

Press Release

January 24, 2024

Federal Reserve Board announces the Bank Term Funding Program (BTFP) will cease making new loans as scheduled on March 11

For release at 7:00 p.m. EST

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The Federal Reserve Board on Wednesday announced that the Bank Term Funding Program (BTFP) will cease making new loans as scheduled on March 11. The program will continue to make loans until that time and is available as an additional source of liquidity for eligible institutions.

During a period of stress last spring, the Bank Term Funding Program helped assure the stability of the banking system and provide support for the economy. After March 11, banks and other depository institutions will continue to have ready access to the discount window to meet liquidity needs.

As the program ends, the interest rate applicable to new BTFP loans has been adjusted such that the rate on new loans extended from now through program expiration will be no lower than the interest rate on reserve balances in effect on the day the loan is made. This rate adjustment ensures that the BTFP continues to support the goals of the program in the current interest rate environment. This change is effective immediately. All other terms of the program are unchanged.

The BTFP was established under Section 13(3) of the Federal Reserve Act, with approval of the Treasury Secretary.

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