
City	Lubbock City, Texas	255,885	0.6	120.4
City	Scottsdale City, Arizona	255,310	0.5	98.2
City	Reno City, Nevada	250,998	0.3	60.4
City	Glendale City, Arizona	250,702	0.3	68.5

Source: [U.S. Census Bureau, 2017 State & Local Government Historical Datasets and Tables, as of April 6, 2020](#)

Source: [U.S. Census Bureau, Annual Estimates of the Resident Population: April 1 2010 to July 1, 2018, as of April 6, 2020](#)

**Calculations:** Own Source General and Utility Revenue (OSGUR) for each City and County is calculated using the "2017FinEstDAT\_02202020modp\_pu.txt" and "Fin\_GID\_2017.txt" data files, both included in the 2017 State & Local Government Finance Historical Datasets and Tables Public Use Files, as of April 6, 2020, and the 2017 U.S. Census Bureau key of item codes, government codes, and state codes, also available in the Public Use Files. Using these files together, each City's and County's OSGUR is calculated by adding all of the following code amounts listed below (in thousands of dollars).

**Own-Source General Revenue Items:** A01, A03, A09, A10, A12, A16, A18, A21, A36, A44, A45, A50, A56, A59, A60, A61, A80, A81, A87, A89, T01, T09, T10, T11, T12, T13, T14, T15, T16, T19, T20, T21, T22, T23, T24, T25, T27, T28, T29, T40, T41, T50, T51, T53, T99, U01, U11, U20, U21, U30, U40, U41, U50, U95, U99.

**Utility Revenue Items:** A91, A92, A93, A94.

**Federal Reserve Municipal Facility Limit per County**

<b>Municipal Type</b>	<b>Muni Issuer</b>	<b>Population</b>	<b>OSGUR (\$ Billion)</b>	<b>Max Eligible Notes (\$ Million)</b>
County	Los Angeles County, California	10,039,107	13.4	2,687.1
County	Cook County, Illinois	5,150,233	2.7	543.3
County	Harris County, Texas	4,713,325	4.5	897.2
County	Maricopa County, Arizona	4,485,414	1.0	204.8
County	San Diego County, California	3,338,330	1.8	365.4
County	Orange County, California	3,175,692	1.9	383.9
County	Miami-Dade County, Florida	2,716,940	7.2	1,448.4
County	Dallas County, Texas	2,635,516	2.6	520.1
County	Riverside County, California	2,470,546	2.2	437.2
County	King County, Washington	2,252,782	3.1	621.7
County	Clark County, Nevada	2,266,715	4.6	920.6
County	San Bernardino County, California	2,180,085	1.7	337.7
County	Tarrant County, Texas	2,102,515	1.4	286.7
County	Bexar County, Texas	2,003,554	1.8	363.0
County	Broward County, Florida	1,952,778	2.2	432.5
County	Santa Clara County, California	1,927,852	3.7	738.1
County	Wayne County, Michigan	1,749,343	0.8	156.0
County	Alameda County, California	1,671,329	2.3	456.6
County	Sacramento County, California	1,552,058	1.5	294.7
County	Palm Beach County, Florida	1,496,770	2.2	431.7
County	Suffolk County, New York	1,476,601	2.7	541.4
County	Hillsborough County, Florida	1,471,968	1.7	336.9
County	Orange County, Florida	1,393,452	1.8	366.8
County	Nassau County, New York	1,356,924	3.1	618.1
County	Franklin County, Ohio	1,316,756	1.0	195.4
County	Hennepin County, Minnesota	1,265,843	2.0	403.2
County	Oakland County, Michigan	1,257,584	0.5	105.7
County	Travis County, Texas	1,273,954	1.0	198.5
County	Cuyahoga County, Ohio	1,235,072	1.9	370.9
County	Allegheny County, Pennsylvania	1,216,045	0.6	118.4
County	Contra Costa County, California	1,153,526	2.5	496.4
County	Salt Lake County, Utah	1,160,437	0.8	153.3
County	Fairfax County, Virginia	1,147,532	4.7	948.3
County	Mecklenburg County, North Carolina	1,110,356	1.6	325.4
County	Wake County, North Carolina	1,111,761	1.3	258.6
County	Fulton County, Georgia	1,063,937	0.8	155.1
County	Montgomery County, Maryland	1,050,688	5.9	1,174.5
County	Pima County, Arizona	1,047,279	0.9	183.9
County	Collin County, Texas	1,034,730	0.3	54.4
County	St. Louis County, Missouri	994,205	0.7	133.7
County	Fresno County, California	999,101	0.5	97.6
County	Pinellas County, Florida	974,996	1.1	224.1
County	Westchester County, New York	967,506	3.2	638.8
County	Milwaukee County, Wisconsin	945,726	1.0	194.1
County	Fairfield County, Connecticut	943,332	0.0	0.0
County	Shelby County, Tennessee	937,166	1.7	336.8
County	Bergen County, New Jersey	932,202	0.9	179.6
County	Gwinnett County, Georgia	936,250	1.1	220.2
County	DuPage County, Illinois	922,921	0.3	65.5
County	Erie County, New York	918,702	2.0	395.7
County	Prince George's County, Maryland	909,327	2.4	478.3
County	Kern County, California	900,202	0.7	141.7
County	Pierce County, Washington	904,980	0.5	107.3
County	Macomb County, Michigan	873,972	0.5	93.3
County	Hidalgo County, Texas	868,707	0.3	54.4
County	Denton County, Texas	887,207	0.2	45.6
County	Ventura County, California	846,006	1.4	283.8
County	El Paso County, Texas	839,238	0.7	148.9
County	Baltimore County, Maryland	827,370	2.3	460.7
County	Montgomery County, Pennsylvania	830,915	0.3	66.0
County	Middlesex County, New Jersey	825,062	0.6	127.5
County	Hamilton County, Ohio	817,473	0.9	185.9
County	Snohomish County, Washington	822,083	0.5	90.5
County	Multnomah County, Oregon	812,855	0.6	120.2
County	Essex County, New Jersey	798,975	0.6	111.1
County	Oklahoma County, Oklahoma	797,434	0.1	20.6
County	Fort Bend County, Texas	811,688	0.4	79.6
County	San Mateo County, California	766,573	1.0	191.0
County	Jefferson County, Kentucky	766,757	0.6	120.4

