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## The Fed's long week

You would have thought the only major news concerning the Federal Reserve last week was the announcement from its policy-setting Federal Open Market Committee (FOMC) meeting. But the Fed came up again on Friday when Sen. Pat Toomey tried to add a measure to the potential fiscal stimulus bill in the last minutes of a potential breakthrough in negotiations. Toomey's proposal would require the Fed to get congressional approval for any special purpose vehicles policymakers could establish.

The measure was roundly criticized because, had it been in place last year, it likely would have slowed down—or even prevented—policymakers from acting quickly to create emergency-lending programs like the Money Market Mutual Fund Liquidity Facility (MMLF) and the Commercial Paper Funding Facility (CPFF) in March due to the coronavirus-caused shutdowns. These supported the broad liquidity market and greatly helped the economy. In the end, Toomey's proposal did not remain in the approximately \$900 billion stimulus bill, which passed Sunday.

The actual FOMC meeting was quieter. Officials didn't change the fed funds rate or the amount of asset purchases. But they did present a more positive economic outlook compared with its projections in September, seeing improvement in the unemployment rate and gross domestic product this year and in the next few.