

**Congress of the United States**  
Washington, DC 20515

April 10, 2020

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

Dear Chairman Powell,

We write today to request that the Federal Reserve Board and the Federal Reserve Banks (collectively “the Fed”) consider opportunities to include minority-owned firms as partners as it implements the host of programs aimed at ensuring liquidity in markets, continued normal functioning of our financial markets, and access to capital. In particular, minority-owned broker-dealers and asset managers have the capability and capacity to support Fed programs, but it is our understanding that none have been approved or engaged by the Federal Reserve or the Federal Reserve Banks to do so, to date. In particular, we call on you to consider the following:

- 1. The Primary Market Corporate Credit Facility (PMCCF):** we recommend that the Fed establish guidance for corporations which utilize the PMCCF to utilize minority-owned broker-dealers as underwriters or eligible intermediaries and allocate 20% of the economics (fees) associated with any bond issuances to these firms.
- 2. The Secondary Market Corporate Credit Facility (SMCCF):** we recommend that minority-owned broker-dealers be included as Eligible Brokers. What’s more, we recommend that minority-owned broker-dealers receive 20% of the trading activity for the SMCCF and that minority-owned fixed income asset managers manage up to 20% of the SMCCF investment portfolio.
- 3. System Open Market Purchases (SOMA) - Agency Commercial Mortgage-Backed Securities (Agency CMBS):** on March 25, 2020, the NY Fed put in place and released on the NY Fed’s website an Investment Management Agreement with Blackrock to purchase and manage SOMA Agency CMBS. Eligible Brokers were listed in the agreement and only Primary Dealers were included. We recommend that minority-owned broker-dealers be added to the Eligible Brokers list. What’s more, we recommend that minority-owned broker-dealers receive 20% of the trading activity for the Agency CMBS portfolio and that minority-owned fixed income asset managers manage up to 20% of the Agency CMBS investment portfolio.
- 4. Term Asset-Backed Securities Loan Facility (TALF):** we recommend that eligible Borrowers which use TALF also utilize minority-owned broker-dealers as underwriters or eligible intermediaries and allocate 20% of the fees associated with any asset backed securities issuance to minority-owned firms.
- 5. Money Market Mutual Fund Liquidity Facility (MMLF):** we recommend that minority-owned broker-dealers be considered Eligible Borrowers for the program, and that Eligible Borrowers be allowed to purchase Eligible Collateral from minority-owned broker-dealers.

**6. Commercial Paper Funding Facility (CPFF):** we recommend that minority-owned broker-dealers be included as Eligible Intermediaries which can assist Eligible Issuers with selling commercial paper to the SPV. As well, we recommend that minority-owned fixed income asset managers manage up to 20% of the CPFF; currently, PIMCO is the only asset manager.

Diversity and inclusion are central to the economic resilience of the American economy, and this must be reflected in the manner in which the Administration implements stimulus activities, and in the firms with which the Fed conducts its market activities. Please respond by April 24, 2020 to confirm how you plan to incorporate these recommendations in the manner in which the Fed continues to use market intervention to sustain the economy and mitigate the negative impacts to the broader economy of the global pandemic.

Sincerely,

A handwritten signature in blue ink, reading "Gregory W. Meeks", written over a horizontal line.

Gregory W. Meeks  
Member of Congress

A handwritten signature in blue ink, reading "Emanuel Cleaver", written over a horizontal line.

Emanuel Cleaver  
Member of Congress

A handwritten signature in blue ink, reading "Joyce Beatty", written over a horizontal line.

Joyce Beatty  
Member of Congress