**Federal Reserve Municipal Facility Limit per County (Continued)**

<b>Municipal Type</b>	<b>Muni Issuer</b>	<b>Population</b>	<b>OSGUR (\$ Billion)</b>	<b>Max Eligible Notes (\$ Million)</b>
County	Cobb County, Georgia	760,141	0.9	174.4
County	DeKalb County, Georgia	759,297	1.0	191.0
County	Lee County, Florida	770,577	1.0	192.7
County	San Joaquin County, California	762,148	0.8	165.5
County	Monroe County, New York	741,770	1.4	270.6
County	El Paso County, Colorado	720,403	0.2	41.0
County	Polk County, Florida	724,777	0.6	118.0
County	Norfolk County, Massachusetts	706,775	0.0	4.3
County	Jackson County, Missouri	703,011	0.2	45.3
County	Lake County, Illinois	696,535	0.4	73.8
County	Will County, Illinois	690,743	0.3	53.1
County	Davidson County, Tennessee	694,144	0.0	0.0
County	Bernalillo County, New Mexico	679,121	0.3	66.8
County	Hudson County, New Jersey	672,391	0.4	86.4
County	Jefferson County, Alabama	658,573	0.6	120.4
County	Kent County, Michigan	656,955	0.3	58.0
County	Arapahoe County, Colorado	656,590	0.2	48.2
County	Tulsa County, Oklahoma	651,552	0.3	56.5
County	Bucks County, Pennsylvania	628,270	0.3	53.5
County	Utah County, Utah	636,235	0.2	47.3
County	Monmouth County, New Jersey	618,795	0.4	89.8
County	Ocean County, New Jersey	607,186	0.4	86.0
County	Johnson County, Kansas	602,401	0.7	133.1
County	Washington County, Oregon	601,592	0.5	98.2
County	Brevard County, Florida	601,942	0.5	93.0
County	Montgomery County, Texas	607,391	0.3	58.9
County	Jefferson County, Colorado	582,881	0.3	69.6
County	Anne Arundel County, Maryland	579,234	1.8	354.6
County	Williamson County, Texas	590,551	0.3	55.1
County	Douglas County, Nebraska	571,327	0.3	56.3
County	Delaware County, Pennsylvania	566,747	0.3	55.9
County	New Castle County, Delaware	558,753	0.3	53.6
County	Union County, New Jersey	556,341	0.4	87.6
County	Ramsey County, Minnesota	550,321	0.4	85.8
County	Stanislaus County, California	550,660	0.4	75.8
County	Volusia County, Florida	553,284	0.4	87.7
County	Lancaster County, Pennsylvania	545,724	0.2	31.8
County	Dane County, Wisconsin	546,695	0.3	58.9
County	Summit County, Ohio	541,013	0.2	47.5
County	Pasco County, Florida	553,947	0.6	110.5
County	Kane County, Illinois	532,403	0.2	36.6
County	Guilford County, North Carolina	537,174	0.5	108.9
County	Montgomery County, Ohio	531,687	0.5	100.5
County	Chester County, Pennsylvania	524,989	0.2	46.8
County	Greenville County, South Carolina	523,542	0.2	46.8
County	Spokane County, Washington	522,798	0.3	52.7
County	Sedgwick County, Kansas	516,042	0.3	66.5
County	Adams County, Colorado	517,421	0.3	50.2
County	Camden County, New Jersey	506,471	0.4	81.8
County	Passaic County, New Jersey	501,826	0.4	77.7

