

## CHAPTER 31

# Term Asset-Backed Securities Loan Facility

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### § 31.01 Introduction

In March 2020, an outbreak of the Coronavirus Disease 2019 (“COVID-19”) spread to the United States. COVID-19 was declared to be a public health emergency of international concern by the World Health Organization, and the President of the United States made an emergency determination under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The COVID-19 pandemic has adversely impacted the global financial markets, including the U.S. capital markets. On March 23, 2020, the Federal Reserve announced the establishment of several economic measures, including the Term Asset-Backed Securities Loan Facility (the “TALF”), to help facilitate and “support the flow of credit to consumers and businesses.”<sup>1</sup>

The TALF program was first introduced on November 25, 2008, by the Federal Reserve Board in response to the global financial crisis and its effect upon the securitization market.<sup>2</sup> The TALF

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<sup>1</sup> Board of Governors of the Federal Reserve System, Press Release (March 23, 2020), available at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200323b.htm> (last visited Aug. 19, 2020); *see also* Board of Governors of the Federal Reserve System, Policy Tools: Term Asset-Backed Securities Loan Facility (July 28, 2020), available at <https://www.federalreserve.gov/monetarypolicy/talf.htm> (last visited Aug. 19, 2020) [hereinafter TALF].

<sup>2</sup> Board of Governors of the Federal Reserve System, Press Release (Nov. 25, 2008), available at <http://www.federalreserve.gov/newsevents/press/monetary/20081125a.htm>