



Insight

Timeline: The Federal Reserve Responds to the Threat of Coronavirus

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Executive Summary

- On Sunday, March 15, the Federal Reserve embarked on a large-scale program employing emergency powers in order to stabilize a tumultuous economy under pressure from the novel coronavirus COVID-19.
- Chief among these emergency actions are cutting interest rates effectively to zero and a \$700 billion round of quantitative easing.
- Despite these actions, stock prices on Monday took their steepest dive since 1987's Black Monday, and it remains to be seen whether enough liquidity has been injected into the market to prevent the financial system from widespread failures.

Most Recent Activity

July 28 – Fed Extends All Emergency Lending Programs Through 2020

The Fed extended all emergency lending programs that would otherwise have expired on September 30 through December 31, with the result that all nine programs will be in operation throughout 2020.