Note: Although Kings County, NY and Queens County, NY both satisfy the county population threshold, they have no own source general and utility revenue, and therefore have a MLF issuance limit of zero.

Source: [U.S. Census Bureau, 2017 State & Local Government Historical Datasets and Tables, as of April 6, 2020](#)

Source: [U.S. Census Bureau, Annual Estimates of the Resident Population: April 1 2010 to July 1, 2019, as of April 6, 2020](#)

**Calculations:** Own Source General and Utility Revenue (OSGUR) for each City and County is calculated using the "2017FinEstDAT\_02202020modp\_pu.txt" and "Fin\_GID\_2017.txt" data files, both included in the 2017 State & Local Government Finance Historical Datasets and Tables Public Use Files, as of April 6, 2020, and the 2017 U.S. Census Bureau key of item codes, government codes, and state codes, also available in the Public Use Files. Using these files together, each City's and County's OSGUR is calculated by adding all of the following code amounts below (in thousands of dollars).

**Own-Source General Revenue Items:** A01, A03, A09, A10, A12, A16, A18, A21, A36, A44, A45, A50, A56, A59, A60, A61, A80, A81, A87, A89, T01, T09, T10, T11, T12, T13, T14, T15, T16, T19, T20, T21, T22, T23, T24, T25, T27, T28, T29, T40, T41, T50, T51, T53, T99, U01, U11, U20, U21, U30, U40, U41, U50, U95, U99.

**Utility Revenue Items:** A91, A92, A93, A94.

**Appendix B**  
**Municipal Liquidity Facility - Pricing Appendix**

**Tax-Exempt Eligible Notes:** If interest on the Eligible Notes is excluded from gross income for federal income tax purposes, pricing will be at a fixed interest rate based on a comparable maturity overnight index swap (“OIS”) rate plus the applicable spread based on the long-term rating of the security for the Eligible Notes as follows:

Rating*	Spread (bps)
AAA/Aaa	150
AA+/Aa1	170
AA/Aa2	175
AA-/Aa3	190
A+/A1	240
A/A2	250
A-/A3	265
BBB+/Baa1	325
BBB/Baa2	340
BBB-/Baa3	380
Below Investment Grade	590

\* To account for split ratings across different credit rating agencies, an average rating generally will be calculated.

**Taxable Eligible Notes:** If interest on the Eligible Notes is not excluded from gross income for federal income tax purposes, pricing will be at a fixed interest rate that is calculated by (i) first, adding the comparable maturity OIS rate to the spread in the above table that would apply to such Eligible Notes if the Eligible Notes were tax-exempt Eligible Notes, and (ii) second, dividing the sum calculated under clause (i) by 0.65.