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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

July 31, 2020

The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Secretary Mnuchin and Chairman Powell:

The Federal Reserve and Treasury Department recently announced that they would be extending various 13(3) emergency lending programs by three months, through December 31, 2020, in order to “facilitate planning by potential facility participants and provide certainty that the facilities will continue to be available to help the economy recover.” There are also still funds available under section 4003(b)(4) of the CARES Act intended for Federal Reserve 13(3) facilities and I encourage the Federal Reserve and Treasury Department to quickly expand the Main Street Lending Program by setting up an asset-based lending program and commercial real estate program.

- Establishing a facility to accommodate asset-based lending could open access to critical resources for several industries that could not otherwise access the MSLP based on earnings or cash flow metrics. Such asset-based lending would be predicated on pledged collateral.
- Addressing the unique circumstances faced by commercial real estate, including securitized commercial mortgages, whether through access in the MSLP or a separate facility. Several options have been circulated and should be carefully considered in crafting the appropriate terms.

The Federal Reserve and Treasury have taken important steps to support the broader economy and I look forward to working with you both to continue to expand the Main Street Lending Program.

Sincerely,



Mike Crapo
Chairman